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Enabling poor rural people  
to overcome poverty

**President's report on a proposed grant  
under the global/regional grants  
window to a non-CGIAR-supported  
international centre**

Executive Board — Ninety-ninth Session  
Rome, 21-22 April 2010

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For: **Approval**

## **Note to Executive Board members**

This document is submitted for approval by the Executive Board.

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## **Abbreviations and acronyms**

IDRC	International Development Research Centre
LAC	Latin America and the Caribbean
MIC	middle-income country
Rimisp	Latin American Center for Rural Development

## **Recommendation for approval**

The Executive Board is invited to approve the recommendation for a grant under the global/regional grants window to a non-CGIAR-supported international centre as contained in paragraph 7.



## **President's report on a proposed grant under the global/regional grants window to a non-CGIAR-supported international centre**

I submit the following report and recommendation on a proposed grant for agricultural research and training to a non-Consultative Group on International Agricultural Research (CGIAR)-supported international centre in the amount of US\$1.824 million.

### **Part I – Introduction**

1. This report recommends the provision of IFAD support to the research and training programme of the following non-CGIAR-supported international centre: Rimisp – Latin American Center for Rural Development.
2. The document of the grant for approval by the Executive Board is contained in the annex to this report:
 

Rimisp – Latin American Center for Rural Development: Knowledge for Change – Policy Processes for Poverty Impact
3. The objectives and content of this applied research programme are in line with the evolving strategic objectives of IFAD and the Fund's policy for grant financing.
4. The overarching strategic goal that drives the Revised IFAD Policy for Grant Financing, which was approved by the Executive Board in December 2009, is to promote successful and/or innovative approaches and technologies, together with enabling policies and institutions, that will support agricultural and rural development, empowering poor rural women and men in developing countries to achieve higher incomes and improved food security.
5. The policy aims to achieve the following outputs: (a) innovative activities promoted and innovative technologies and approaches developed in support of IFAD's target group; (b) awareness, advocacy and policy dialogue on issues of importance to poor rural people promoted by, and on behalf of, this target group; (c) capacity of partner institutions strengthened to deliver a range of services in support of poor rural people; and (d) lesson learning, knowledge management and dissemination of information on issues related to rural poverty reduction promoted among stakeholders within and across regions.
6. The proposed programme is in line with the goal and outputs of the revised IFAD grant policy. Specifically, the grant proposed in this document focuses on 5(b), (c) and (d) above, in that it supports: a policy framework at both the local and national level that provides poor rural people with a conducive incentive structure to improve their productivity and reduce their dependence on transfers; and 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.

## **Part II – Recommendation**

7. 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, Knowledge for Change – Policy Processes for Poverty Impact, shall make a grant not exceeding one million eight hundred and twenty-four thousand United States dollars (US\$1,824,000) to the Rimisp – Latin American Center for Rural Development 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.

Kanayo F. Nwanze  
President



# **Rimisp – Latin American Center for Rural Development: Knowledge for Change – Policy Processes for Poverty Impact**

## **I. Background**

1. Despite some resounding success stories, in the 25 years since the early 1980s, the number of poor rural people in Latin America and the Caribbean (LAC) has been reduced by only 8 million and the incidence of rural poverty has gone from 60 to 52 per cent. The number of those in extreme poverty has been reduced by only 5 million in the same period, and the rate of extreme rural poverty has barely budged – from 33 to 30 per cent. The Economic Commission for Latin America and the Caribbean (ECLAC) estimates that the financial crisis will increase the incidence of poverty by more than 10 per cent. Comparing the 1980s with the first years of the new century, rural income inequality has worsened in five of the 14 Latin American countries for which there are comparable data. Inequality of access to assets such as land is actually worse than income distribution. Gender inequality is unusually high, even in countries with relatively good indicators of human development. The ratio of women's income to men's ranges between 0.32 and 0.63 across nine LAC countries. Afro-Latin Americans and indigenous peoples are consistently among the poorest of the population in all countries. It is quite evident that the strategies and policies of the past 25 years have not worked and that new approaches are necessary; the economic crisis has opened the door to acting on this realization.
2. In the design and implementation of this programme, IFAD is partnering with a well-established regional network of 174 leading public and private organizations engaged in promoting rural economic growth with social inclusion and environmental sustainability. This network has been formed around a research-based policy advice and capacity development programme for rural economic growth, social inclusion and environmental sustainability: Rural Territorial Dynamics. This is a large programme, funded mainly by Canada's International Development Research Centre (IDRC), but also by New Zealand's International Aid & Development Agency (NZAID), and other agencies participating in specific activities.

## **II. Rationale and relevance to IFAD**

3. The programme will contribute to the strategic goal of the Revised IFAD Policy for Grant Financing and to the main desired results highlighted in the IFAD Strategic Framework 2007-2010. It will directly support IFAD's strategic objective 6 – local and national policy and programming processes. It will also contribute directly to: (a) enabling policy frameworks, including poverty reduction strategies and sector policies that respond to the needs of poor rural people; and (b) efficient government institutions that focus on poverty reduction. The programme conforms to the strategic criteria defined in the revised IFAD grant policy: (a) it promotes one or more of IFAD's strategic objectives and its principles of engagement; (b) it will enable IFAD to more effectively learn and manage the knowledge and expertise embedded in its operations in the LAC region; (c) it will promote partnerships with key regional, national and subnational partners working on rural poverty reduction; (d) it does not constitute an activity funded from IFAD's administrative budget, and it will be managed at arm's length from IFAD; (e) it will develop close linkages with IFAD operations in the four selected countries; and (f) it will test a regional approach to engaging in policy processes in these middle-income countries (MICs).
4. The programme will inform and influence changes in policies and investments that can expand the assets and capabilities of poor households and improve the socio-

- economic and political environments in which they live and work. It will seek to achieve this objective through evidence- and learning-based policy analysis, policy dialogue, policy support and public awareness-raising. The programme will improve the 'portfolio' of partners with which IFAD engages in these four countries and beyond, strengthening relations with non-traditional and increasingly influential actors. Through this programme, IFAD will test what is believed to be a more comprehensive, relevant and effective strategy for engaging in a region made up largely of MICs.
5. The linking of IFAD's practical field-level experience to policymaking at country and regional levels is a matter of urgency. Much experience has been gained in terms of approaches and tools for knowledge management and social learning processes that extract and add value to practical, field-level project experience. Yet what is pending is the building of effective bridges between IFAD's systematized practical experience and actual policymaking, and learning from past successes and failures to inform policy processes.
  6. IFAD must engage in policy dialogue with new actors that enrich the portfolio of partners with whom it works, attracting new decision makers and opinion shapers that play an influential role at national and subnational levels. This is the case, for example, of the private sector, of intermediate (provincial) governments, of the mass media, and of urban sectors concerned with quality-of-life and environmental issues (especially climate change) that open opportunities for poor rural people.
  7. Finally, policy analysis and dialogue need to be complemented by rapid response mechanisms that allow IFAD and its partners to act quickly on demand and on emerging opportunities. It is of little use to support a policy dialogue process that concludes 'A', if it then takes a year or more before IFAD can take action on 'A' with its partners.
  8. The programme will have close communication and interaction with IFAD operations in the four selected countries, as well as with IFAD regional programmes involved in policy advice. It will support the Fund's and others' rural development projects by:
    - (a) strengthening their linkages with new influential public and private partners;
    - (b) providing them with clear and relevant analyses of trends and issues that affect poor people in different ways;
    - (c) allowing better understanding of the livelihood strategies of poor people in diverse development contexts within a country;
    - (d) implementing bottom-up learning and knowledge management cycles to systematize and synthesize people's experiences in order to feed them into policy processes;
    - (e) highlighting new opportunities and revealing constraints on rural development projects that arise from policy processes (including some of potential interest to IFAD);
    - (f) directly supporting and helping create better policy enabling environments for IFAD's country programme management teams and for direct supervision of IFAD operations.
  9. The agenda for the policy processes in which the programme will engage will be defined from the bottom up and be agreed with the participating stakeholders in each country. However, the programme intends to propose and give arguments in favour of including issues that are pertinent to the whole of LAC (and in some cases, to other developing regions). Through the interaction of the programme with IFAD itself, lessons learned in the four countries can be used to inform policy processes elsewhere. Four issues are of particular interest, as starting propositions to be presented for the consideration of our local partners: (a) the complementarity of economic development and conditional cash transfer programmes; (b) the role of family-based farming in achieving food security, particularly at regional and local levels; (c) leveraging the environmental and quality-of-life concerns and expectations of the growing middle class in MICs, in order to generate new employment and income opportunities for poor rural people; (d) improving the

coordination of local, provincial and national governments and their capacity to forge public/private development partnerships, particularly at the territorial level.

### III. The proposed programme

10. The overall goal of the programme is to enhance pro-rural poor national and subnational strategies, policies and investments through evidence- and learning-based policy analysis, policy dialogue and policy support in four LAC countries. The programme's objectives are: (a) effective rural-poverty policy coalitions active in four countries; (b) improved understanding of rural poverty, leading to greater agreement among policymakers and other stakeholders on priority changes in the rural poverty agenda and/or the design and implementation of rural poverty reduction strategies, policies and investments; (c) changes implemented in the rural poverty agenda and/or in the design and implementation of rural poverty reduction strategies, policies and investments; and (d) improved capacity of staff of IFAD operations and country teams to engage in policy processes and to respond proactively to policy frameworks.
11. The target group consists of poor rural people of Colombia, El Salvador, Mexico and Peru – potentially 23 million people. Rural poverty rates in these countries are 45 per cent in Mexico, 51 per cent in Colombia, 57 per cent in El Salvador and 60 per cent in Peru. Benefits are those derived from improved national and subnational strategies and policies in areas of importance to poor rural people.
12. The three-year programme has four main components: (a) policy coalition-building, led by country rural poverty working groups (RPWGs), to build strong links with government counterparts and create enabling conditions for their participation in and buy-in into the policy dialogue process; (b) policy analysis to identify gaps, opportunities and priorities for poverty reduction and to systematize knowledge management and social learning processes; (c) policy dialogue and communication to achieve broader agreement among policymakers and other policy-influential stakeholders on the top priorities for pro-poor changes in strategies, policies and investments; and (d) policy support to strengthen the capacity of decision makers and staff of leading government agencies to effect policy change.

### IV. Expected outputs and benefits

13. The programme will have the following outputs under the four components:
 

**Policy coalition-building.** Four policy coalitions led by RPWGs, and with the active participation of representatives of municipalities in the reference group, members of the Rural Territorial Dynamics network, and other organizations and stakeholders.

**Policy analysis.** Working papers, policy briefs and media briefs derived from evidence-based analyses of trends, dynamics and determinants of different types of rural poverty in diverse regional contexts; country databases and tools to facilitate ex ante assessments of potential policies and investments; annual country reports of the consultation processes of key opinion shapers and decision makers; and reports on IFAD's systematized field experience in relation to the key policy issues, opportunities and priorities identified in the consultation.

**Policy dialogue and communication.** Annual policy dialogue agenda; reports from the public competitions, learning tours and field visits of opinion makers, policymakers and their advisors; media briefs and reports of communication campaigns, including copies of newspaper articles and other media reports; summaries of key messages for IFAD arising from the dialogue agenda; and a Latin America rural poverty report.

**Policy support.** Reports of capacity-building and technical assistance initiatives in support of public agencies at national and subnational levels; reports of initiatives

to support change in strategies, policies or investments at national and subnational levels; and the availability of trained staff for IFAD operations and country teams.

14. The programme will generate inputs into IFAD regional strategies and project cycles, including but going beyond the four directly participating countries. Using the results of the programme, IFAD and other development agencies will have the opportunity to: (a) synthesize and add policy-pertinent value to their practical experience in the region; (b) enhance the policy and social relevance of their programming and the quality of their regional and country strategies; (c) build partnerships with new public and private actors that are increasingly influential in shaping strategies, policies and investments directly relevant to poor people; (d) identify determinants and pathways for scaling up innovative and effective practice; (e) improve their links with existing regional networks having technical and political capacities that can be mobilized in favour of rural poverty reduction and to enhance the sustainability of the programme itself.

## **V. Implementation arrangements**

15. The programme will be implemented and managed by Rimisp – Latin American Center for Rural Development ([www.rimisp.org](http://www.rimisp.org)). Rimisp is a well-known IFAD partner, having developed the first of the regional knowledge networks in the early 1990s (FIDAMERICA) and collaborated with diverse IFAD divisions and initiatives, including most recently the consultations for the IFAD Rural Poverty Report 2010 and the highly successful project on the Impact of the Financial Crisis on Latin America's Rural Poor. Over the past 10 years, Rimisp has developed and managed a portfolio of 176 research, social learning, capacity development, policy advice and communication projects, with a combined budget of well over US\$40 million. At present, it has active projects in 16 LAC countries, involving dozens of local partners from the public and private sectors.
16. A programme steering committee will be established to support the coordination unit through strategic and programmatic oversight. This committee will be composed of one representative from IFAD and one from Rimisp, plus three independent members appointed jointly by IFAD and Rimisp. The committee will, inter alia: (a) approve annual workplans and budgets; (b) approve annual technical and financial reports; (c) approve annual monitoring and evaluation reports; and (d) advise the coordination unit and Rimisp on strategy and programmatic issues in order to improve the relevance, quality and effectiveness of the programme.

## **VI. Indicative programme costs and financing**

17. The programme will be cofinanced by IFAD and Rimisp. The Rimisp contribution originates in a core funding grant received in 2007 from IDRC. This funding is completely independent and totally incremental to any other resources that IDRC may have contributed to any agreement with IFAD. IDRC is aware and fully supportive of Rimisp's decision to cofinance this programme with IFAD.

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

<i>Number</i>	<i>Type of expenditure</i>	<i>IFAD</i>	<i>Rimisp</i>
1	Personnel (including subcontractors)	300 600	252 000
2	Professional services	111 900	18 900
3	Travel costs	46 800	-
4	Equipment	-	14 000
5	Operational costs, reporting and publications	1 078 878	1 072 000
6	Training/capacity-building	112 500	-
7	Administrative costs	173 322	142 475
	<b>Total</b>	<b>1 824 000</b>	<b>1 499 375</b>

# Results-based logical framework

	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
<b>Goal</b>	Pro-rural poor national and subnational strategies, policies and investments are enhanced through evidence- and learning-based policy analysis, policy dialogue and policy support, in four LAC countries.	<ul style="list-style-type: none"> <li>•Number of rural poverty strategies, policies, and investments improved</li> <li>•Number of poor rural individuals, households, groups and/or communities reached by the improved strategies, policies, and investments; disaggregated by gender where possible</li> </ul>	<ul style="list-style-type: none"> <li>•Annual programme reports</li> <li>•Monitoring and evaluation (M&amp;E) reports</li> <li>•Information from public agencies (websites, reports)</li> <li>•Final external evaluation</li> </ul>	<ul style="list-style-type: none"> <li>•Countries do not undergo major crisis that severely affect the normal policy process and agendas</li> </ul>
<b>Objectives</b>	(a) Effective rural poverty policy coalitions active in four countries; (b) Improved understanding of rural poverty among policymakers and other policy-influential stakeholders; (c) Changes implemented in the rural poverty policy agenda; (d) Staff of IFAD operations and country teams improve their capacity to engage in policy processes.	<ul style="list-style-type: none"> <li>•Rural poverty agenda improved in four countries</li> <li>•At least two leading government agencies have improved policies, programmes and investments in each of four countries</li> <li>•Increased IFAD strategic partnerships and alliances with traditional and non-traditional partners, in four countries.</li> </ul>	<ul style="list-style-type: none"> <li>•Annual programme reports</li> <li>•Annual surveys of programme participants</li> <li>•Information from public agencies (websites, reports)</li> </ul>	<ul style="list-style-type: none"> <li>•Rural poverty attracts the interest of influential policymakers</li> <li>•Stability of government decision makers and technical teams within the normal bounds of administrations</li> <li>•Constraints imposed by procedures and regulations do not impede the timely implementation of changes</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>•<b>Coalition-building:</b> policy coalitions in each country led by rural poverty working groups (RPWGs)</li> <li>•<b>Policy analysis:</b> policy analysis and systematization reports widely used by policymakers</li> <li>•<b>Policy dialogue:</b> greater agreement among policymakers and other policy-influential stakeholders on top priorities for policy and institutional change</li> <li>•<b>Policy support:</b> greater capacity of decision makers and staff of leading government agencies to effect policy change; staff of IFAD operations and country teams trained in policy processes</li> </ul>	<ul style="list-style-type: none"> <li>•Four policy coalitions each led by a RPWG actively functioning</li> <li>•24 policy analysis reports, 24 media briefs, nine systematization reports and one Latin America Rural Poverty Report, produced and used/cited by policymakers in the four countries</li> <li>•Ten leading policymakers and 20 other influential stakeholders in each country actively engaged in policy dialogue processes led by RPWGs</li> <li>•30 articles/reports published in mass media of each country</li> <li>•Ten government agencies receive technical assistance on policy issues</li> <li>•18 exchange visits between rural development projects of the participating countries</li> </ul>	<ul style="list-style-type: none"> <li>•Annual programme reports</li> <li>•M&amp;E reports</li> <li>•Annual surveys of programme participants included in M&amp;E reports</li> </ul>	<ul style="list-style-type: none"> <li>•Political or social unrest in the participating countries do not affect the implementation of the programme</li> <li>•Devaluations or other economic shocks do not reduce the capacity of the programme to finance activities</li> <li>•Other commitments do not compete for the time and attention of the participating partners</li> </ul>
<b>Key activities</b>	<p>In each of the four countries:</p> <ul style="list-style-type: none"> <li>•Build pro-rural poor coalitions and RPWGs</li> <li>•Prioritize policy issues and define national agendas</li> <li>•Conduct policy analysis on priority issues</li> <li>•Convene, organize and facilitate policy dialogue involving leading policymakers and other influential stakeholders</li> <li>•Provide capacity-building and technical assistance to key public agencies</li> <li>•Establish effective links with leading journalists and provide them with useful information and analysis</li> <li>•Train staff of IFAD operations and country teams</li> </ul>	<ul style="list-style-type: none"> <li>•# of meetings of RPWGs</li> <li>•# of participants in policy coalitions from different constituencies</li> <li>•# of contracts issued with independent centres for policy analysis</li> <li>•# of policy dialogue events</li> <li>•# of capacity-building and technical assistance events</li> <li>•# of media briefs, press releases, briefings and meetings with journalists</li> <li>•# of learning/sharing events for staff of IFAD operations and country teams</li> <li>•% of participants who rank the activities as relevant, good and useful</li> </ul>	<ul style="list-style-type: none"> <li>•Evaluations and minutes of activities</li> <li>•Annual programme reports</li> <li>•M&amp;E reports</li> <li>•Annual surveys of programme participants included in M&amp;E reports</li> </ul>	<ul style="list-style-type: none"> <li>•Programme coordination unit in place</li> <li>•Information shared about new programme with key partners in four countries</li> <li>•Contracts established with local organizations that can host the RPWGs</li> <li>•Timely flow of funds and reports between Rimisp and subcontractors</li> </ul>

