President’s report on a proposed grant under the country-specific grants window to the Foundation of the Peoples of the South Pacific International

for the Mainstreaming of Rural Development Innovations Programme in the Pacific – Phase II
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:

Ronald Hartman
Country Programme Manager
telephone: +39 06 5459 2184
e-mail: r.hartman@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 1

Annex
Mainstreaming of Rural Development Innovations Programme in the Pacific – Phase II 2

Appendix
Results-based logical framework 1
## Abbreviations and acronyms

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBOs</td>
<td>community-based organizations</td>
</tr>
<tr>
<td>FSPI</td>
<td>Foundation of the Peoples of the South Pacific International</td>
</tr>
<tr>
<td>MORDI</td>
<td>Mainstreaming of Rural Development Innovations</td>
</tr>
</tbody>
</table>
Recommendation for approval

The Executive Board is invited to approve the recommendation for the proposed grant under the country-specific grants window to the Foundation of the Peoples of the South Pacific International for the Mainstreaming of Rural Development Innovations Programme in the Pacific – Phase II, as contained in paragraph 6.
President’s report on a proposed grant under the country-specific grants window to the Foundation of the Peoples of the South Pacific International for the Mainstreaming of Rural Development Innovations Programme in the Pacific – Phase II

I submit the following report and recommendation on a proposed grant under the country-specific grants window to the Foundation of the Peoples of the South Pacific International in the amount of US$1.5 million.

Part I – Introduction

1. This report recommends the provision of IFAD support to the Foundation of the Peoples of the South Pacific International (FSPI).

2. The document of the grant for approval by the Executive Board is contained in the annex to this report: Mainstreaming of Rural Development Innovations Programme in the Pacific – Phase II.

3. The objectives and content of the programme 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 pro-poor capacities of partner institutions, including community-based organizations and NGOs.

5. The grant proposed in this document responds to the strategic objectives defined in the IFAD Strategic Framework 2007-2010, which has the overarching strategic goal of enabling poor rural women and men in developing countries achieve higher incomes and improved food security. In particular, this grant promotes the strategic objectives of supporting the household food-security of groups in remote and marginalized agroecological areas; 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; the sustainable and productive management of natural resources, including sustainable utilization and conservation of such resources; 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; and strengthening of networks for pro-poor knowledge generation and exchange.

Part II – Recommendation

6. I recommend that the Executive Board approve the proposed grant in terms of the following resolution:

   RESOLVED: that the Fund, in order to finance, in part, the Mainstreaming of Rural Development Innovations Programme in the Pacific – Phase II, shall make a grant not exceeding one million five hundred thousand United States dollars (US$1,500,000) to the Foundation of the Peoples of the South Pacific International 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
Mainstreaming of Rural Development Innovations Programme in the Pacific – Phase II

I. Background
1. In line with IFAD’s subregional strategic opportunities paper for Pacific Island Countries, the Mainstreaming of Rural Development Innovations (MORDI) Programme in the Pacific was approved by the Executive Board in December 2004 as a six-year programme to be implemented over two distinct phases. The Executive Board approved grant financing of US$2 million for the first phase of the programme, for which an agreement between IFAD and the Foundation of the Peoples of the South Pacific International (FSPI) was signed in May 2005. Programme implementation commenced in Fiji in mid-2006 and in Kiribati and Tonga in 2007.

2. The decision to support a second phase was dependent on a midterm review of programme performance and its impact on the target group. This midterm review was conducted in April 2008 resulting in a recommendation for IFAD to consider financing a second phase of the programme for a further two-year period.

II. Rationale and relevance to IFAD
3. Many Pacific Island communities, particularly those living in remote areas, are faced with a gradual breakdown in social cohesion caused by persistently weak governance and failure to provide basic services, and by a progressive breakdown of the traditional structures that provide “safety nets” for vulnerable families and individuals. This erosion of social cohesion affects women and young people first and most severely as these are the groups with the least resilience to shocks and setbacks. In addition, there has been a sustained failure by governments and other service providers to address the legitimate social and economic needs of remote rural communities. The rural poor are largely excluded from official policy formulation processes and do not receive an equitable share of government development resources.

4. For some time, Pacific Island Countries have been experiencing rising food prices associated with higher fuel and transportation costs. The reliance on food imports is leaving these countries vulnerable to rising global food prices, which has a major impact on the balance of payments and on the purchasing power of the population. The impact of the current food price increases is felt most profoundly by the poorest members of society, as they spend a large proportion of their income on food. These people are usually rural.

5. The Pacific subregion is acknowledged by development partners as an extremely challenging implementation environment. Therefore, the concept of providing development funding to remote rural communities within a framework of prioritized development plans supported by a community facilitator is both timely and innovative. As donors have been frustrated by lack of sustainability and inefficient government delivery in past activities, the MORDI model is being regarded with interest and approval as a functional alternative approach.

6. The proposed programme is strongly aligned with the Fund’s strategic objectives for achieving higher incomes and improved food security for the poorest rural communities in the Pacific Islands. The programme will achieve this by: focusing on local food security and on technologies that build on traditional local/indigenous knowledge; supporting the sustainable and productive management of natural resources; assisting communities and community-based organizations in engaging more effectively with policymaking and planning processes, markets and external support services; and strengthening networks for pro-poor knowledge generation and exchange.
III. The proposed programme

7. The overall goal of the programme is to improve the livelihoods of vulnerable communities, especially young people and women, living in remote areas of Pacific Island Countries. This second phase will target an expanded number of communities in Fiji, Kiribati and Tonga and will begin activities in the Solomon Islands. As a result of the sustainable development approach adopted in the first phase, the programme will be in a position to exit from Fiji and Tonga by the end of 2010.

8. The second phase of the programme will comprise four components:

- **Community empowerment.** The objective is to strengthen the institutional capacity of target communities and community-based organizations (CBOs), particularly those involving young people and women. In order to achieve this objective, MORDI programme recruits and trains community facilitators to establish an operational interface between the programme and the target communities.

- **Economic empowerment.** The objective is to address rural communities’ lack of access to employment opportunities, financial services, markets and relevant technologies and information. The MORDI programme will establish a separate community support fund in each participating country to provide financial support for activities identified by target villages and community groups within these villages. The fund is composed of (i) category I: community projects; and (ii) category II: economic projects (aimed generally at individuals or groups of individuals).

- **Learning, sharing and scaling up.** This component seeks to address the information and policy constraints faced by communities and CBOs in remote areas by: (i) documenting and sharing best practices and innovations; (ii) identifying key policy issues, and assisting communities and CBOs in linking up more effectively with policy, planning processes, markets and external support services. Lessons learned from phase one point to the need for a simplified monitoring and evaluation system with clearly defined frameworks for data collection and analysis.

- **Programme management.** Regional programme coordination will be undertaken by FSPI, which in turn will be guided by the Programme Advisory Committee. National-level structures vary from country to country. Each country partner is guided by a national advisory committee, under the overall management of FSPI. Programme management is intended to reflect the essential features of MORDI: (i) broad ownership at all levels; (ii) multistakeholder partnership; (iii) implementation through civil society organizations; (iv) programme flexibility to enable country structures and processes to respond to diverse country situations in the subregion; and (v) a grass-roots approach to determine policy agendas and the provision of financial and technical support services.

9. The main lessons learned from the programme’s first phase have been incorporated into the new phase. These are summarized below.

- Programme design is considered valid and is still highly relevant.
- The cost in terms of financial and human resources of enabling effective community engagement in planning, implementation and evaluation of rural development projects in the Pacific is high and must be adequately provided for in programme budgets at design;
There is a need for more effective cost control and financial management at the regional and national levels.

The project advisory committee needs to be more active and provide independent oversight.

Adequate training and "investment-in-the-process" are prerequisites for concrete constructive planning and implementation at the community level.

More attention to gender is required during the planning processes.

Effective monitoring and evaluation systems must be developed at the outset and embedded within the planning and implementation processes.

**IV. Expected outputs and benefits**

10. The following outputs and benefits are foreseen:

- Existing CBOs – including young people’s and women’s groups and other local community institutions – will be strengthened;
- Increased employment and sustainable livelihood opportunities in targeted communities, especially for young people and women;
- Effective and sustainable mechanisms and tools in place for documentation and sharing of learning from best practices and innovation; and
- Effective and sustainable processes will be established that enable remote rural communities to link up with national policy and planning processes.

**V. Implementation arrangements**

11. FSPI will be the executing agency and will be responsible for overall programme coordination. Programme guidance will be provided by a programme steering committee established at the regional level, which will be composed of regional NGO umbrella agencies, regional organizations and the private sector. National advisory boards are established at the country level, and day-to-day management and implementation is decentralized to the country level. Programme management structures at the national level are tailored to the specific situations of individual countries. Each country programme office is responsible, inter alia, for:

   (i) establishing and operating a MORDI fund; and
   (ii) providing community support services through partnership arrangements with NGOs and other service providers and in collaboration with the field staff of the respective government agencies. The country managers appointed by the FSPI will be responsible for transparent financial management, procurement, timely audit and financial reporting with regard to the activities of the respective country programme offices. More generally, the FSPI will coordinate and maintain an appropriate level of accounting specifications, consolidation of accounts, and financial control and will ensure timely financial reporting and audit for the programme.

**VI. Indicative programme costs and financing**

12. The programme will follow a demand-driven approach that allows for adjustments to be made to adapt to the individual situations and needs of the various PICs. The MORDI programme was originally approved as a six-year programme, with an IFAD contribution of US$5.6 million. Based on the experience and results achieved during phase I, the programme has been revised to include an additional two years. It is proposed that IFAD provide financing through a country-specific grant for the second phase in the amount of US$1.5 million. A decision regarding the
continuation to a third phase – from 2011 to 2014 – will be taken upon completion of a review at the end of the second phase to assess programme performance and impact on the target group.

**Summary of budget and financing plan**
(In thousands of United States dollars)

<table>
<thead>
<tr>
<th>Type of expenditure</th>
<th>2009</th>
<th>2010</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries – regional</td>
<td>73 300</td>
<td>73 300</td>
<td>146 600</td>
</tr>
<tr>
<td>Salaries – national</td>
<td>112 500</td>
<td>98 100</td>
<td>210 600</td>
</tr>
<tr>
<td>Travel, per diem, communications</td>
<td>100 000</td>
<td>102 800</td>
<td>202 800</td>
</tr>
<tr>
<td>Training, technical assistance and workshops</td>
<td>250 000</td>
<td>250 000</td>
<td>500 000</td>
</tr>
<tr>
<td>Community development funds</td>
<td>190 000</td>
<td>190 000</td>
<td>380 000</td>
</tr>
<tr>
<td>Administration costs</td>
<td>30 000</td>
<td>30 000</td>
<td>60 000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>755 800</td>
<td>744 200</td>
<td>1 500 000</td>
</tr>
</tbody>
</table>
### Results-based logical framework

<table>
<thead>
<tr>
<th>Objectives-hierarchy</th>
<th>Objectively verifyable indicators</th>
<th>Means of verification</th>
<th>Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Goal</strong></td>
<td>To improve livelihoods of vulnerable communities, especially youth &amp; women, living in remote rural areas in Pacific Islands Countries, in line with the Millennium Development Goals</td>
<td>% Reduction in the percentage of people living below the poverty line</td>
<td>National Governments not interested to cooperate and take leadership in the programme</td>
</tr>
<tr>
<td></td>
<td></td>
<td>% Increased enrolment rates in primary and secondary schools, by gender</td>
<td>Regional and/or national level NGOs unable to work together</td>
</tr>
<tr>
<td><strong>Objectives</strong></td>
<td>Component 1: Existing community-based organizations (CBOs) – including youth &amp; women groups and other community institutions - strengthened</td>
<td>No CBOs operational/functional after three years support was received</td>
<td>Poor quality of basic services provided to the communities</td>
</tr>
<tr>
<td></td>
<td>Component 2: Employment and sustainable livelihood opportunities in targeted communities increased, especially for youth and women</td>
<td>% increase in average HH income in targeted areas</td>
<td>Communities, especially women and youth, not interested</td>
</tr>
<tr>
<td></td>
<td>Component 3: Effective and sustainable mechanisms and tools in place for documentation and sharing of learning from best practices &amp; innovations across the region</td>
<td>% increase in youth employment rates</td>
<td>Poor quality of livelihood support services provided</td>
</tr>
<tr>
<td></td>
<td>Component 4: Effective and sustainable processes established that enable remote rural communities to link with national policy &amp; planning processes</td>
<td>No of HHs that have diversified their income sources</td>
<td>Agencies refuse to share information</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No CBOs adopting at least one innovation promoted by the project</td>
<td>Poor quality of NGO and other partners’ documentation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No policy proposals approved</td>
<td>Governments reluctant to consider policy recommendations;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No communities receiving services of partners NGOs and services providers</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>No of beneficiaries</td>
<td></td>
</tr>
<tr>
<td><strong>Outputs</strong></td>
<td>Component 1</td>
<td>70 rural communities assisted in 3 countries</td>
<td>NGOs/CBOs not present in remote communities in some countries Community leaders in selected districts unwilling to cooperate</td>
</tr>
<tr>
<td></td>
<td>Component 2</td>
<td>No of CBOs supported</td>
<td>Poor and most vulnerable community members unable to actively participated in PRA</td>
</tr>
<tr>
<td></td>
<td>Component 3</td>
<td>No of PRA conducted and baseline community data established</td>
<td>Women &amp; youth not sufficiently literate &amp; numerate to be able to prepare investment proposals</td>
</tr>
<tr>
<td></td>
<td>Component 4</td>
<td>No of community development plans established</td>
<td>Lack of banking infrastructure in remote communities</td>
</tr>
<tr>
<td></td>
<td>Component 5</td>
<td>No of CBOs involved in capacity building activities for economic empowerment</td>
<td>Inherent limitations of remote areas in relation to communication, transport and market linkages;</td>
</tr>
<tr>
<td></td>
<td>Component 6</td>
<td>No of CBOs members trained in economic empowerment by gender</td>
<td>Limited range of skills of facilitators on some topics to be introduced</td>
</tr>
<tr>
<td></td>
<td>Component 7</td>
<td>Amount of local contribution committed</td>
<td>NGOs unable to work effectively together</td>
</tr>
<tr>
<td></td>
<td>Component 8</td>
<td>No and type of innovations identified and documented</td>
<td>Targeted communities see innovations seen as threat to traditional risk management strategies</td>
</tr>
<tr>
<td></td>
<td>Component 9</td>
<td>No of systems of information and documentation material produced</td>
<td>Lack of qualified community facilitators, especially women</td>
</tr>
<tr>
<td></td>
<td>Component 10</td>
<td>No of pilots/ field trials conducted</td>
<td>Stakeholders fail to reach consensus on policy submissions</td>
</tr>
<tr>
<td></td>
<td>Component 11</td>
<td>No of CBOs supported to replicate best practices and innovations</td>
<td>Governments refuse to accept or act on policy submissions</td>
</tr>
<tr>
<td></td>
<td>Component 12</td>
<td>No of policy proposals submitted</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 13</td>
<td>No of community development plans established</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 14</td>
<td>No of CBOs involved in capacity building activities for economic empowerment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 15</td>
<td>Amount of local contribution committed</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 16</td>
<td>No and type of innovations identified and documented</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 17</td>
<td>No of systems of information and documentation material produced</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 18</td>
<td>No of pilots/ field trials conducted</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 19</td>
<td>No of CBOs supported to replicate best practices and innovations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 20</td>
<td>No of policy proposals submitted</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 21</td>
<td>No of community development plans established</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 22</td>
<td>No of CBOs involved in capacity building activities for economic empowerment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 23</td>
<td>Amount of local contribution committed</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 24</td>
<td>No and type of innovations identified and documented</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 25</td>
<td>No of systems of information and documentation material produced</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 26</td>
<td>No of pilots/ field trials conducted</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 27</td>
<td>No of CBOs supported to replicate best practices and innovations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 28</td>
<td>No of policy proposals submitted</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 29</td>
<td>No of community development plans established</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 30</td>
<td>No of CBOs involved in capacity building activities for economic empowerment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 31</td>
<td>Amount of local contribution committed</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 32</td>
<td>No and type of innovations identified and documented</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 33</td>
<td>No of systems of information and documentation material produced</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 34</td>
<td>No of pilots/ field trials conducted</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 35</td>
<td>No of CBOs supported to replicate best practices and innovations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 36</td>
<td>No of policy proposals submitted</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 37</td>
<td>No of community development plans established</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 38</td>
<td>No of CBOs involved in capacity building activities for economic empowerment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 39</td>
<td>Amount of local contribution committed</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 40</td>
<td>No and type of innovations identified and documented</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 41</td>
<td>No of systems of information and documentation material produced</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 42</td>
<td>No of pilots/ field trials conducted</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 43</td>
<td>No of CBOs supported to replicate best practices and innovations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 44</td>
<td>No of policy proposals submitted</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 45</td>
<td>No of community development plans established</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 46</td>
<td>No of CBOs involved in capacity building activities for economic empowerment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 47</td>
<td>Amount of local contribution committed</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 48</td>
<td>No and type of innovations identified and documented</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 49</td>
<td>No of systems of information and documentation material produced</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 50</td>
<td>No of pilots/ field trials conducted</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 51</td>
<td>No of CBOs supported to replicate best practices and innovations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 52</td>
<td>No of policy proposals submitted</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 53</td>
<td>No of community development plans established</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 54</td>
<td>No of CBOs involved in capacity building activities for economic empowerment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 55</td>
<td>Amount of local contribution committed</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 56</td>
<td>No and type of innovations identified and documented</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 57</td>
<td>No of systems of information and documentation material produced</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 58</td>
<td>No of pilots/ field trials conducted</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 59</td>
<td>No of CBOs supported to replicate best practices and innovations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 60</td>
<td>No of policy proposals submitted</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 61</td>
<td>No of community development plans established</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 62</td>
<td>No of CBOs involved in capacity building activities for economic empowerment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 63</td>
<td>Amount of local contribution committed</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 64</td>
<td>No and type of innovations identified and documented</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 65</td>
<td>No of systems of information and documentation material produced</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 66</td>
<td>No of pilots/ field trials conducted</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 67</td>
<td>No of CBOs supported to replicate best practices and innovations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Component 68</td>
<td>No of policy proposals submitted</td>
<td></td>
</tr>
</tbody>
</table>

1/ Performance Targets to be defined in annual planning workshops as a part of the Result Oriented AWPB process