

Document:	<u>EB 2008/94/R.26</u>
Agenda:	<u>12(a)</u>
Date:	<u>30 July 2008</u>
Distribution:	<u>Public</u>
Original:	<u>English</u>

E



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

Executive Board — Ninety-fourth Session
Rome, 10-11 September 2008

For: **Approval**

Note to Executive Board Directors

This document is submitted for approval by the Executive Board.

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

Shantanu Mathur

Grants Coordinator

telephone: +39 06 5459 2515

e-mail: s.mathur@ifad.org

Queries regarding the dispatch of documentation for this session should be addressed to:

Deirdre McGrenra

Governing Bodies Officer

telephone: +39 06 5459 2374

e-mail: d.mcgrenra@ifad.org

Contents

Abbreviations and acronyms	ii
Recommendation for approval	iii
Part I – Introduction	1
Part II – Recommendation	2

Annexes

I. Kenya Gatsby Trust (KGT): Rural Finance Knowledge Management Partnership – Phase II	3
II. Commission on Family Farming of the Common Market of the South (MERCOSUR): Institutional Consolidation of the Commission on Family Farming of the Common Market of the South (MERCOSUR)	8
III. United Nations Economic Commission for Africa (UNECA): Support for the Formulation and Implementation of Pan-African Land Policy Guidelines	13

Abbreviations and acronyms

AfDB	African Development Bank
AUC	African Union Commission
AWP/B	annual workplan and budget
CIDR	<i>Centre international de développement et de recherche</i>
CPMT	country programme management team
CSO	civil society organization
DFS	Decentralized Financial Services
GMC	Common Market Group
ILC	International Land Coalition
KGT	Kenya Gatsby Trust
KMP	Rural Finance Knowledge Management Partnership
PA	Western and Central Africa Division
PF	Eastern and Southern Africa Division
PN	Near East and North Africa Division
REC	Regional Economic Communities
TCU	technical coordination unit
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa

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 and organizations, as contained in paragraph 10.

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

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 and organizations in the amount of US\$3.13 million.

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: Kenya Gatsby Trust; Commission on Family Farming of the Common Market of the South; and the United Nations Economic Commission for Africa.
2. The documents on the grants for approval by the Executive Board are contained in the annexes to this report:
 - (i) Kenya Gatsby Trust (KGT): Rural Finance Knowledge Management Partnership – Phase II.
 - (ii) Commission on Family Farming of the Common Market of the South (MERCOSUR): Institutional Consolidation of the Commission on Family Farming of the Common Market of the South (MERCOSUR).
 - (iii) United Nations Economic Commission for Africa (UNECA): Support for the Formulation and Implementation of Pan-African Land Policy Guidelines
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, 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 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/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 sustainable utilization and conservation of such resources; (e) a policy framework at both the local and the national level 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 making 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 overall goal of the Rural Finance Knowledge Management Partnership – Phase II is to improve the standard of living of rural poor in the Eastern and Southern Africa region by increasing their access to appropriate and sustainable financial services. It will address IFAD's strategic objectives (c), (e), (f) and (g).
8. The MERCOSUR programme is fully in line with IFAD's main mandate and supports IFAD's Strategic Framework 2007-2010, specifically its objective to ensure that poor rural men and women have better and sustainable access to local and national policy and programming processes, in which they participate effectively. It will address strategic objectives (a), (c), (f) and (g).
9. The UNECA Support for the Formulation and Implementation of Pan-African Land Policy Guidelines programme cuts across all six of IFAD's strategic objectives. The grant will particularly contribute to the first strategic objective (equitable and sustainable access to natural resources) and the sixth (enhanced access of the poor to policy and programming processes). Strategic objectives (a), (c) and (g) will be specifically supported by this grant.

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 Rural Finance Knowledge Management Partnership – Phase II, shall make a grant not exceeding one million three hundred thousand United States dollars (US\$1,300,000) to the Kenya Gatsby Trust (KGT) 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 Institutional Consolidation of the Commission on Family Farming of the Common Market of the South (MERCOSUR), shall make a grant not exceeding one million and eighty thousand United States dollars (US\$1,080,000) to the Commission on Family Farming of MERCOSUR 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 Support for the Formulation and Implementation of Pan-African Land Policy Guidelines, shall make a grant not exceeding seven hundred and fifty thousand United States dollars (US\$750,000) to the United Nations Economic Commission for Africa (UNECA) for a two-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

Kenya Gatsby Trust (KGT): Rural Finance Knowledge Management Partnership – Phase II

I. Background

1. In early 2003, IFAD, the French NGO *Centre international de développement et de recherche* (CIDR) and the multidonor regional financial services initiative, MicroSave Africa (later replaced by Decentralized Financial Services [DFS] Project) came together to discuss their respective activities in rural finance development in Eastern and Southern Africa and to explore ways in which they might work more closely together in areas of common interest. Recognizing the high degree of complementarity between their activities and the scope for developing synergies among them, the idea of formalizing their potential cooperation was developed. The joint programme and its shared agenda became known as the Rural Finance Knowledge Management Partnership (KMP).
2. In December 2003, IFAD approved an NGO/Extended Cooperation Programme grant of US\$100,000 to Kenya Gatsby Trust (KGT), a Kenyan NGO specialized in the management of development projects, in support of KMP operations. The resources under the initial grant were completely used up by mid-2005 and, in June 2005, additional funding (through an "institutional contract") to the value of US\$60,000 was provided by IFAD to finance the partnership operation. In September 2005, IFAD approved a larger grant of US\$660,000, which provided funding for KMP for another two-year period and made it possible to implement activities on a wider scale. The KMP operations intended to be financed under this grant are currently ongoing, and the funds will have been fully exhausted by early-2008.
3. The KMP operations have focused on two highly interlinked objectives. First, activities have sought to strengthen IFAD's engagement in rural financial service delivery in Eastern and Southern Africa, through capacity building and knowledge management of IFAD-supported rural finance initiatives in the region. Second, KMP has established a joint action-research programme for members of the partnership, which aims at developing new and innovative ways to provide financial services to the rural poor. The practical methods and tools resulting from this research are expected to be introduced for wider use, especially through IFAD-supported rural finance initiatives and more widely by other parties interested in rural finance development in the region; and the newly designed, IFAD-financed "FIDAFRIQUE-IFADAFRICA Network" will play an important role in this regard.
4. After the start-up phase in 2004-2005, KMP activities became fully operational in 2006. The substantial progress made so far towards achieving the key objectives provides strong arguments for the partner organizations to further develop activities under the KMP umbrella. This grant proposal would provide for continuation, scaling up and development of a second phase of KMP under the partnership during the period 2008-2011.

II. Rationale and relevance to IFAD

5. While it is recognized that financial services are essential for enabling poor rural people to overcome poverty, only a small minority of rural people in sub-Saharan Africa currently has access to financial services. Limited levels of economic activity, low population densities in many rural areas, widespread illiteracy, scarcity of qualified personnel, and poor rural infrastructures all make the delivery of financial services both difficult and costly. At the same time innovative approaches to rural finance, applying new types of policies, practices and products, are emerging in various countries of the region. Thanks to these approaches, formal banks and microfinance institutions are reaching rural clients, albeit to a limited extent, in an economically viable manner that can provide a basis for their sustainable presence in rural

communities. Learning from these experiences and replicating them in other environments is a major challenge in the development of rural financial initiatives in Africa.

6. During its short implementation period, KMP has shown that it has a significant capacity to contribute to the performance of rural finance operations. Its operations in knowledge management, experience sharing, capacity building and support have proved to be effective tools in improving the performance of IFAD-supported rural finance initiatives in the region. Similarly, through their action-research operations, the KMP partners have, over the last three years, developed a set of models and practical tools that aim at widening the outreach of rural finance to the poorer, more marginal areas of Eastern and Southern Africa.
7. Building on the achievements and experiences of the past three years, therefore, the rationale for a second phase of KMP would be to contribute to rural development by intensifying and improving its services to IFAD-supported rural finance initiatives in the areas of knowledge management, experience sharing and capacity building. Furthermore, by moving operations to a focused dissemination phase, during the next three-years phase, KMP would aim at achieving the roll-out of the rural finance methods and tools so developed. The large IFAD rural finance portfolio would be fully made use of in this attempt to widen the frontiers of rural finance in Eastern and Southern Africa.
8. From IFAD's standpoint, the rationale for supporting a second phase of KMP derives from its strategic priorities. First, the IFAD Strategic Framework 2007-2010 makes it clear that enhancing the access of poor rural women and men to a broad range of financial services, and enabling them to develop the skills and organization they require to take advantage of such services, is one of the organization's key strategic objectives over the coming four years. Supporting a second phase of KMP is fully in line with such an objective. In Eastern and Southern Africa, a large share of IFAD's portfolio is in rural finance. In addition to rural finance components in various projects, large stand-alone rural finance programmes are now under planning or implementation in numerous countries. The services to be provided under the proposed second phase of KMP respond directly to the needs of these rural finance components and programmes, and especially their expected beneficiaries. At the same time, KMP's emphasis on innovation and on the expansion of the frontiers of rural finance respond directly to IFAD's current objective to reach people living in the marginal, often semi-arid and arid, areas of the region.
9. Second, enhanced knowledge management is an increasingly critical element of IFAD's efforts to reduce rural poverty, and its Strategy for Knowledge Management highlights the importance of knowledge sharing in and across developing countries. With its focus and proven skills in knowledge generation and knowledge sharing, KMP would represent a critical building block in IFAD's thematically-focused strategy for knowledge management in Eastern and Southern Africa, especially as the new FIDAFRIQUE-IFADAFRICA Network comes on stream.
10. The presence of two appropriate partners and cofinanciers strengthen the justification for the proposed second phase of KMP. The DFS develops simple rural finance tools and methods that can be operated in a profitable and sustainable manner in remote rural communities; and CIDR operations are a combination of action-research and direct piloting support to implement the rural approaches so developed in the partner financial institutions.

III. The proposed programme

11. The overall goal of KMP – Phase II is to improve the standard of living of rural poor in the Eastern and Southern Africa region through improving their access to appropriate and sustainable financial services.
12. The development objective of KMP – Phase II is to improve the delivery, outreach, appropriateness and sustainability of financial services for poor people in rural areas of the region.
13. The three-year programme will be structured around the following three main components:
 - (i) **Capacity support.** KMP – Phase II will continue to provide capacity support to IFAD-supported rural finance initiatives. This will include developing the capacity of the KMP office to provide information on ways of accessing technical consultancy services on a demand-driven basis.
 - (ii) **Knowledge management.** KMP – Phase II will further develop a knowledge management system to serve the needs of IFAD-supported rural finance initiatives, and other interested parties, and to transfer knowledge within and among these initiatives.
 - (iii) **Research and roll-out.** KMP – Phase II will draw on the results of action-research conducted during the first phase, and the action-research, practical tools and methods of its partner organizations (CIDR and DFS), to disseminate them through IFAD-supported rural finance initiatives to other interested parties in the region.

IV. Expected outputs and benefits

14. The expected outputs of KMP – Phase II will link the partnership to IFAD's strategic and operational objectives:
 - Improved performance and impact of IFAD-supported rural finance initiatives in Eastern and Southern Africa.
 - Improved understanding and sharing of knowledge, by IFAD and IFAD-supported rural finance initiatives in the region, of the key policy and operational challenges relative to the delivery of appropriate and sustainable financial services for poor rural people.
 - Improved documentation and increased roll-out of better and more innovative methods, tools and best practices to IFAD-supported rural finance initiatives and the broader development community.
15. The expected benefits of the second-phase operations will accrue to the client households that receive better and more appropriate financial services from institutions involved in IFAD-supported rural finance initiatives in Eastern and Southern Africa. These direct benefits may be significant, given IFAD's large rural finance portfolio in the region. The implementing financial institutions of these projects and programmes include many microfinance institutions, savings and credit cooperatives, micro banks and formal banks that have a large rural clientele throughout the entire region. With the knowledge-sharing and capacity-supporting services of KMP, it is expected that these institutions will be able to manage their operations in a more professional and efficient manner and to provide a growing number of rural clients with a wider range of appropriate rural finance services.

V. Implementation arrangements

16. **Programme oversight** will be provided by a steering committee comprising representatives of DFS, CIDR, KGT and IFAD. The committee will approve the annual workplan and budget (AWP/B) for KMP, review its past activities, expenditures and outputs, and provide guidance on future orientation.
17. **Programme management and implementation** will be the responsibility of KMP's rural finance specialist, who will also act as programme manager and be in charge of producing the AWP/B for KMP as a whole and of compiling the semi-annual and annual KMP activity reports and submitting them to IFAD and other members of the partnership. The implementation arm of the research and roll-out component will be a KMP working group, consisting of senior representatives of DFS and CIDR and the KMP rural finance specialist (RFS).
18. **Financial management and legal structure.** The grant recipient, KGT, will provide financial management services for the second phase of KMP, including preparation of financial accounts and overseeing an independent external audit. It will also provide a legal umbrella for KMP to operate in Kenya.
19. **IFAD annual review.** As previously, reviews on operations and progress under the second phase will be conducted on an annual basis by a senior IFAD rural finance consultant.

VI. Indicative programme costs and financing

20. Based on the definition of activities to be included in the three-year second phase of KMP, the total budget is approximately US\$1.4 million, of which IFAD's grant will finance US\$1.3 million. Total CIDR and DFS contributions to the budget are estimated at around US\$120,000, together with the rural finance methodologies and tools they have developed with their own funds over past years.

Summary of budget and financing plan

(In United States dollars)

<i>Type of expenditure</i>	<i>IFAD</i>
Technical assistance	271 746
Studies and workshops	236 813
Dissemination of support packages	253 725
Salaries	283 725
Office operating costs	149 429
Office equipment	19 700
KGT management fee	84 861
Total	1 300 000

Results-based logical framework

	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Goal	Improve the standard of living of rural poor in Eastern and Southern Africa through improved access to appropriate and sustainable financial services	<ul style="list-style-type: none"> Increased and more diversified access to financial services of rural poor in the programme areas of operation. 	<ul style="list-style-type: none"> Performance tracking through IFAD-supported rural finance initiatives participating in KMP (through their M&E systems). 	Minimum level of social, political and economic stability in operational areas.
Outputs	1) Improved performance and impact by IFAD-supported rural finance initiatives in Eastern and Southern Africa	<ul style="list-style-type: none"> Increase in the quality and volume of appropriate services to rural poor by participating financial institutions 	<ul style="list-style-type: none"> KMP periodical reports and related IFAD programme reports 	Minimum level of social, political and economic stability in operational areas.
	2) Improved understanding, on the one hand, by IFAD, DFS and CIDR, and, on the other hand, by IFAD-supported rural finance initiatives in the region, of the key policy and operational challenges relative to delivery of appropriate and sustainable financial services for poor rural people	<ul style="list-style-type: none"> Volume and quality of knowledge management services by KMP 	<ul style="list-style-type: none"> KMP reports on continued demand for services from rural finance programmes Reports on participation of RF staff in facility services and events; feedback per rural finance programme reports. Post-event KMP evaluation reports. 	
	3) Improved documentation and increased adoption of innovative methodologies, tools and best practices among IFAD-supported rural finance initiatives; IFAD itself, DFS and CIDR, and the broader development community.	<ul style="list-style-type: none"> Output of high-quality rural finance model presentations. Roll-out rate of appropriate, innovative rural finance models and tools 	<ul style="list-style-type: none"> KMP reports on number of rural finance model presentations produced and presented, number of new models tested and rolled out. 	
Key Activities	Capacity support: <ul style="list-style-type: none"> Participation of the RFS of KMP in technical support missions Provision of technical support inputs by internationally recruited rural finance consultants Development of a technical information service desk 	<ul style="list-style-type: none"> 10 quality technical assistance missions assisted by the RFS Five international consultancies Functioning of the service desk 	<ul style="list-style-type: none"> KMP periodical reports Relevant reports of IFAD interventions IFAD reviews of KMP 	
	Knowledge management:: <ul style="list-style-type: none"> Upgrading and management of an intranet-based electronic communication platform Promotion of a documentation process Production of publications Organizing annual regional thematic workshops Organizing cross-programme exchange visits 	<ul style="list-style-type: none"> Standard of website information 15,000 visits to website Documentation of achievements received from programmes Five quality publications per year One quality thematic workshop per year Two quality exchange visits per year 	<ul style="list-style-type: none"> KMP periodical reports Relevant reports of IFAD interventions IFAD reviews of KMP 	
	Research and roll-out: <ul style="list-style-type: none"> Documentation of innovative rural finance models and tools Publication in KMP communication network of innovative models and tools Rolling-out of new models and tools in IFAD-supported rural finance initiatives 	<ul style="list-style-type: none"> Five implementable models produced per year Five quality models introduced through KMP's communication tools per year Five models tested and rolled-out per year. 	<ul style="list-style-type: none"> KMP periodical reports Relevant reports of IFAD interventions IFAD reviews of KMP. 	

Commission on Family Farming of the Common Market of the South (MERCOSUR): Institutional Consolidation of the Commission on Family Farming of the Common Market of the South (MERCOSUR)

I. Background

1. Between 2000 and 2005, a grant to finance an institutional and policy support programme to alleviate rural poverty in the Common Market of the South (MERCOSUR) (IFAD/MERCOSUR grant) contributed to the creation and consolidation of spaces for policy dialogue. The aim was to address the needs of small-scale family farmers so as to ensure they were part of the potential political, economic and social benefits resulting from regional economic integration. In 2003, the Coordinating Body for Family Farming Organizations requested that a specialized commission be created to address policy issues relating to family farming in the process of regional integration. This led to the establishment in 2004 of the Specialized Meeting on Family Farming, hereinafter referred to as the Commission on Family Farming. Having established the Commission, later that year, the Government of Brazil proposed that the regional coordination unit of the IFAD/MERCOSUR programme be designated as the Commission's technical secretariat, which was approved by the relevant MERCOSUR authorities. In September 2005, the Executive Board approved an additional three-year grant to the Commission.
2. In late-2007, an impact assessment of programme operations was undertaken by the Policy Division and the Latin America and the Caribbean Division of IFAD. The assessment concluded that, in terms of relevance of objectives, effectiveness and efficiency, grant performance had a high rating for relevance and efficiency and a substantial one for effectiveness. Social capital formation and implementation of appropriate policies, institutions and regulatory frameworks were also given high ratings. The sustainability of impact was seen as highly likely and the possibilities for scaling up as substantial. During grant implementation, progress has been made in institutionalizing public policies for the family farming sector through the creation of small-scale farmer rosters in Argentina, Paraguay and Uruguay, in addition to those already existing in Brazil and Chile. In 2008, more progress has been made from an institutional perspective: the Government of Argentina has established an Under-Secretariat for Rural Development and Family Farming within its National Secretariat for Agriculture, Fishing and Food, and the Government of Uruguay has created a Rural Development Directorate, operational as of April 2008, in the Ministry of Agriculture and Fisheries. However, probably the most important achievement has been the adoption by the Common Market Group (GMC) of resolution 25/07, whereby, as the highest executive body of MERCOSUR, GMC resolved to recognize and characterize family agriculture as a socio-economic sector to be addressed by differentiated public policies, while implementing a voluntary roster of family farmers in each member state.
3. The assessment recommended that IFAD design an extension of the existing programme and expand support to farmer organizations in the context of the Commission, while furthering impact analysis and establishing linkages with IFAD's existing and forthcoming projects and programmes in the Latin America and Caribbean region.

II. Rationale and relevance to IFAD

4. The programme is consistent with IFAD's overall development strategy and fully integrated into its portfolio in the MERCOSUR subregion. The programme's aim, to consolidate policies and institutions and allocate resources specifically in favour of small-scale farmers, addresses the need to strengthen food security and income distribution in a context of increasing global food prices. The programme is fully in line with IFAD's main mandate and supports its Strategic Framework 2007-2010, specifically its objective to ensure that poor rural men and women have better and sustainable access to local and

national policy and programming processes, and that they participate in them effectively. It is also consistent with IFAD's grant policy, because the policy dialogue platform created in the context of the Commission on Family Farming builds up and directly contributes to developing and enhancing pro-poor capacities of governmental partner organizations, entities and small-scale farmer organizations in the MERCOSUR area. The programme responds to regional priorities set by IFAD's Latin America and the Caribbean Division specifically in terms of addressing demands by regional middle-income countries to strengthen small-scale farmer organizations so that they may become active partners in local development processes. Through the National Fora for Family Farming, the programme will also contribute to harmonizing IFAD projects with national programmes, and the latter into a subregional approach for rural poverty alleviation while increasing IFAD's capacity to influence national pro-poor policies and orient the allocation of financial resources towards productive poverty reduction initiatives.

III. The proposed programme

5. The overall goal of the programme is to further assist in the process of policy formulation and to address in a concrete manner the needs and aspirations of small-scale farmers in the MERCOSUR area. Programme implementation will consolidate efforts already under way and ensure the sustainability of a public policy dialogue process among the governments of full and associate member states of MERCOSUR and small farmer organizations in the framework of the Commission on Family Farming. The programme will also harmonize and align policies that may foster a favourable environment for implementing IFAD-financed development interventions in the programme area. Programme interventions will also scale up the Fund's advocacy role towards better and more favourable policies for public investments geared at small-scale farmers.
6. The programme will:
 - Strengthen a public policy formulation framework for adoption of differentiated rules and regulations on family farming through consensus-building measures.
 - Contribute towards policy harmonization, alignment and reduction of inconsistent conditions among member states.
 - Include IFAD-financed projects, their beneficiaries and small farmer organizations in the family farming policy dialogue process and context.
7. The three-year programme will comprise two main components:
 - (i) **Policy dialogue and participation.** This will include the following main activities:
 - (a) Organizational and substantive support.** The programme will provide funding aimed at ensuring that the calendar of scheduled meetings of the Commission, its national sections, thematic groups and other preparatory events take place in a timely manner and that the supporting documentation contributes effectively to the policy dialogue process and consensus building. Based on the rotating nature of the *pro tempore* presidency of MERCOSUR, it is expected that six meetings will be held. The secretariat of the Commission will assist in holding pre-session meetings of the national sections, which will include the active participation of national social organizations representing family farmers. The programme will also support the work of thematic groups.
 - (b) Analytical capacity, learning and experience sharing.** In order to deepen understanding of crucial issues identified by the thematic groups, a series of working papers will be prepared and discussed at national round tables and an annual symposium. It is foreseen that three working papers will be prepared on: (i) implications of world trade negotiations on family farming and increases in food prices; (ii) non-tariff restrictions and family agriculture; and (iii) land tenure and agrarian reform.
 - (c) Monitoring and follow-up support.** This activity will fund reporting and analysis of progress on the adoption of recommendations contained in the GMC resolution on family farming. An annual country report will be prepared for this purpose.
 - (d) Communications and**

information dissemination. Communication efforts will be strengthened with a view to furthering understanding of the work of the Commission. An official website will be developed and maintained, and quarterly issues of an information bulletin in English, Spanish and Portuguese will be produced and distributed to social organizations, government institutions, IFAD partners and academic institutions.

- (ii) **Harmonization, alignment and reduction of inconsistencies.** This component will include four main activities: **(a) Policy harmonization within MERCOSUR.** In order to improve coordination in complementary areas among the Commission and other MERCOSUR bodies such as the Southern Agricultural Council, the Technical Cooperation Committee, Specialized Meeting on Cooperatives, Specialized Meeting on Women, and the Consultative Economic and Social Forum of MERCOSUR, the programme will fund annual joint meetings with the Commissions on Cooperatives and Women. **(b) Public investment policies and international cooperation alignment.** In order to provide insights and better understanding of pro-family farming issues on the part of ministries and agencies responsible for public investment, annual meetings of government representatives and of farmer organizations will be held, providing for policy analysis from a rural perspective. As for IFAD's existing and future operations, an annual meeting of IFAD-funded project directors in the region will be organized and the programme will assist in establishing IFAD country programme management teams (CPMTs) in all countries. These teams will include organizations of family farmers, who may also participate in the planning and design of future IFAD operations in each country. **(c) Reduction of inconsistencies.** Taking due consideration of MERCOSUR inconsistencies, the programme will fund the preparation of proposals aimed at accessing grant funding in the context of the Fund for Structural Convergence in MERCOSUR (FOCEM), which will be developed through consultations within the Commission and interested parties. IFAD-funded projects, their beneficiaries and small farmer organizations will be included in the family farming policy dialogue process and context.

IV. Expected outputs and benefits

8. Under the **policy dialogue and participation** component, the programme will fund six Commission meetings, 48 meetings of National Sections, 18 thematic group meetings and 18 preparatory workshops, as well as the preparation of three working papers, eight national workshops and three symposia. Annual reports will be prepared on follow-up of Commission decisions at the national level. A website will be launched, and press releases and a quarterly bulletin will be published and distributed widely. Benefits and outcomes will include: (i) increased well-being of target groups as a result of pro-family farming policies and corresponding rules and regulations; (ii) improved policies as a result of the monitoring of implementation and impact of measures adopted by the Commission; and (iii) a better understanding among all stakeholders, both of issues and the impact on the well-being of family farmers of the policies adopted.
9. Under the **harmonization, alignment and reduction of inconsistencies** component, six joint meetings of specialized commissions within MERCOSUR, three annual meetings of finance and agriculture ministries of MERCOSUR, and three annual meetings of IFAD project directors will be organized; five CPMT will be established. Six funding proposals for reducing inconsistencies will be prepared and submitted for approval. Outcome and benefits will include; (i) existence of coherent and complementary policies favouring family farmers, which will amplify the impact of resolutions by the Commission; (ii) public investment policies in favour of the rural sector and IFAD activities will be harmonized, resulting in improved project performance; and (iii) productive, economic and social conditions will be improved in less developed rural areas of MERCOSUR.

V. Implementation arrangements

10. The implementing organization will be the Commission on Family Farming established by the GMC by resolution MERCOSUR/GMC/RES. N°11/04. A grant agreement will be signed between IFAD and the Commission, represented by government representatives of the four full member states. Day-to-day operations will be the responsibility of a technical secretariat to the Commission, acting as technical coordination unit (TCU) and based in Montevideo, Uruguay, in premises provided by MERCOSUR and staffed by a programme coordinator, a technical adviser, an administrative officer and an administrative assistant. In order to provide overall guidance for the implementation of grant activities by the TCU, a programme steering committee (PSC) composed of the national coordinators of the four full and two associate member states (Bolivia and Chile) of MERCOSUR, will be established. A representative of the Bolivarian Republic of Venezuela will participate in an observer capacity pending a decision on that country's full membership. The IFAD country portfolio manager responsible for the programme will also sit on the PSC as an observer. The coordinator of the TCU will act as secretary of the PSC, which will meet twice-yearly to coincide with sessions of the Commission or when its members judge it necessary to hold an extraordinary meeting. The PSC will be chaired by the representative of the member state holding the *pro tempore* presidency of MERCOSUR at the time. The TCU will ensure self-monitoring of activities, including preparation of a grant completion report. An exit strategy will aim at institutionalizing the technical secretariat of the Commission in the secretariat of MERCOSUR or in any other appropriate setting that secures funding for its operations from member states. A memorandum of understanding will be signed with the United Nations Development Programme (UNDP) office in Uruguay to cover administrative details for programme administration and management. Upon programme effectiveness, the TCU will initiate negotiations with the MERCOSUR secretariat and/or other appropriate entities to prepare for autonomous management and future technical support to the Commission. The programme will be directly supervised by IFAD.

VI. Indicative programme costs and financing

11. Total programme costs have been estimated in US\$1.5 million. Cofinancing will be provided by MERCOSUR member states.

Summary of budget and financing plan

(In United States dollars)

<i>Type of expenditure</i>	<i>IFAD</i>	<i>Cofinancing</i>
Remuneration of TCU Personnel	210 000	-
Consultancy services	206 500	67 500
Travel costs and allowances	163 200	210 000
Equipment	12 000	50 000
Operating costs, including reports and publications	235 000	112 500
Training/capacity-building	253 300	-
Total	1 080 000	440 000

Results-based logical framework

	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Goal	Further a process of policy formulation and contribute to addressing the needs and aspirations of small-scale farmers in the MERCOSUR area to increase income and well-being of family farmers	Average percentage increase in income for family farmers in MERCOSUR area.	National poverty reduction statistics. National reports on economic activities. National agricultural census. Rosters of family farmers.	
Objectives	Strengthen a public policy formulation framework for the adoption of differentiated rules and regulations on family farming through consensus-building measures Further policy alignment and reduction of asymmetric conditions among Member States Include IFAD-funded projects, their beneficiaries and small-scale farmer organization in the family farming policy dialogue process and overall context	No. resolutions adopted by the Commission; No. family farmer organizations attending and actively participating; No. common policies and decisions related to family farming in overall MERCOSUR context; No. proposals for reduction of inconsistent conditions approved and implemented; No. existing and new IFAD-funded projects that address needs of family farmers Percentage increase in public investment to small-scale family farming in MERCOSUR	Summary records and resolutions of the Commission on Family Farming. Legislative records and resolutions of parliamentary bodies and publication in official gazettes. CMG resolutions. Implementation progress reports. IFAD monitoring and supervision reports.	Member and Associate Member States sustain their support for advancing family farming policies and their commitment to the process. Second-tier farmer organizations truly reflect the interests of members and adequately convey their concerns. Political will of Member and Associated Member States to comply with MERCOSUR resolutions and decisions.
Outputs	<p>Component 1. Policy dialogue and participation</p> <p>R.1 Decisions adopted by family farming bodies implemented at national levels</p> <p>R.2 Analytical work supports adoption of policies in favour of family farming</p> <p>R.3 Monitoring of resolutions and decisions at the national level positive</p> <p>R. 4 Issues of family farming and the work of the Commission well known and recognized</p> <p>Component 2. Harmonization, alignment and reduction of inconsistent conditions</p> <p>R.1 Resolutions and decisions by MERCOSUR bodies consistent with family farming concepts and approaches</p> <p>R.2 Public investment policies and those of IFAD are consistent and supportive of family farming</p> <p>R.3 Funding proposals approved and implemented</p>	<p>Six Commission meetings; 48 meetings of National Sections; 18 thematic groups meetings; 18 preparatory workshops.</p> <p>Three working papers; eight national workshops; three symposia</p> <p>No. of annual reports and conclusions</p> <p>Website; nine issues of quarterly bulletin; 12 Press releases</p> <p>Six joint meetings with other specialized commissions within MERCOSUR</p> <p>Three annual meetings of finance and agriculture ministries of MERCOSUR; three annual meetings of IFAD project directors; five CPMT established</p> <p>Six funding proposals</p>	<p>Summary records of meetings Documents tabled for discussion.</p> <p>Decisions and resolutions of MERCOSUR bodies. Summary records of workshops and symposia. Transcripts of decisions and publication of rules and regulations in official gazettes. Readership surveys; Web page hits; Press coverage surveys.</p> <p>Summary records of meetings</p> <p>Summary records and progress reports of implementation of projects Mid-Term reviews and end-of-project evaluations. Summary records of FOCEM deliberations</p>	<p>Political will and consensus reached.</p> <p>National governments and legislative bodies committed to family farming.</p> <p>Information disseminated of sufficient quality and interest.</p> <p>Family farming issues assigned priority by other bodies. Finance ministries assign financial resources to address family farming issues. All stakeholders in IFAD-funded projects involved and participate in ongoing project implementation and in future design exercises. Sufficient funding allocated to implement projects.</p>
Key activities	Support preparation and convene Commission and other meetings, prepare annual reports, design and maintain web page, fund preparation of funding proposals.	Means: Consultancy services, travel costs, training and operational costs.	Summary records of meetings, annual progress reports, MERCOSUR decisions.	Commission/UNDP MoUs signed. Preparation of AWP&B. Disbursements.

United Nations Economic Commission for Africa (UNECA): Support for the Formulation and Implementation of Pan- African Land Policy Guidelines

I. Background

1. At the beginning of 2006 the African Union Commission (AUC), in partnership with the United Nations Economic Commission for Africa (UNECA), the African Development Bank (AfDB), the New Partnership for Africa's Development and the Regional Economic Communities (RECs),¹ initiated a process for developing Pan-African land policy guidelines as a basis for: (i) informing country-level land policy formulation, policy review and implementation strategies; (ii) peer reviews on land policies and their implementation by African governments; and (iii) improved harmonization and mobilization of international support for land policy formulation and implementation. The AUC, UNECA and AfDB have established a secretariat to oversee the process, and have each designated a person who will dedicate 40 per cent of his/her time to the secretariat. The initiative aims to bring together a wide range of stakeholders from governments, civil society organizations (CSOs) and international development agencies. The initiative is to create new opportunities for increasing political will and sustained investment for pro-poor land policies as a basis for economic growth and poverty reduction.
2. While IFAD recognizes the importance of land tenure security for rural poverty reduction, its investments in strengthening land tenure security have not always matched the importance given to the issue. IFAD is one of the major investors in rural poverty reduction in Africa, and its integrated and targeted approach to rural development and emphasis on strengthening the role of CSOs from the grass roots level to the international level means that the organization is well placed to support pro-poor land policy implementation.
3. In recent years the Western and Central Africa (PA), Eastern and Southern Africa (PF) and Near East and North Africa (PN) Divisions of IFAD have supported the incorporation of activities aimed at strengthening the land tenure security of IFAD's target group into various rural poverty reduction projects and programmes. The three divisions have identified the need to strengthen lesson learning and policy dialogue on pro-poor land policy formulation and implementation. IFAD is in the process of finalizing a corporate policy on equitable access to land and land tenure security, and plans to develop operational guidelines for strengthening the integration of land tenure security-related activities into its operations.
4. IFAD is already providing some support to the AUC/UNECA/AfDB-led process through a small grant for regional assessments and consultations. Technical inputs have also been provided by the Technical Advisory Division's land tenure technical adviser, and partnerships are being developed with various international development agencies and CSOs in support of pro-poor land policies.² Separately, IFAD is providing support to farmer organizations/networks. In Western and Central Africa, IFAD is cofinancing the rural hub, a centre aimed at supporting rural poverty reduction-related policy research and policy formulation.
5. Support is also being provided for the Pan-African land policy guidelines process by several other members and the secretariat of the International Land Coalition (ILC).

¹ These include: Southern: Southern African Development Community (SADC); Western: Economic Community of West African States (ECOWAS) and Community of Sahel-Saharan States (CEN-SAD); Central: Economic Community of Central African States (ECCAS); Eastern: Common Market for Eastern and Southern Africa (COMESA), East African Community (EAC) and InterGovernmental Authority on Development (IGAD); Northern: Arab Maghreb Union (UMA).

² Specifically with the Food and Agriculture Organization of the United Nations (FAO), United Nations Human Settlements Programme (UN-HABITAT), United Nations Development Programme (UNDP), World Bank, the European Union and civil society members of ILC.

II. Rationale and relevance to IFAD

6. The AUC/UNECA/AfDB-led initiative provides an excellent opportunity for raising the profile of the importance of land tenure security for poverty reduction, for forging partnerships and for increasing political will and investment in pro-poor land policy formulation and implementation. However, the capacity of the joint secretariat established to oversee the process will need to be strengthened and the process could be enhanced by increasing the involvement of CSOs. Representatives of CSOs have been involved in the process but lack the resources to participate more actively. IFAD's grant will target key areas in need of attention. It will finance: (i) the strengthening of the secretariat's capacity to oversee the process; (ii) civil society participation in expert group and ministers' meetings; (iii) the identification of best practices; (iv) a side event at a summit of heads of state; and (v) evaluation and follow-up.
7. The grant will enhance IFAD's comparative advantage in supporting pro-poor land policy formulation and implementation through the empowerment of its target groups and their representative organizations. It will also strengthen policy dialogue and support the identification, lesson learning and scaling up of innovative approaches. It will promote partnership-building with a range of key stakeholders and significantly raise IFAD's profile in supporting this critical issue.
8. Since land tenure security cuts across all six of the objectives of the IFAD Strategic Framework 2007-2010, it is expected that, in the long term, all IFAD-supported projects and programmes will benefit from the results of the initiative. IFAD will also improve its understanding of pro-poor land policies, which will help in the formulation of country strategic opportunities programmes. In the medium to longer term it is expected that the initiative and IFAD's support for it, will create increased demand from member state governments for the implementation of pro-poor land policies. IFAD will, in turn, be signalling that it is willing to be one of the partners interested in supporting the implementation of pro-poor land policies.

III. The proposed programme

9. The overall goal of the programme is to contribute to rural poverty reduction by strengthening political and financial support for pro-poor land policy formulation and implementation in Africa. The objective is to enhance policy dialogue among stakeholders in Africa on pro-poor land policies.
10. The overall programme will be of a five-year duration and will comprise six main activities, as described below. The first activity has been completed and the second is under way: hence this grant will support the last four activities. While the overall programme is of five-year duration, the grant will be for two years.
 - (i) **Production of draft guidelines.** An issues paper was produced and presented at a consultative workshop in March 2006. Agreement was reached on key land issues and guiding principles, and a roadmap for the development of the guidelines was adopted.
 - (ii) **Regional assessments and consultations.**³ Regional assessments/ consultations are going forward on key land tenure issues and the status of land policy formulation and implementation. The purpose is to: identify regional diversity, examples of best practices, gaps in knowledge and capacity needs; describe major challenges and opportunities; and validate core values and principles.
 - (iii) **Review of recent or ongoing innovative experiences at the country level.** Selected innovative experiences, including key ongoing IFAD-

³ A IFAD small grant is already partly financing this activity.

supported projects and programmes, will be reviewed, documented and disseminated.

- (iv) **Expert group meetings.** A range of experts have already and will continue to provide inputs on an ongoing basis through meetings and electronic discussions. An experts' report will be produced.
- (v) **Ministers' meeting and endorsement of the guidelines at a heads-of-state summit.** A meeting of ministers will be held to review the experts' report and a ministers' report prepared. Representatives of CSOs will also attend. The ministers' report will be presented and a declaration on the guidelines adopted. A side event will be held during the heads-of-state summit to provide an opportunity for CSOs and experts to formulate and present a declaration thereto.
- (vi) **Evaluation and follow up.** The guidelines will be widely disseminated. The secretariat will undertake participative evaluation of the process and develop an action plan for further mainstreaming the guidelines. The action plan may include: information dissemination; a survey on land policy formulation and implementation; lesson sharing on best practices; a training needs assessment and establishment of a directory on training institutions and African land policy experts; land policy indicator development, etc.

IV. Expected outputs and benefits

11. These are as follows:

- Increased capacity of the AUC/UNECA/AfDB joint secretariat to lead the policy dialogue process.
- Strengthened capacity of CSOs to engage in policy dialogue.
- Strengthened partnerships for supporting pro-poor land policy formulation and implementation.

V. Implementation arrangements

A. Implementing organizations

12. The core implementing organizations are the AUC/UNECA/AfDB. The initiative will be financially and/or technically supported by the RECs, member states of the African Union, regional farmer organizations, African land experts from both government and civil society, international land experts and various international development agencies. The RECs will be responsible for organizing and facilitating regional consultations.

B. Programme management

13. The grant will be managed and implemented by UNECA as part of the overall programme, which will be implemented by the AUC/UNECA/AfDB joint secretariat. A land policy specialist, communications specialist and programme assistant recruited on short-term, full-time contracts to support the secretariat will be supported by short-term consultancy inputs. IFAD's grant will be used specifically to finance the land policy specialist and programme assistant.

C. Monitoring, evaluation and reporting

14. **Monitoring and evaluation.** Implementation of the overall programme will be monitored and evaluated by the secretariat on an ongoing basis, in collaboration with key stakeholders. Monitoring of the grant will include six-monthly progress reports, and evaluations will be carried out through annual reviews and an end-of-grant evaluation. A grant completion report will be produced. In IFAD, implementation will be monitored by the Technical Advisory Division's land tenure technical adviser, in consultation with an advisory group comprising members of PA, PF, PN and the Policy Division. The land

tenure technical adviser will ensure that the joint secretariat provides regular feedback and progress reports to the advisory group.

15. **Reporting:** (i) Annual workplans and budgets (AWP/Bs), six-monthly progress reports and a programme completion report will be provided by UNECA. (ii) Statements of expenditure will be provided with each withdrawal application to justify the advances disbursed, and a final statement of expenditure for the entire grant amount will be provided by UNECA. (iii) Financial reporting will be made twice-yearly through submission of financial statements certified by the chief financial officer of UNECA. (iv) Certified copies of audited accounts and related audit reports will be prepared by the United Nations Board of Auditors.

D. Linkages and institutional collaboration

16. **Institutional collaboration.** The initiative will strengthen partnerships and linkages with several key stakeholders in Africa, in particular with the AUC, UNECA, AfDB, RECs, ministries responsible for land policy implementation of member state governments, regional and national farmer organizations, and other CSOs.
17. **Links to IFAD's Strategic Framework.** Land tenure security cuts across all six of the strategic objectives of IFAD's Strategic Framework. The grant will particularly contribute to the first strategic objective (equitable and sustainable access to natural resources) and the sixth (enhanced access of the poor to policy and programming processes).
18. The grant will be guided by IFAD's principles of engagement. It will enhance IFAD's comparative advantage in supporting pro-poor land policy formulation and implementation through the empowerment of its target group; it will support the identification and scaling up of innovative approaches to pro-poor land policy formulation and implementation; and it will strengthen the forging of partnerships with a range of key stakeholders.
19. **Linkages with other IFAD interventions.** Activities will be coordinated with the aforementioned rural hub. The land specialist based in the hub will be involved in expert group meetings, and the hub may support research and policy dialogue processes. IFAD support to farmer organizations will be used to strengthen their ability to consult with members at the national and regional levels. IFAD's country-level support for pro-poor land policy formulation and implementation will inform the lessons learned from best practices.

VI. Indicative programme costs and financing

20. The total cost of the core initiative is estimated at US\$2.5 million. IFAD will contribute US\$750,000 under this grant or 30 per cent of the total costs of the core initiative. The balance of the budget has been raised from other cofinanciers.
21. In addition to the core budget funds, it is expected that financing for complementary activities will be secured as more international partners become interested. The ILC secretariat has indicated that it has earmarked US\$250,000 for strengthening CSO engagement in the process. ILC funding for the programme will not come from funds provided to it by IFAD. Similarly, in a funding proposal to the European Union, IFAD and the Food and Agriculture Organization of the United Nations (FAO) have included proposals for strengthening farmer organization participation in the initiative.

Summary of budget and financing plan

(In United States dollars)

<i>Type of expenditure</i>	<i>IFAD</i>	<i>Cofinancing^a</i>
Personnel (including subcontractors)	336 000	240 000
Professional services	120 000	204 935
Travel costs	168 400	783 990
Equipment	-	56 000
Operational costs, reporting and publications (of which 13 per cent is UNECA management fee)	125 600	500 075
Total	750 000	1 785 000

^a United Nations Development Account funds (US\$600,000); FAO (433,000); Rockefeller Foundation (US\$330,000); Swedish International Development Cooperation Agency (US\$150,000); AUC (US\$120,000); UNDP (US\$70,000); UN-HABITAT (through the Global Land Tool Network) (US\$50,000); and the ILC secretariat (US\$32,000).

Results-based logical framework

	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Goal	Contribute to rural poverty reduction by strengthening political support for pro-poor land policies in Africa.	A declaration on pro-poor land policies and a set of guidelines for formulating, implementing and monitoring pro-poor land policies endorsed by African ministers and heads of states.	Declaration document.	<ul style="list-style-type: none"> Land tenure security is a central yet neglected area of rural poverty reduction. Increasing political support for pro-poor land policies will result in the formulation of such policies and increased investment in their implementation.
Objectives	Enhance policy dialogue among stakeholders on pro-poor land policies.	Consensus among stakeholders on key elements for pro-poor land policy formulation and implementation.	Meeting reports. Joint statements.	Enhanced dialogue among stakeholders will result in consensus on the importance of pro-poor land policies that can be contained in a set of guidelines.
Outputs	<ol style="list-style-type: none"> AUC/UNECA/AfDB capacity to lead the process increased. Capacity of CSOs to engage in the process strengthened. Partnerships for supporting pro-poor land policy formulation and implementation strengthened. 	<ol style="list-style-type: none"> Activities properly planned and managed. Representatives of CSOs actively participate in the process and their views are incorporated. Joint plans of action developed by various stakeholders for supporting pro-poor land policy formulation and implementation. 	<ol style="list-style-type: none"> Six-monthly reports and AWP/B reports. Meeting minutes; CSO statements and declarations. Joint plans for supporting complementary initiatives, including the AUC/UNECA/AfDB process. 	<ol style="list-style-type: none"> While it is essential that the core partners lead the process, their capacity to do so is strained. CSO participation is essential for ensuring that pro-poor guidelines are developed. While there is an opportunity to participate, their resources to do so are limited. There are a range of stakeholders with the goodwill to collaborate in supporting the formulation and implementation of pro-poor land policies.
Key Activities	<ol style="list-style-type: none"> Production of draft guidelines.* Regional assessments and regional consultations.* Review of Innovative experiences. Expert group meetings. Meeting of ministers and summit of heads of state. Evaluation and follow-up. 	<ol style="list-style-type: none"> Agreement reached on a set of draft guidelines Regional assessments that identify land tenure issues and the status of land policies made and agreement reached on them at consultative workshops. Innovative experiences identified and fed into the process. Draft guidelines refined. Meeting and summit held. Evaluation made and follow-up plan of action developed. 	<ol style="list-style-type: none"> Issues paper, consultative workshop report, draft guidelines Regional assessment and workshop reports. Case study reports. Meeting reports. Meeting and summit reports. Evaluation reports and plan of action. 	<ol style="list-style-type: none"> Draft guidelines will provide the basis for consultations. Regional differences must be considered in the development of guidelines. Regional consultations will strengthen ownership of the process. There are several innovative local and national experiences that could inform the formulation and implementation of pro-poor land policies. There is a range of expertise in Africa and elsewhere that should be tapped. Securing the endorsement of political leaders is essential for raising the profile of the importance of pro-poor land policies. Various actions will need to be followed up.

