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

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For: **Approval**

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Abbreviations and acronyms

3R	water recharge, retention and reuse
CCROM	Centre for Climate Risk and Opportunity Management in South-East
	Asia and the Pacific
IRI	International Research Institute for Climate and Society
KM	knowledge management
MIS	management information system
MoU	memorandum of understanding
PAMIGA	Participatory Microfinance Group for Africa
RAIN	Rainwater Harvesting Implementation Network
RFI	rural financial intermediaries
RWH	rainwater harvesting
SearNet	Southern and Eastern Rainwater Network
WSA	Water and Sanitation for Africa (formerly Centre Regional pour l'Eau
	Potable et l'Assainisement [CREPA])

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Recommendation for approval

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

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

I submit the following report and recommendation on four proposed grants for agricultural research and training to non-Consultative Group on International Agricultural Research (CGIAR)-supported international centres in the amount of US\$5.84 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: the Trustees of Columbia University; the Participatory Microfinance Group for Africa (PAMIGA); the Rainwater Harvesting Implementation Network (RAIN) Foundation; and United Nations Entity for Gender Equality and the Empowerment of Women (UN Women).
- 2. The documents of the grants for approval by the Executive Board are contained in the annexes to this report:
 - (i) Trustees of Columbia University: Climate Risk Management in Agriculture with Demonstration Sites in the Lao People's Democratic Republic, Indonesia and Bangladesh;
 - (ii) Participatory Microfinance Group for Africa (PAMIGA): Responsible and Sustainable Growth for Rural Microfinance; and
 - (iii) Rainwater Harvesting Implementation Network (RAIN) Foundation: Rainwater Harvesting for Food Security: Setting an Enabling Institutional and Policy Environment for Rainwater Harvesting.
 - (iv) United Nations Entity for Gender Equality and the Empowerment of Women (UN Women): Broadening Economic Opportunities for Rural Women Entrepreneurs in the Latin America and the Caribbean Region Programme.
- 3. The objectives and content of these applied research programmes 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 programmes are in line with the goal and outputs of the revised IFAD grant policy.
 - (i) The programme for Climate Risk Management in Agriculture with Demonstration Sites in the Lao People's Democratic Republic, Indonesia and Bangladesh supports pro-poor research and is aimed to reduce risk and vulnerability, and promoting innovations for scaling up and South-South cooperation.
 - (ii) The programme for Responsible and Sustainable Growth for Rural Microfinance is consistent with the strategic objectives of IFAD's grant policy and supports IFAD's policy on rural finance by:
 - Consolidating small rural financial intermediaries (RFIs) through mergers, acquisitions and institutional transformation to develop sound governance and efficient systems that will enable intermediaries to scale up and to serve rural households and entrepreneurs sustainably.
 - Developing loan products to finance rural water and renewable energy projects, with the main objective of enhancing productivity in agriculture production while preserving the local environment.
 - Establishing technology platforms to reduce costs in rural outreach and providing new services to clients such as domestic and international money transfers.
 - Convincing partner RFIs to commit to high standards of social performance management and financial education programmes for their staff and clients.
 - (iii) The programme for Rainwater Harvesting for Food Security will adopt innovative technologies and approaches with a specific focus on water recharge, retention and reuse (3R). It promotes rainwater harvesting, especially in relation to food production, by strengthening and joining forces with other rainwater-harvesting organizations and networks. The programme will also build the capacity of a wide variety of stakeholders. Information, knowledge and expertise related to rainwater harvesting will be made easily accessible to interested organizations and individuals.
 - (iv) The programme for Broadening Economic Opportunities for Rural Women Entrepreneurs in the Latin America and the Caribbean Region is linked to three of the four outputs of the Revised IFAD Policy for Grant Financing:
 - Innovative activities promoted and innovative technologies and approaches developed in support of IFAD's target group

While the technical tools to be used are well known, the innovative feature of the programme design is the approach adopted, which directly targets excluded rural women, and uses the action learning process as a delivery mechanism to gradually empower women and promote more effective ways of bridging the persistent gender gap. Through the learning process the women will be able to communicate their aspirations and strategies at different institutional levels for reflection and learning, gain greater respect for their views and interests, challenge established attitudes and

behaviours and acquire a voice in institutional decision-making. The learning route methodology will be adopted, among other tools, to promote and disseminate women-driven innovations concerning enterprise development, women's economic empowerment and active citizenry.

 Awareness, advocacy and policy dialogue on issues of importance to poor rural people promoted by, and on behalf of, this target group

The voice and knowledge component specifically aims to improve the capacity of rural women entrepreneurs to undertake collective action and engage with a broad range of public- and private-sector actors to effect change in local development processes and in broader policies that are gender-discriminatory.

• Lesson learning, knowledge management and dissemination of information on issues related to rural poverty reduction promoted among stakeholders within and across regions Lesson learning and dissemination of information are core programme activities. The voice and knowledge component will provide a vehicle for generating, systematizing and disseminating knowledge and best practices on women's economic empowerment. Lessons learned will be shared within the participating institutions as well as with other stakeholders in countries in the Latin America and the Caribbean region through workshops, dissemination events and reports.

Part II - Recommendation

7. 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 programme for Climate Risk Management in Agriculture with Demonstration Sites in the Lao People's Democratic Republic, Indonesia and Bangladesh, shall make a grant not exceeding seven hundred thousand United States dollars (US\$700,000) to the Trustees of Columbia University 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.

FURTHER RESOLVED: that the Fund, in order to finance, in part, the Responsible and Sustainable Growth for Rural Microfinance programme, shall make a grant not exceeding one million one hundred and forty thousand United States dollars (US\$1,140,000) to the Participatory Microfinance Group for Africa (PAMIGA) 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 programme on Rainwater Harvesting for Food Security: Setting an Enabling Institutional and Policy Environment for Rainwater Harvesting, shall make a grant not exceeding one million five hundred thousand United States dollars (US\$1,500,000) to the Rainwater Harvesting Implementation Network (RAIN) Foundation 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.

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FURTHER RESOLVED: that the Fund, in order to finance, in part, the Broadening Economic Opportunities for Rural Women Entrepreneurs in the Latin America and the Caribbean Region Programme, shall make a grant not exceeding two million five hundred thousand United States dollars (US\$2,500,000) to the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) 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

Trustees of Columbia University: Climate Risk Management in Agriculture with Demonstration Sites in the Lao People's Democratic Republic, Indonesia and Bangladesh

I. Background

- 1. In South and South-East Asia, a failed or delayed monsoon can seriously impact livelihoods and economies. Farmers can face a complete loss of crops that pushes communities into further poverty, and economy-wide impacts can erase years of progress made with respect to the Millennium Development Goals. The Lao People's Democratic Republic, Indonesia and Bangladesh all have a relatively large agrarian population and rainfed farming accounts for a high proportion of rural employment. High exposure to climate risks is a critical challenge in these three countries.
- 2. The Asian Development Bank currently estimates that the percentage of the population living below the national poverty line in the Lao People's Democratic Republic is 27.6 per cent; in Indonesia, 13.3 per cent; and in Bangladesh, 40 per cent, and the anticipated impacts of climate change and variability threaten to exacerbate these rates. Many of the potential impacts relate to climate variability, including more frequent and damaging extreme events and an early or delayed start to and unpredictable duration of the monsoon. Identifying these risks in advance and employing risk management options to counter negative impacts can help ensure optimal yields and food security. Programme activities will seek to provide vulnerable communities in the Lao People's Democratic Republic, Indonesia and Bangladesh with actionable climate information and enhanced capacity to manage climate risk and enhance agricultural productivity and food security. In this way, the programme will contribute to improved rural livelihoods, giving emphasis to marginal social groups, especially women.

II. Rationale and relevance to IFAD

- 3. The proposed programme aims to reduce risk and vulnerability, and promote innovations for scaling up and South-South cooperation. These objectives are consistent with the IFAD Policy for Grant Financing, the Strategic Framework and corporate priorities. Programme outputs and training activities will be linked with the grant-supported Medium-term Cooperation Programme with Farmers' Organizations in Asia and the Pacific Region (being implemented by the Food and Agriculture Organization of the United Nations (FAO) and Self-Employed Women's Association). Likewise, the programme will be linked to the following IFAD-supported operations: the Soum Son Seun Jai Community-based Food Security and Economic Opportunities Programme in the Lao People's Democratic Republic; the National Agricultural Technology Project in Bangladesh; and the Rural Empowerment and Agricultural Development Programme in Central Sulawesi in Indonesia.
- 4. The International Research Institute for Climate and Society (IRI) is part of the Trustees of Columbia University. It is an authoritative source of climate information and, from inception, has worked to push back the boundaries of climate science and increase the capability to anticipate and manage climate risks and opportunities in developing countries. As a globally recognized climate research institute and a science partner in development projects, the IRI engages in policymaking in areas such as agriculture, food security, water management and disaster risk management. IRI adopts a comprehensive approach to climate risk management which includes developing actionable climate information, providing information in a format that is easily understood and readily usable by stakeholders, and developing

adaptation tools such as dynamic crop calendars or index insurance that can integrate the information to help transfer risk away from vulnerable communities.

III. The proposed programme

- 5. The overall goal of the programme is to develop the climate information, decision support tools and capacity required to enable farmers and policymakers to better manage the risks associated with climate variability and change. This will contribute to increasing agricultural production and productivity and enhancing food security and rural livelihoods in the Lao People's Democratic Republic, Indonesia and Bangladesh. The programme will benefit in particular marginal social groups, especially women. Specific objectives are as follows:
- 6. **Objective 1.** Through collaborative local research, build the capacity of Lao, Indonesian and Bangladeshi stakeholders on the latest techniques to generate climate information that enables farmers, agricultural organizations and decision makers to plan for and effectively respond to impacts associated with climate variability and change.
- 7. **Objective 2.** Using a stakeholder-focused approach, identify specific needs for climate information and points for action for the development of a decision support tool to incorporate weather forecasts into crop planning to improve agricultural risk management, and develop tools and approaches for addressing climate risk over the next 30 years in agricultural planning in South Kalimantan and Central Sulawesi, Indonesia. Conduct a preliminary climate risk analysis in Nusa Tenggara Timur, Indonesia and in Sayabouly, Oudomxay and Attapeu provinces in the Lao People's Democratic Republic. Collaboratively improve the National Agriculture and Forestry Research Institute (NAFRI) agro-climate advisory tool and pilot the tool in Sayabouly, Oudomxay and Attapeu provinces. Develop and apply subseasonal forecasts in Bangladesh and assess index insurance as a climate risk management strategy.
- 8. **Objective 3.** Enhance capacity and raise awareness of farmers, farmers' organizations and national and provincial policymakers on climate risk management methodologies and tools through North-South and South-South capacity-building events and policy forums.
- 9. The target groups will be composed of:
 - Farmers and farmers' organizations with an emphasis on poor rural households, particular efforts will be made to engage households headed by women and marginal groups. Activities will target farmers in South Kalimantan, Central Sulawesi, and Nusa Tenggara Timur in Indonesia; Savannakhet, Sayabouly, Oudomxay and Attapeu provinces in the Lao People's Democratic Republic; and the Khulna district in Bangladesh.
 - Meteorologists working in meteorological departments, universities and research institutes in the three target countries.
 - National and provincial policy decision makers in the agricultural, development and planning sectors.
- 10. The programme will be implemented over two years and comprises three components: (i) applied research; (ii) development of tools for climate risk management; and (iii) capacity-building.
- 11. To ensure the successful use of climate information and sustained improvements in climate risk management practices, capacity-building activities are a central feature of the programme. These activities will help increase the awareness and technical and institutional capacity of national programme partners to develop and deliver climate information and tools to farmers. Farmers will also be trained to interpret

climate risk management information and identify appropriate action based on authoritative climate information and other decision criteria. A South-South approach will be used for the capacity-building activities; this will leverage Indonesia's effective climate analysis capacity.

IV. Expected outputs and benefits

- 12. These are the following:
 - Enhance climate risk assessment and management strategies to increase agricultural production and productivity to improve food security and rural livelihoods in select areas of the Lao People's Democratic Republic, Indonesia and Bangladesh.
 - Through collaborative climate analysis with programme partners, the Lao, Indonesian and Bangladeshi meteorological agencies have greater capacity to use new weather forecasting methodologies.
 - Poor farmers and marginal groups, especially women, have increased capacity
 to use climate information and adopt climate risk management tools. The
 tools will be developed to meet the specified needs of farmers. Enhanced
 capacity of policymakers to use tools that support informed decision-making.

V. Implementation arrangements

- 13. The programme will be implemented by IRI, which is part of the Earth Institute. IRI was established in 1996 through a collaborative agreement between Columbia University and the United States National Oceanic and Atmospheric Administration to help developing countries better manage climate risks. Scientific staff, researchers and faculty staff are drawn from a wide range of expertise, including climate modeling and prediction, environmental monitoring, remote sensing, agriculture, public health, water resource management, resource economics and policymaking.
- 14. In 2008, with the support of IRI, the Institut Pertanian Bogor (a research-based university in Indonesia) established the Centre for Climate Risk and Opportunity Management in South-East Asia and the Pacific (CCROM). CCROM seeks to improve the capacity of Indonesia and other South-East Asian countries to manage climate risks. With core expertise in climate, agriculture, forestry, hydrology, health, remote sensing, and social and economic analysis, CCROM works with a range of government agencies, universities and NGOs. CCROM is the planned regional partner in this programme.
- 15. Additional partners include the NAFRI (in the Lao People's Democratic Republic) and the WorldFish Center and colleagues of the CGIAR's Climate Change, Agriculture and Food Security (CCAFS) centre in Bangladesh as well as IFAD's investment programmes in the three target countries.
- 16. The approach proposed will utilize collaborative research and analysis of climate risks to the agriculture sector and engage with local and national officials, and farmers' groups and organizations to identify the challenges and information needs to develop tools to improve climate risk management and enhance food security and rural livelihoods.
- 17. The IRI will submit a performance management plan that covers the entire programme period. It will include specific benchmarks and indicators for measuring progress on all ongoing activities, and specify how data will be collected and analysed for each benchmark and indicator.
- 18. Throughout the programme period, partners will invite stakeholders' feedback on the activities and deliverables of the programme to better understand its impact, draw useful lessons and identify the needs and opportunities for expanding successful aspects to other districts and throughout the region. The programme will

strive to develop communities of practice, which will serve as a knowledge network that will advocate for change and connect vulnerable communities to knowledge, experience and resources to help them build a better life. Knowledge will be disseminated through several platforms and forums, including newsletters and learning notes.

- 19. The financial management, procurement and governance will be carried out in accordance with the financial policies and procedures of the Trustees of Columbia University, which are compliant with IFAD's procedures. Where resources are transferred to implementing partners, the Trustees of Columbia University (the grant recipient) will remain accountable to IFAD for ensuring that grant resources are used in accordance with the provisions of the financing agreement and are fully accounted for. This will be reflected in the partner agreements. The grant recipient and its implementing partners will work together based on existing memorandums of understanding or newly established ones.
- 20. The programme will be directly supervised by IFAD, with at least one mission per year. The coordination of activities by partners will be undertaken by a joint programme committee (JPC), which will include representatives from the partner institutions. The JPC will meet every other month via web conferencing to discuss progress and address any challenges that may arise. The JPC will be responsible for ensuring the timely and effective implementation of joint activities.

VI. Indicative programme costs and financing

21. IFAD is requested to provide a total of US\$700,000 in support of the programme. It is anticipated that the United Nations Development Programme and the United Nations Environment Programme (UNEP) will provide in-kind cofinancing of up to US\$140,000. Furthermore, the United States Agency for International Development office in Indonesia recently awarded IRI a research grant aimed to enhance Indonesia's adaptive capacity to effectively manage climate risks. In the Lao People's Democratic Republic, NAFRI and CCROM are implementing an Asian Development Bank technical assistance project on capacity enhancement for coping with climate change. In Bangladesh, the programme will benefit from coordination with the CCAFS programme. The proposed activities have been developed in extensive consultation with CCAFS to ensure that there is no duplication between the two efforts. It is anticipated that lessons learned under these programmes will be applied to the IFAD efforts. Furthermore, where possible, the programme partners will seek to leverage funds for capacity-building activities on weather forecasting methodologies, the dynamic cropping calendar, and index insurance.

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

Number	Type of expenditure	IFAD	Cofinancing
1	Personnel	204	110
2	Travel costs	50	20
3	Training/capacity-building	71	10
4	Subcontracts	295	-
5	Overheads	80	-
	Total	700	140

Results-based logical framework

	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Goal	Enhance climate risk assessment & management strategies to increase agricultural production & productivity to improve food security & rural livelihoods in select districts in Laos, Indonesia, & Bangladesh.	Capacity of the National Meteorological Agencies to provide quality climate information & of rural stakeholders to uptake this information is built and strengthened	Baseline & evaluation surveys Quarterly reports	Access to quality data. Strong forecast skill. Continued government commitment to developing & providing climate forecasts.
Objectives	Through collaborative research, build the capacity of Met agencies and universities on the latest methods to generate climate information	10-20 staff in Meteorological Agencies and universities trained	Workshop materials & reports	Continued government commitment to developing climate forecasts.
	Through a stakeholder-focused approach (minority groups & women are targeted), identify needs for climate information	Rural farmers in demonstration sites are engaged to provide feedback on climate info needs	Surveys Meeting sign-in sheets	Economic & social stability in the demonstration sites.
	Enhance capacity of farmers, farmer organizations, & national & provincial-level policy-makers on climate risk management methodologies & tools	1000 Farmers trained in climate risk assessment & management strategies.	Workshop materials & reports	Economic & social stability in the demonstration sites.
Outputs	Met Agencies provide improved & usable climate information to target group farmers.	Development of seasonal & sub-seasonal probabilistic climate forecasts and delivery mechanisms	Climate assessment reports & communication	Continued government commitment to developing climate forecasts.
	Target group has increased access & capacity to use climate information & tools.	1000 farmers in target villages receive climate advisory information, have access to CRM tools & participate in training events.	Climate communication & tools Workshop materials/reports	Economic & social stability in the demonstration sites.
	Policy training and dialogues to integrate tools & science into the decision making process.	Consensus on the use of tools and & climate information in policy development - 30 policy makers	Meeting sign-in sheets	Continued government commitment to developing climate forecasts.
Key Activities	Develop annual work plan, budget & performance monitoring plan (PMP)	IFAD approval of documents	Work plan, budget and PMP	IFAD support for programme
	Training events for Met agencies, target group farmers, & policy makers	10-20 Met staff, target villages, & policy-makers trained	Workshop reports	Stakeholder participation
	Develop climate forecasts & tools	Forecasts & tools available	Climate reports	Government committed
	CRM action planning by target group	CRM action plans developed	Action plans	Stability at demonstration sites
	Policy dialogue	Policy discussions/consensus	Sign-in sheets	Government committed

Participatory Microfinance Group for Africa (PAMIGA): Responsible and Sustainable Growth for Rural Microfinance

I. Background

1. PAMIGA was created in 2006 to help unlock the economic potential of sub-Saharan Africa by supporting rural finance development. Financial services have been playing a key role in rural areas for years, providing entrepreneurs and household economies with the means to invest in their own economic growth. However, rural finance in Africa remains a challenge: the product range is still limited, outreach is far from sufficient and the methods – based on solidarity and voluntary work – are losing their relevance and efficiency. Rural finance intermediaries (RFIs), funders and governments need to innovate to accelerate economic development and poverty reduction.

2. RFIs can develop new strategies to remain relevant and efficient. Scaling up, developing new products and using technologies are the key routes. PAMIGA aims to support this process through the proposed programme.

II. Rationale and relevance to IFAD

- 3. The programme will support a group of 14 RFIs in: (i) transforming and/or merging; (ii) developing new products for rural water and energy financing; and (iii) using technology to reduce costs and improve service quality. These goals have the full buy-in of RFIs who selected them during their 2011 meeting in Kenya.
- 4. **Merger and transformation.** To remain or become sustainable and to scale up, RFIs must increase their client base, develop synergies between rural and urban areas and identify new sources of funding. To do so, many institutions have found that they need to transform and/or merge. Savings and credit cooperatives and community-based financial institution are constrained in their growth. Their institutional form means that they cannot attract investors and have to rely on membership fees and donations to build equity. The new 2007 law for the West African Economic and Monetary Union region no longer limits the creation of share companies; a similar evolution of the legal framework is expected in Central Africa.
- 5. **Rural finance and energy financing products.** Although Africa benefits from very large water resources, water for agricultural purposes represents around 90 per cent of the water consumption in Africa, against only 70 per cent worldwide; and close to 300 million rural Africans have no access to basic water infrastructure. A market survey undertaken by PAMIGA shows that 80 per cent of their clients have a project idea related to water that would help them increase their productivity. However, only 10 per cent of those clients were able to obtain financing. RFIs need adapted products and funding resources to support these projects.
- 6. In terms of renewable energy, the remoteness of rural locations usually makes expansion of the electricity supply difficult. Hence, rural inhabitants often rely on fossil fuels. Innovative solutions have been tested in several parts of the world, such as solar systems, wind energy, micro hydropower and biogas. One of the main challenges lies in the lack of funding to acquire the equipment. Microfinance can solve this problem.
- 7. **Technology.** RFIs recognize the potential of new technologies to reduce operational costs and improve service quality. Adopting such technologies requires infrastructure investment, new business models and new staff skills. RFIs often need external expertise to bring them the most effective technology and help them adapt it to their needs.

8. PAMIGA's mandate is to contribute to the development and the professionalization of the microfinance sector, particularly in rural areas. Thanks to the legacy of its founder, the International Development Research Centre, PAMIGA benefits from over 25 years of experience in rural microfinance and has thus gained tremendous expertise in the sector and worldwide recognition. In its first phase of operations (2006-2011), PAMIGA developed a network of 14 RFIs with the support of IFAD. These 14 RFIs are targeted by the proposed programme.

III. The proposed programme

Strategy, approach and methodology

- 9. The strategy derives from an evaluation exercise undertaken in early 2011.
- 10. In the first phase of this programme, PAMIGA worked with a group of 18 RFIs, identifying their needs, building business plans, testing methodologies (two mergers are well under way and one technology programme has started).
- 11. In this new phase (2012-2014), PAMIGA will work with 14 selected RFIs to: (i) transform and/or merge; (ii) develop new products for rural water and energy financing; and (iii) use technology to reduce costs and improve service quality. The programme will also promote social performance management and client financial education programmes.
- 12. PAMIGA will invest in some of these RFIs, and become an active board member. Although PAMIGA is the grant recipient, the RFIs are the final decision makers.
- 13. To be closer to its partner RFIs, PAMIGA has set up a regional hub in West Africa (Bamako) and will set up a similar hub in East Africa (Nairobi) in 2012. PAMIGA has integrated its activities under national strategies for microfinance.

Target group

- 14. The final beneficiaries/target group are 500,000 members of rural households small farmers, women, youth and seasonal migrants all involved in rural economic activities. More than 40 per cent are women and 30 per cent are young people.
- 15. The programme will be developed with RFIs organized in a network covering 10 sub-Saharan countries. All are mature RFIs that have been established for over 10 years and have more than 8,000 clients each. While their legal status varies, they are all regulated. The majority are profitable or close to profitability, and are significant players in their markets.

Overall goal

- 16. The overall goal is to help unlock economic potential in rural Africa by promoting the growth of existing financial intermediaries serving rural areas.
- 17. Major stakeholders are the RFIs, board members, managers and staff. In the countries where mergers and transformations are to take place, regulators will be closely involved in the processes. Private-sector providers have been identified to support product and service delivery.
- 18. Processes and tools used will also contribute to IFAD's knowledge management and be deployed in IFAD-supported rural finance activities, particularly in a pan-African stakeholders event.

IV. Expected outputs and benefits

Outcome 1: Small RFIs are consolidated through merger and transformation

19. Over the next three years, the intention is to support 10 merger and/or transformation processes. These RFIs will have developed sound governance and efficient systems enabling them to scale up and to sustainably serve rural households and entrepreneurs.

Outcome 2: Loan products are developed to finance rural water and renewable energy projects to enhance productivity in agriculture while preserving the local environment

- 20. The programme aims to help 11 RFIs fund 20,000 rural clients and improve their access to water with an average loan of US\$1,000. These loans will impact around 180,000 people, including client households.
- 21. The programme will also pilot an initiative related to renewable energy in which two partner RFIs will perform a market survey, conduct pilot testing, and capture knowledge in the form of an operational toolkit.

Outcome 3: Technology platforms are in place to allow cost reduction in rural outreach as well as provision of new services to clients

22. The programme aims to help six RFIs strengthen their management information system (MIS) and use technology to: (i) develop domestic and international payment systems; and (ii) increase proximity through delivery at the client's doorstep.

Outcome 4: Member RFIs are committed to high standards in social performance management and have financial education programmes in place for their staff and clients

- 23. Most of PAMIGA's partner RFIs have already been assessed with the social performance indicator (SPI) tool. The programme proposes to assist those RFIs in updating their SPI assessment and in implementing their social performance management (SPM) strategy. PAMIGA has subscribed to the Smart Campaign on client protection.¹
- 24. Based on the success of its 2010 global financial education programme, ² PAMIGA offers to support its partner RFIs in the development of financial education programmes. Financial education gives clients the knowledge, skills and confidence to better manage their expenses and revenue. Financial education is also beneficial for the RFIs themselves, as informed clients help prevent defaults.

V. Implementation arrangements

Implementing organization

- 25. Microfinance experts involved in the PAMIGA initiative include leaders of large and successful African microfinance institutions and high-profile specialists with hands-on experience in microfinance.
- 26. PAMIGA's board of directors currently comprises of seven members elected by the partner RFIs. Reporting to the Board is carried out on a six-monthly basis.
- 27. Although based in Paris, PAMIGA set up an office in Bamako, Mali in 2011 and one will soon open in Nairobi, Kenya.
- 28. PAMIGA's relationships with its partner RFIs are guided by the following principles:
 - Inclusive finance to serve a large spectrum of clientele with adapted products;
 - Sustainable finance via cost reduction, scaling up and technology to expand and secure transactions;
 - Equitable, accountable and responsible finance; social and environmental performance management; and
 - Knowledge building and sharing to spread efficient and responsible practices.
- 29. PAMIGA has performed several successful market research and product development missions in support of RFIs, which led to loan products for rural

¹ Client Protection Principles in Microfinance; see: http://www.cgap.org/p/site/c/template.rc/1.26.4943/

² In 2010, PAMIGA launched a global financial education programme in four African countries (Burkina Faso, Mali, Senegal and Madagascar) funded by Monaco, which resulted in more than 12,000 clients trained in six months.

- entrepreneurs or small farmers involved in value chains in Burkina Faso, Mali and Cameroon. The merger supported in Burkina Faso has been very successful in creating a new merged entity that is in the process of becoming one of the first regulated RFIs under the new law.
- 30. PAMIGA partners with very strong bank groups such as BNP Paribas and the federation of savings banks, providing technical assistance in different relevant areas.
- 31. For water and renewable energy, RFIs will identify and partner with local specialized technical service providers with strong track records.
- 32. PAMIGA commits to transferring competencies to RFI staff by providing them with the appropriate tools and mentoring them during all the steps of the process.

Programme management

- 33. PAMIGA is responsible for the administrative, financial and technical management of the programme. The annual budget and workplan will be approved at the beginning of the year by the Board of Directors.
- 34. A steering committee will be put in place for governance, oversight, technical backstopping and enhanced effectiveness in the field. It will be composed of key stakeholders (representatives of member RFIs, sectoral champions and technical and financial partners of the programme, e.g. IFAD's regional representatives). It will also scale up through building future links between the capacity-building activities and IFAD's lending portfolio, so that merged and consolidated RFIs with strengthened capacity can demonstrate more effective outreach to a greater number of rural clients and therefore achieve greater efficiency.
- 35. The proposed initiative is placed under the direction of the PAMIGA General Manager. She will be responsible for the results achieved and for the administrative and financial management of the programme. PAMIGA is composed of a General Manager, a dedicated staff member ("champion") for each strategic goal, and two cross-cutting officers specialized in social performance and client financial education and in institutional strengthening and knowledge management.
- 36. All champions have strong academic backgrounds in finance and business administration, significant field experience in microfinance, and relevant experience in the private sector. PAMIGA staff will develop the necessary relationship with the technical service providers.
- 37. In countries where IFAD is funding stand-alone rural financial services projects,³ the programme will work in synergy in key thematic areas of consolidation and product development. In countries where agricultural value chain projects are being implemented by participating financial institutions,⁴ the programme will link these with strengthened RFIs or assist in mapping and building a financial continuum, facilitating access to financial services for all key actors along the chain. Knowledge accumulated will be shared with IFAD project country teams and will be made available at the regional level, in thematic working groups, at regional workshops and in publications. PAMIGA experts will participate in IFAD regional workshops, present case studies, share knowledge and contribute to IFAD publications.

Monitoring, evaluation and reporting

38. Monitoring of programme activities and outputs will be part of the annual workplan and budget. IFAD will periodically monitor progress through supervisory missions.

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³ For example the Rural Financial Intermediation Programme in Ethiopia, the Programme for Rural Outreach of Financial Innovations and Technologies (PROFIT) in Kenya and the Marketing Infrastructure, Value Addition and Rural Finance Support Programme (MIVARF) in the United Republic of Tanzania, the Income-Generating Activities Project in Benin, the Rural Microfinance Development Support Project in Cameroon, the Rural Microfinance Programme in Mali and the Promotion of Rural Entrepreneurship Project – Phase II in Senegal.

⁴ i.e. Burkina Faso, Togo, Madagascar and Rwanda.

- PAMIGA will submit status reports every six months; the annual report will highlight achievements.
- 39. PAMIGA and its partner RFIs will comply with standard monitoring requirements. RFIs will be encouraged to report annually to the Microfinance Information eXchange (MIX) Market and once every six months to PAMIGA, to allow it to produce benchmarks and analyse performance.

VI. Indicative programme costs and financing

40. PAMIGA's core budget is around US\$1.4 million per year. The total cost of this programme is US\$4.4 million. Of the total programme costs, approximately 25% is provided by IFAD (US\$1.14 million) which covers costs related to staff, travel and operations under the proposed programme. Technical assistance is provided on a cost-sharing basis with microfinance institutions.

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

Number	Type of expenditure	IFAD	Cofinancing
1	Personnel, coordination/management (incl. subcontractors)	446 000	
2	Travel costs	106 000	
3	Operating costs (incl. local offices rent, accounting and audit, etc.)	202 000	
4	Knowledge management (incl. conferences and RFI client training, translation)	66 000	
5	Project-specific costs	320 000	
	Total	1 140 000	3 260 000

Results-based logical framework

	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions	
Goal	Contribute to unlock the economic potential in rural Africa, by promoting the growth of existing Rural Financial Intermediaries to serve rural areas.				
Objectives	1. Small RFIs are consolidated through mergers, acquisitions and institutional transformation				
Outputs	1. 1. Small RFIs merged and expand 1.2. Medium to large RFIs transformed into deposit-taking regulated entities 1.3. Knowledge is capitalized and shared	1.1. 5 Mergers and acquisitions are accompanied 1.2. 3 member RFIs are transformed 1.3. One active working group gathering all MFIs for KM	Regular project reporting On-going project monitoring	Commitment of RFIs to participate in the merger, acquisition and/or transformation process	
Key Activities	1.1.1. Perform feasibility study for mergers 1.1.2. Develop business plans 1.1.3. Assist RFIs to attract investors for new entity 1.1.4. Provide TA to ensure sound governance 1.1.5. Assist in the process of license application 1.2.1. Perform a feasibility study 1.2.2. Develop a business plan 1.2.3. Assist the process of license application 1.2.4. Raise capital	1.1.1. 3 feasibility studies performed (n.b. 2 already performed) 1.1.2. 3 business plans developed (n.b. 2 already developed) 1.1.3. The 5 merged MFls have sufficient funds 1.1.4. The MFls have appropriate governance, policies, procedures 1.1.5. The 5 merged entities have applied for their licenses 1.2.1. 3 feasibility studies performed 1.2.2. 3 business plans developed 1.2.3. All (3) assisted transformations have applied for their license 1.2.4. They have sufficient equity, quasi equity ,debt funding	Feasibility study reports Business plans License application documents of new entities and/or transformed entities		
Objectives	Loan products are developed to finance rural wat	ter and renewable energy projects, to enhance productivity in agricultur	e production while pre	serving the local environment.	
Outputs	2.1. RFIs offer products to improve use of water 2.2. RFIs offer products to improve the use of renewable energy 2.3. Knowledge is capitalized and shared	2.1. 10 RFIs offer products in water financing; 8 000 water projects 2.2. 2 RFIs developed products in renewable energy financing 2.3. One active working group gathering all RFIs for KM	Regular project reporting On-going project monitoring	Continued commitment of RFIs Availability of qualified technical service providers specialized in rural water and renewable energy development projects	
Key Activities	2.1.1. Perform market survey 2.1.2. Provide TA to develop credit products 2.1.3. Support in identifying engineer 2.1.4. Supply of the medium to long-term funding 2.1.5. Support in sensitising clients 2.1.6. Build knowledge around this programme 2.2.1. Perform market survey 2.2.2. Provide TA for a renewable energy product 2.2.3. Build knowledge around this programme	2.1.1. 10 market surveys 2.1.2. 10 water financing products developed and used 2.1.3. 10 RFIs with solid network of engineer partners 2.1.4. Enough funding secured to finance 8,000 water projects 2.1.5. 10 communication events organized 2.1.6. 1 toolkit on rural water financing to encourage replication 2.2.1. 2 market surveys 2.2.2. 2 RFIs having developed a renewable energy product 2.2.3. 1 toolkit on renewable energy financing	Market survey reports Range of products developed Water related projects financed Renewable energy projects financed		
Objectives	3. Technology platforms are in place to allow costs	reduction in rural outreach as well as new services to clients such as de	omestic and internation	nal money transfers.	
Outputs	3. 1. RFIs strengthen their MIS 3.2. RFIs use technology to expand their outreach and diversify their product range 3.3. Knowledge is capitalized and shared	3.1. 10 RFIs with improved MIS 3.2. 6 RFIs using handheld devices and/or mobile banking and/or smart cards 3.3. One active working group of RFIs for KM	Regular project reporting On-going project monitoring	Continued commitment of RFIs Availability of qualified technical service providers	
Key Activities	3.1.1. Provide TA to improve the use of MIS or upgrade it 3.2.1. Assist in selecting technology partners 3.2.2. Develop financial products using the new technology solutions	3.1.1. 10 MFIs with improved MIS 3.2.2. 6 calls for proposal issued and partners selected 3.2.3. 6 proposals for new saving/loan/transfer/payment services involving new technologies 3.2.4. 6 lessons learnt written and disseminated. User friendly	Feasibility study reports MoU signed with RFIs		

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	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
	3.2.3. Build lessons learnt and share knowledge	toolkits designed		
Objectives	4. Loan products are developed to finance rural wat	ter and renewable energy projects, to enhance productivity in agricultur	e production while pre	serving the local environment.
Outputs	4.1. RFIs are client-centred, monitor their social performance and build on results for more impact 4.2. RFIs provide high quality financial education to their clients	4.1. All of PAMIGA's partner RFIs performed a social performance assessment and are working on strategy to improve their SPM 4.2. All of PAMIGA's partner RFIs offer financial education to their clients on at least 2 of the Microfinance Opportunities modules	Regular project reporting On-going project monitoring	Continued commitment of RFIs to comply with high standards in social performance management and implement financial education programmes
Key Activities	4.1.1. Update/perform the SPI evaluation 4.1.2. Implement recommendations to improve SP 4.2.1. Provide training sessions on client education 4.2.2. Provide onsite support for RFIs 4.2.3. Provide financial support to train clients 4.2.4. Provide online support on financial education	4.1.1. SPI evaluation for all partner RFIs 4.1.2. SPM strategy for all partner RFIs 4.2.1. Client education training sessions for all partner RFIs 4.2.2. Online support provided to all partner RFIs to implement the tools and train 100 clients 4.2.3. Financial support for all RFIs to train 3,000 clients	SPI reports SPM strategies implemented Number of training sessions Number of clients trained	

Rainwater Harvesting Implementation Network (RAIN) Foundation: Rainwater Harvesting for Food Security: Setting an Enabling Institutional and Policy Environment for Rainwater Harvesting

I. Background

- Rainwater harvesting (RWH) is often overlooked as source of water supply. However, it holds great potential to address water supply needs and ever increasing water shortages globally. Over the past seven years, the RAIN Foundation has worked on RWH in South Asia, and West and East Africa. The Foundation promotes a set of context-appropriate techniques for use at the household and community level and micro watershed level to make more efficient use of water by reducing evaporation and run-off losses, and by efficiently harvesting, storing and using it. RWH has made a demonstrable impact on nutrition and health through its contribution to food production and food security.
- 2. Climate change, dropping groundwater levels and growing water demands are severely affecting many vulnerable groups. RWH has the potential to mitigate those effects and ensure a stable sustainable water supply through water buffer management and recharge, retention and reuse (3R). The RAIN Foundation's goal is to promote RWH globally by linking partners and stakeholders and strengthening their capacity, sharing knowledge and experiences, and initiating innovative RWH approaches.
- 3. The Foundation has built up national and regional RWH networks, accumulated experience and successful practices that are ready to be replicated on a larger scale. This proposal, based on the lessons learned over the last six years,⁵ is aimed to develop the institutional and policy context for mainstreaming RWH.

II. Rationale and relevance to IFAD

- 4. The proposed programme is consistent with IFAD's Strategic Framework 2011-2015 as it aims to develop the institutional and policy environment for mainstreaming RWH and promote its domestic use with a view to strengthening the natural resource and economic asset base, especially in terms of resilience to climate change and improved food production. The proposal is aligned with the IFAD Policy for Grant Financing.
- 5. With respect to policy outputs, the focus is on developing the capacity of partner institutions to deliver a range of services in support of poor rural people. This reflects the RAIN Foundation's objectives of contributing to improved food production through RWH for the rural poor, and collecting, structuring, packaging and distributing RWH knowledge for sharing and learning. The programme is also in line with the strategic grants workplan of the Policy and Technical Advisory Division (PTA) and the outputs of the corporate grants policy. As to PTA themes, the third pillar of this programme focuses on initiating and demonstrating innovative approaches that can be scaled up.
- 6. The programme will provide IFAD with the opportunity to become part a worldwide RWH network and gain access to innovative RWH technologies, tools and approaches and a wide range of publications, manuals and training packages. It will also address limited capacity in RWH and the need for its incorporation into integrated water resource management programmes and national resource management policies, plans and programmes.

⁵ See "RAIN Lessons Learned 2005-2010" brochure and video, "Managing the Water Buffer for Development and Climate Change Adaptation. Groundwater Recharge, Retention, Reuse and Rainwater Storage".

7. This programme is in line with the recent report of the World Economic Forum, Charting our Water Future: Economic frameworks to inform decision-making, which concludes that stakeholders in the water sector are insufficiently interlinked. The report describes water security as one of the most tangible and fastest-growing social, political and economic challenges faced today, noting that without a step change improvement in water resource management, it would be very difficult to meet related resource challenges, such as providing sufficient food or sustainably generating energy for the world's population.

8. Many excellent publications and experiences exist, but are not known to the larger public; some have even been completely lost. Continuity of RWH organizations is a problem: many key players in the RWH sector have disappeared, and their information and networks have vanished with them. With this programme, the RAIN Foundation aims to boost the uptake and scaling up of RWH. It will do this by building on existing experience, information, organizations, networks, communities of practice and respond to trends and demands. IFAD country programme managers have requested support in terms of training material, innovative approaches, technology, learning systems and knowledge management on RWH.

III. The proposed programme

- 9. The overall goal is to develop the institutional and policy context for mainstreaming RWH, thereby boosting the role of RWH for enhanced food production and food security. The programme's objectives are:
 - (a) A range of existing RWH networks are mobilized, strengthened, coordinated, harmonized and undertake collective action;
 - (b) Global, regional and national inter-institutional learning systems on RWH are developed, strengthened and functional; and
 - (c) Innovative RWH approaches are developed/reinforced and implemented through demonstration projects. These approaches will support objectives 1 and 2.
- 10. The primary target groups are national and regional RWH networks,⁶ water-related development organizations, the public sector and professionals in the rainwater sector. The secondary target group will be composed of large implementation agencies and national governments (through their policies, plans and budgets).
- 11. The programme will be of a three-year duration and will comprise three main strategies:
 - Creating an enabling institutional and policy environment for RWH with specific attention to mainstreaming RWH for food production.
 - Expanding knowledge management, information, knowledge and skills on RWH.
 - Making use of innovative technologies and approaches for food production and income generation by scaling up.

IV. Expected outputs and benefits

- 12. The outputs envisaged include the following:
 - A common vision on mainstreaming RWH, joint organization of RWH conferences, promotion and policy;
 - Increased cooperation among RWH networks in their portfolios;
 - Increased RWH programme coordination at operational level;

⁶ An initial set of about 15 networks in five target countries covering up to 840,000 people is envisaged.

- RWH community of practice initiated;
- Increased knowledge and awareness about RWH: best practices, lessons learned and models;
- Mechanisms continuously updated to reflect latest developments, collective actions, initiatives are established;
- The multiple-use water services and 3R approaches are further tested, implemented and promoted through demonstration projects in the Horn of Africa, West Africa and the Latin American and the Caribbean region;
- RWH technologies are further developed and costs reduced through action research;
- Innovative RWH technologies are tested, implemented and promoted based on innovative financial models.

13. The benefits/outcomes include:

- Various RWH-related organizations and networks have been strengthened, have joined forces, and are collectively more efficient and successful in promoting and boosting RWH, especially in relation to food production.
- Information, knowledge and skills on RWH have been consolidated and made available (for all interested organizations and individuals) in an accessible way.
- The potential of RWH is demonstrated with innovative, accessible and affordable technologies, approaches and tools, promoting large-scale adoption.
- Capacity of a wide variety of stakeholders has been strengthened.

V. Implementation arrangements

- The RAIN Foundation will be responsible for the coordination of programme activities. It will also be the recipient of funds from IFAD and from other contributors to the programme. The Foundation will work with users, communities and water management committees by creating RWH structures for access to water and capacity-building. It will also work with implementing partners that are trained in RWH approaches and methodologies (e.g. training has been provided by rainwater harvesting capacity centres (RHCCs) to implementing partners such as CARE, WaterAid, Helvetas Swiss Intercooperation, Water and Sanitation for Africa [WSA]⁷ and IDE). Furthermore, it strives to establish RHCCs in each country of operation (Helvetas Swiss Intercooperation in Mali, WaterAid/WSA in Burkina Faso, the Hararghe Catholic Secretariat/Research-inspired Policy and Practice Learning in Ethiopia and the Nile Region [RiPPLE] in Ethiopia, and the Kenya RWH Association/Southern and Eastern Africa Rainwater Network [SearNet] in Kenya). The Foundation strongly believes that grass-roots operations are the key to scaling up RWH. In addition to the leading actors mentioned above, the RAIN Foundation will continue to increase the number of local actors to maximize leverage. More specifically, this will mean seeking learning alliances with local community-based organizations, national ministries of water, embassies and national research institutes, and forging links with regional networks such as SearNet, WSA and the Research and Development Institute in Water Supply, Environmental Sanitation and Water Resources Conservation (CINARA).
- 15. Additionally, the Foundation plans to work with the public and private sector. This includes learning and linking, gathering knowledge and building capacity with knowledge institutes such as the International Water and Sanitation Centre,

⁷ Formerly Centre Regional pour l'Eau Potable et l'Assainisement [CREPA])

Wageningen University and the University of Warwick. Further cooperation with local government and the private sector will be sought to stress the importance and potential of RWH (e.g. in Nepal, the RHCC is a member of the steering committee that succeeded promoting a national policy on RHW). Financing models will need to be adjusted (e.g. use of microfinance institutions) to ensure self-sustainability. The 3R consortium consisting of Acacia Water, MetaMeta, the RAIN Foundation and Aqua for All will also promote private-sector involvement in this programme.

- International RWH networks are a primary target group under this programme. Networks such as the International Rainwater Catchment Systems Association in Asia, WSA in West Africa, SearNet in East Africa and CINARA in Latin America will be strengthened and linked with other stakeholders in the water sector (such as UN-Water, the International Water Management Institute [IWMI], WaterAid, the Rural Water Supply Network, the African Ministers' Council on Water, the Global Water Partnership and the United Nations Children's Fund [UNICEF]). Links will also be sought with stakeholders in the areas of food security and food production, such as Improved Management of Agricultural Water in Eastern and Southern Africa (IMAWESA), World Overview of Conservation Approaches and Technologies (WOCAT), the Comprehensive Africa Agriculture Development Programme, UNEP, the Swedish International Development Cooperation Agency, FAO, IFAD (e.g. through "re-greening the Sahel" initiatives) and the relevant regional development banks. The reason for involving a multitude of stakeholders with different backgrounds (implementers, researchers, practitioners, communities, donors, etc.) and focusing on harmonizing, linking and learning is to create a substantial critical mass with capacities and proven success to boost RWH adoption.
- 17. Programme implementation is expected to start during the third quarter of 2012. The first quarter will be dedicated to launching the programme and seeking cooperation of targeted stakeholders. In the first quarter of 2013, a knowledge management system will be developed along with knowledge exchanges, a community of practice will be set up and implementation of demonstration projects will begin. Activities to strengthen ties among RWH stakeholders will be carried out throughout the implementation period.
- 18. Monitoring and evaluation will be based on predefined performance indicators per activity or result. All progress reports will be structured around such indicators. Programme members, partners and beneficiaries will assess their results every six months against the indicators, and will report results on the internet. Integral to the programme will be the shared assessment and discussion of results among key players in pursuit of improved approaches and new goals. This will support the programme's main objective of knowledge sharing and development.

VI. Indicative programme costs and financing

- 19. IFAD will contribute US\$1.5 million to the programme. The RAIN Foundation has secured cofinancing from the Netherlands Directorate-General for International Cooperation (DGIS).
- 20. As this is a network-strengthening programme focused on creating an enabling environment for RWH, most of the funds will be allocated to collective action, learning, knowledge management and incentivizing others to incorporate RWH into their portfolios, policies, plans and budgets.
- 21. The Foundation is committed to developing innovative methodologies and approaches on the basis of real experiences. Therefore, implementation is a key element. The implementation component (under investments in the table below) is largely financed by the DGIS. The IFAD investment component is oriented at IT mechanisms for the learning platform, the RWH biogas project in Burkina Faso, technical elements of social media and insertion of RWH modules into existing platforms (such as IWMI Water Portal, IMAWESA and WOCAT).

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

Number	Type of expenditure	IFAD	Cofinancing*
1	Equipment	245 807	1 216 800
2	Professional and travel costs	461 825	84 500
3	Audits, external evaluation, supervision, support, logistics, translations	94 900	-
4	Knowledge management and learning	584 968	720 850
5	Operational costs**	112 500	91 494
	Total	1 500 000	2 113 644

^{*} DGIS contribution based on assumption that US\$-EUR exchange rate remains stable.
**M&E is included in operational costs and audits.

Results-based logical framework

	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Goal	RAIN's main objective is developing the institutional and policy context for mainstreaming RWH, thereby boosting the role of RWH for an enhanced food production and food security	No of water policies developed No of organizations that have adopted RWH	Public policy scan on water policies, laws and regulations	Baseline is undertaken.
Objectives	1. A range of existing RWH networks are mobilized, strengthened, coordinated, harmonized and undertake collective action; 2. Global, regional and national interinstitutional learning systems on RWH are developed, strengthened and functional; 3. Innovative RWH approaches are developed/reinforced and implemented through demonstration projects. These approaches are input to and support objectives 1 & 2.	 No of organizations / networks that undertake collective action Number of RWH networks strengthened No of active member(s) organization(s) No of documented exchanges of info/experiences between RWH actors Functional learning system No of RWH approaches developed/reinforced 	 Documented collective RWH actions Increased budget and number of activities of RWH actors Member list Increase in RWH learning-sharing activities in regions. 	Willingness of RWH stakeholders to participate and learn
Outputs	Outcome 1: RWH boosted for Food Security: 1.1. A common vision on mainstreaming RWH, initiating shared agendas, joint RWH conferences, promotion and policy influencing, outreach and fundraising; 1.2. Increased cooperation amongst RWH networks to encourage larger implementing agencies to integrate RWH in their portfolios and integrated approaches and develop partnerships for up-scaling; 1.3. Increased RWH programme coordination at operational level; Outcome 2: RWH information taken-up: 2.1. RWH community of practice initiated, applying continuous and interactive linking and learning systems; 2.2. Generating increased knowledge and awareness around RWH: best practices, lessons learned, models and relevant	1.1. Increased number of activities and budget of RWH members/networks 1.2. No of periodical meetings 1.3. No. of collective activities between RWH networks (conferences, promotion material, promotion and advocacy). 2.1. Functional and shared/ used knowledge management and learning systems 2.2. RWH related organizations are satisfied with collective action, coordination, KM systems	Evaluation RAIN programme and yearly progress report of RAIN Survey of performance of project amongst stakeholders on the 3 main objectives, i.e. ask users of learning systems Functioning LS/database/website Mid-term and end-term evaluations of demonstration projects	SDC study on RWH is available Continuous dialogue is needed Willingness of RWH stakeholders to participate in the survey

Annex III – Appendix

	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
	mechanisms ensured; 2.3. Update mechanisms on latest developments, collective actions, initiatives; Outcome 3: Innovation potential of RWH tapped: 3.1. The MUS and 3R approach are further tested, implemented and promoted through demonstration projects in the Horn of Africa, West Africa and LAC; 3.2. RWH technologies are further developed and costs reduced by action research;	information. 2.5. Web- statistics. 3.1. Documentation of best practices and successful approaches. 3.2. RWH life cycle costs reduced 3.3. No. of MUS and/or 3R RWH projects. 3.3 No. of RWH projects financed with innovative financing		
V 0 1	3.3. Innovative RWH technologies are tested, implemented and promoted, based on innovative financial models 1. At Global level relevant parties will be			
Key Activities	identified and connected. Gaps in global network coverage will be identified and mechanisms will be installed to collect and maintain up to date information through a sharing and linking platform. 2. At Regional level the focus will be on	Plan of Work and Budget		
	gathering, structuring, packaging and offering relevant knowledge and experiences to support the specific needs of the regional partners, including IFAD country offices.			
	3. At National level RAIN will work in 4 countries, with a focus on strengthening local capacities, initiating projects with a strong demonstrative / innovative character and developing and sharing training packages for regional use.			

n.b. After start-up logframe will be simplified, mitigation measures included and number of indicators limited.

United Nations Entity for Gender Equality and the Empowerment of Women (UN Women): Broadening Economic Opportunities for Rural Women Entrepreneurs in the Latin America and the Caribbean Region Programme

I. Background

- 1. Since the 1990s, the Latin America and the Caribbean (LAC) Division in IFAD developed and implemented strategies and programmes aimed at empowering women and closing the gender gap in agriculture and rural development. Most IFAD projects in the LAC region target rural women alongside men and project design incorporates measures that have been defined in the Framework for Gender Mainstreaming in IFAD's Operations. These measures include the use of quotas and affirmative action to promote equal opportunities for women and men to participate in project activities; gender sensitization training; the appointment of gender specialists to project management units; and knowledge generation, support to policy analysis and advocacy to address gender inequalities. The LAC Division and its implementing partners continue to make concerted efforts to address gender issues at all stages of the project cycle, from design through to implementation and evaluation.
- 2. Despite these efforts, rural women in the region continue to be marginalized in the development process. The potential of their contribution to the rural economy has yet to be sufficiently realized as many constraints on women's full participation remain. Compared to men, women entrepreneurs still find it more difficult to access resources, assets and services that are necessary to expand or consolidate their business activities. As a result, rural enterprises run by women tend to be informal, smaller in size, less productive, marginally profitable and more risky. It is therefore important to investigate alternative approaches to supporting women, so as to learn how development operations can better ensure that women can take advantage of opportunities and production incentives, and influence public decision-making processes concerning development planning, especially at local level, in order to improve and scale up their enterprises.
- 3. Given the specific mandate and specialization of UN Women, an IFAD partnership with the agency presents a critical opportunity to deepen impact and answer concrete questions on how to better support women's entrepreneurship and promote their economic empowerment.
- 4. Action research as applied in this programme is not a core activity of UN Women's programme of work. The agency's comparative advantage is primarily in policy dialogue, lobbying, networking and knowledge management. The added value that the agency brings to the partnership stems from (i) its accumulated knowledge on a wide range of development subject matter that involves women; (ii) its presence in the participating countries; (iii) the strategic alliances it has forged with a range of institutions and actors legislative and executive bodies, civil society, the private sector including banks, academia and women's organizations that are key to the development of concrete actions and consolidation of processes; (iv) its good track record with governments, civil society organizations and donors; and (v) its experience in using evidence-based advocacy and planning to inform policy and

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⁸ In 2000, the LAC Division began the Regional Programme to Consolidate Gender-Mainstreaming Strategies in IFAD-Financed Projects of Latin America and the Caribbean (PROGENDER) as a second phase of the Programme to Support Gender Mainstreaming in IFAD Projects in Latin America and the Caribbean, (PROSGIP) (1997-2000). The goal of PROGENDER was to strengthen gender equality in accessing basic rights (education, health, participation, etc.) and productive resources (land, credit, etc.) and to close gender gaps in IFAD projects and programs in the Latin America and the Caribbean region.

programmes, monitoring and analysing policy impact, and collecting and analysing data. This comparative advantage will complement IFAD's operational expertise in promoting enterprises among vulnerable rural groups.

5. The three participating countries (Mexico, Guatemala and Nicaragua) have been selected on the basis of a combination of factors: (i) geographical cluster of the three countries to minimize operational costs; (ii) the scale of economic urban-rural inequality; (iii) presence of projects financed by IFAD and UN Women that support women's group enterprises; and (iv) significant presence of target groups (indigenous and African-descendant women).

II. Rationale and relevance to IFAD

- 6. The programme's focus on rural women as a means to overcome poverty is in line with IFAD's unique mandate of "improving rural food security and nutrition, and enabling rural women and men to overcome poverty" (Strategic Framework 2011-2015). As one of its principles of engagement, the programme calls for improved socio-economic opportunities for women and their empowerment in public decision-making as a means to bridge the gender gap. Given rural women's key role in agriculture and in the rural economy, it is critical that their voices are heard in local public decision-making and subsequently in policy dialogue, especially for policies pertaining to provision of services, and public and private investments.
- 7. The programme is also in line with three of the six strategic thematic areas of the Corporate Strategic Workplan for Grant Financing (i.e. understand, innovate, inform policy, focus on rural young women)⁹ selected to guide the LAC Division's grant programme over the period 2010-2012. In line with these thematic areas, the programme will endeavour to "understand" through action research and then consider various approaches to supporting rural women's enterprises in order to derive concrete, practical tools for more effective gender-sensitive design and implementation. The targeted women will play a central role in the process of identifying such tools. The process of learning will entail implementation of activities that will directly support the scaling up of 180 enterprises owned and run by women's groups in Mexico, Guatemala and Nicaragua. During implementation, the outputs and outcome of various approaches will be monitored to capture lessons. The programme will inform policy by creating opportunities for women to participate in public dialogue, such as in local development planning and decisionmaking processes to express their views and bring about changes that create opportunities for rural entrepreneurship. The knowledge created will also be shared with IFAD projects in the region. The programme is therefore highly relevant to IFAD and its target group.
- 8. Additionally, the programme adheres to the objectives and priority areas identified in the approved IFAD Policy on Gender Equality and Women's Empowerment (April 2012) in that it emphasizes the importance of wealth creation for disadvantaged rural women. This will in turn help IFAD's operations progress towards its food security and poverty reduction goals. The programme specifically calls for stepping up the inclusion of women in value chains and increasing their access to markets to ensure their full integration as economic and entrepreneurial actors within the rural economy. The main objectives of the IFAD Policy on Gender Equality and Women's Empowerment are to deepen impact on women's empowerment by: (i) improving profitability and sustainability of women's economic activities in agriculture, natural resource management and the non-farm rural economy; (ii) expanding women's voices and influence in rural institutions; and (iii) reducing drudgery. The Gender Policy also highlights the importance of investing in knowledge generation and

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⁹ These thematic areas are: (i) scaling up innovative practice to impact broader development processes; (ii) Policy processes on rural poverty and development; and (iii) Entrepreneurial young rural people, with a special focus on young women.

- management and in policy dialogue activities to develop and disseminate knowledge products and to scale up best practices.
- 9. The programme is consistent with the IFAD Rural Enterprise Policy (2003), which underlines the importance of enhancing women's access to markets and ensuring greater effectiveness in their activities. The policy also calls for support to remove constraints preventing rural women from embarking on micro and small enterprise activities and to provide them with appropriate training and other business support services.
- 10. The proposed programme provides the opportunity to fully apply IFAD's targeting policy by (i) promoting the active inclusion of segments of the rural population that traditionally find it more difficult to access development resources and services (i.e. indigenous, African-descendant and young women in rural areas); and (ii) contributing to the objective of improving the well-being of indigenous women as recommended by the IFAD Policy on Engagement with Indigenous Peoples (2009).

Programme contribution to existing country programmes/projects

- 11. The slow process and limited improvements experienced by women's rural enterprises, combined with the socio-economic status of rural women in the LAC region warrant an investigation of the different approaches being adopted in current project designs to support rural women. The programme adds value to the gender equality efforts implemented by IFAD and UN Women in the three selected countries by (i) exploring alternative approaches and tools to effectively and significantly improve and scale up enterprises run by rural women; and (ii) helping women acquire a voice in the development processes of their communities and countries. Synergy and coordination with ongoing gender-related activities of projects supported by IFAD and UN Women are key to promoting complementarities. The knowledge products generated during implementation will be used to give women much needed strategic support.
- 12. Given the ingrained disparities, equal treatment of women and men while relevant, is limited as a strategy to tap into the indisputable contribution that women can make to poverty reduction. Specific and more effective strategies need to be developed to address policies, laws, procedures, norms, beliefs, practices and attitudes that maintain gender inequality in business and voice. The proposed programme presents an opportunity to generate experience-based knowledge for improving women-run enterprises and increasing their participation in policy dialogue and local development programing. This is in line with the purpose of the grant financing instrument and has great potential to improve IFAD country programmes.

III. The proposed programme

- 13. The overall goal of the programme is to contribute to the economic empowerment of rural women entrepreneurs in Mexico, Guatemala and Nicaragua.
- 14. The programme's objectives are to:
 - investigate more effective approaches and processes for building the capacity of excluded rural women to better manage and commercialize their business enterprises; and
 - (ii) explore effective techniques for enhancing women's voice and power to influence local development priorities, operations and processes, and relevant policies.
- 15. The programme will be implemented in Mexico, Guatemala and Nicaragua; the countries have been selected based on the criteria described in paragraph 5 above.

16. The target group will comprise 180 group-owned women's enterprises (formal or informal), or approximately 3,600 rural women. At least 60 per cent will be indigenous and African-descendant women, of which 30 per cent are young women. The programme will support products traditionally dominated by women as well as products not specifically associated with women and that have the potential to be financially viable and create the basis for successful enterprises.

- 17. The programme will be implemented over three years and will comprise the following two technical components: (i) rural enterprise development; and (ii) voice and knowledge.
- 18. Activities under the **rural enterprise development component** will empower rural women entrepreneurs to scale up and expand their enterprises sustainably by facilitating their access to a broad range of business development services. This will involve: (i) sensitization and support to inform the target groups about the programme and to strengthen linkages between women and existing service-providers; (ii) management of a competitive grant fund to finance small-to-medium size group enterprises in the agricultural sector and related activities in rural areas. The fund will be used to purchase equipment, upgrade production facilities; and procure a broad range of technical services that will enable women to expand their businesses and make them more profitable and sustainable.
- 19. **Voice and knowledge component.** Recognizing that the opportunities and constraints associated with women's economic empowerment can more effectively be addressed through changes to policy and local institutional programmes, this component envisages utilizing the experience under component 1 to support women engaging in strategic dialogue, starting with local development authorities. The two component objectives are: to ascertain through experience the regulations, policies or practices constraining women in their business operations and identify effective channels to redress these through dialogue; and to monitor, document and disseminate lessons learned and knowledge generated. The expected outputs are knowledge products, including a manual or a tool kit on how to promote women-run enterprises in rural areas; publications such as *Voices From the Field* on the empowerment of vulnerable rural women, which capture both the economic and the political empowerment processes.
- 20. Activities will include preliminary mapping that involves: (i) working closely with ongoing IFAD and UN Women projects to make an initial diagnosis of the baseline situation in the target areas; (ii) facilitating the voice and knowledge component through participation in learning routes for exchange of experiences among women entrepreneurs and dissemination of results and best practices, and in workshops and learning events to reflect critically on the programme's activities, approaches and strategies; and (iii) supporting policy dialogue networking and participation, including engaging with existing networks for indigenous and African-descendant women and young women. This will promote visibility of rural women's groups and potentially, through such networks, influence the broader business and development policy and planning environment.

IV. Expected outputs and benefits

- 21. The following are the expected outputs and benefits:
 - Target enterprises increase their sales and assets and are sustainably profitable.
 - With the skills and knowledge acquired, target women's groups are effectively and efficiently managing profitable businesses.

¹⁰ Normally defined as between 15 and 24 years old. It is recognized that a number of very young women are already members of existing groups.

 Women in the target groups influence local development priorities and programmes as well as relevant public policies and strategies that have an impact on women engaging in profitable business activities.

• New tools and knowledge products developed to more effectively promote women's economic empowerment in future projects.

V. Implementation arrangements

- 22. The programme implementation unit (PIU) will be hosted by the UN Women subregional office, which covers Mexico, Central America, Cuba and Dominican Republic and is located in Mexico City. Programme staff will comprise a programme manager and a financial assistant. The UN Women Regional Programme Director and the operations team in the sub-regional office (handling human resources, finance, IT, procurement and communication) will provide the necessary strategic and administrative support for day-to-day implementation. The PIU will manage the grant fund. The fund will be accessible to applicant women's groups on a competitive basis using country- specific criteria. The sub-regional office will provide technical guidance to the three country teams, and monitor the selection of group enterprises to benefit from the grant fund. The PIU will be responsible for managing such aspects as contracting experts, awareness raising, training activities, facilitating peer learning and networking, data collection and preparation of knowledge products.
- 23. At national level, the programme will engage field programme coordinators (FPCs) to manage and coordinate the implementation of activities for specific periods over the course of implementation. The FPC will participate in the preliminary mapping of the target areas and in finalizing the country-level grant eligibility criteria; contribute to implementation planning; and monitor and report on country-level activities with the guidance of the UN Women Regional Programme Director and working closely with IFAD project staff in the respective countries. The FPC will also be responsible for ensuring synergy with ongoing rural development projects supported by UN Women and IFAD and, more broadly, with operations financed by other development partners. Coordination with all relevant stakeholders - women's organizations involved in enterprise development, United Nations agencies, donors, government and civil society institutions, academia and research institutes – will be critical. The programme will be jointly supervised by IFAD and UN Women. In operational terms, this will be carried out as part of the semi-annual supervision of IFAD projects in the respective countries. Budgetary provisions for supervision will be the responsibility of the respective institutions.
- 24. In each of the three participating countries, a national programme guidance and coordination mechanism will be established, as per established practice for other rural development projects. Membership will include the UN Women Country Coordinator, IFAD and government representatives¹¹ and a representative of a national or regional rural women's organization. This mechanism will provide the necessary guidance to build synergies and coordinate the activities of the proposed programme with those of other projects funded by IFAD and UN Women and of other government programmes in the respective countries. Participation of a government representative in the coordination mechanism will contribute to fostering project ownership.

¹¹ For example, the ministry of agriculture, ministry of economy and governmental institutions dealing with exports and small business development.

VI. Indicative programme costs and financing, and fiduciary arrangements

25. Total programme costs for the three-year implementation period are estimated at US\$2.5 million from IFAD and US\$320,000 from UN Women.

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

Number	Type of expenditure	IFAD	UN Women
1	Competitive grant fund	1 500	-
2	Professional services/consultancies	340	-
3	Training, workshops and exchange visits	240	-
4	Travel costs	120	-
5	Operational costs	100	20
6	Personnel (including subcontractors)	25	300
7	Overheads	175	-
	Total	2 500	320

26. In accordance with the IFAD general provisions applicable to large grant agreements, the recipient shall maintain separate records and financial accounts prepared in accordance with internationally recognized standards in respect of the grant. Also, the recipient shall ensure that the entire programme implementation period is covered by audit and shall have its institutional accounts audited every year by independent auditors acceptable to the Fund in accordance with the International Standards on Auditing. The recipient shall deliver to the Fund a copy of its audited financial statements, which shall include specific reference to the grant, within six months after the end of each fiscal year of the recipient. The recipient shall ensure that, within its audited financial statements or separately, an audit opinion letter on statements of expenditure submitted to the Fund during the fiscal year is duly completed by its independent auditors.

Results-based logical framework

	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Goal	To contribute to the economic empowerment of Rural Women Entrepreneurs in Mexico, Guatemala and Nicaragua.	 % increase in income of rural women % increase in assets owned and managed by rural women % increase in the number of rural women in leadership positions in rural enterprises, organizations and public institutions. Child malnutrition 	 IFAD and UN-women baseline and impact surveys National Socio-economic statistics Learning Notes from Participatory monitoring Final evaluation. Business plan for collecting information in specific section data & tracking progress aimed at enterprises of beneficiaries. 	
Objectives	Specific objective 1: To investigate more effective approaches and processes of building the capacity of excluded rural women to better manage and commercialize their business enterprises.	 60% of the 180 target enterprises increase their sales and assets and are sustainably profitable 60% of target 3,600 women – half of them indigenous, afro-descendants and 30% girls - are better skilled and knowledgeable to effectively and efficiently manage and run their business 60% of target women improve access 	 Learning notes from participatory monitoring system Workshops reports Final evaluation report Business plan for collecting information in specific section data & tracking progress aimed at enterprises of beneficiaries. 	The existing critical mass of dynamic women entrepreneurs are willing to participate in the project Political and economic instability and natural disasters could negatively affect the project's results.
	Strategic objective 2:To explore effective techniques for enhancing women voices and power to influence local development priorities, operations and processes; and relevant policies.	to a broad range of services • 60% Self-esteem among target women improved • Tools and approaches for enhancing women power to influence local development priorities processes and policies tested and disseminated • 60% of target women – half of them indigenous and afro-descendants and 30% young women - influence local planning processes of local public authorities and participate in policy-dialogue events.	 workshops reports Project Final evaluation Manuals and publications on the project's experience 	No major resistance to women participation in political processes

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	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Outputs	 Business plans developed, financed and implemented Training and technical assistance provided to women's businesses Learning routes implemented Policy-dialogue meetings, exchange visits, fairs and forums organized Review of existing tools undertaken Learning events and International workshop Toolkits developed. 	 180 business plans developed, financed and implemented 180 contracts issued with service-providers 8 learning routes implemented 180 women and other key actors participate in learning routes Policy-dialogue meetings, exchange visits, fairs and forums organized Learning events and an international workshop organized A review of existing tools published and disseminated A toolkit developed, published and disseminated. 	Learning Notes from Participatory monitoring Learning Manuals, publications on Project's Experience. Progress and supervision report Mid-term review Project's website	Transparency and equity in allocation of funding and opportunities. Mitigation Measure: Work through selection committees that widely represented
Key Activities	 Information activities Competitive grant financing The preliminary mapping Mapping and developing of tools Learning routes Learning events and International workshop 	A budget of US\$ 2.82 million is provided as follows: IFAD: US\$2.5 million UN Women: US\$320,000	AWPBProject's websiteSupervision reports	