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Enabling poor rural people
to overcome poverty

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

United Nations Office for South-South Cooperation (UNOSSC)

Note to Executive Board representatives

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Abbreviations and acronyms

NEN	Near East, North Africa and Europe
SSTC	South-South and triangular cooperation
UNOSSC	United Nations Office for South-South Cooperation
UNDP	United Nations Development Programme

Recommendation for approval

The Executive Board is invited to approve the recommendation for a grant under the global/regional grants window to a non-CGIAR-supported international centre as contained in paragraph 8.

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

I submit the following report and recommendation on a proposed grant to a non-Consultative Group on International Agricultural Research (CGIAR)-supported international centre in the amount of US\$1.8 million.

Part I – Introduction

1. This report recommends the provision of IFAD support for increasing food security through South-South cooperation in agricultural development in the Near East, North Africa and Europe (NEN) region to the following non-CGIAR-supported international centre: United Nations Office for South-South Cooperation.
2. The document of the grant for approval by the Executive Board is contained in the annex to this report:

United Nations Office for South-South Cooperation (UNOSSC): South-South and Triangular Cooperation for Agricultural Development and Enhanced Food Security in the Near East, North Africa and Europe Region
3. The programme objectives and content are in line with the Fund's strategic objectives and the revised IFAD Policy for Grant Financing.
4. The overarching strategic goal that drives the revised grant policy, which was approved by the Executive Board in December 2009, is to promote successful and/or innovative approaches and technologies, together with enabling policies and institutions, that will support agricultural and rural development, empowering poor rural women and men in developing countries to achieve higher incomes and improved food security.
5. The policy aims to achieve the following outputs: (a) innovative activities promoted and innovative technologies and approaches developed in support of IFAD's target group; (b) awareness, advocacy and policy dialogue on issues of importance to poor rural people promoted by, and on behalf of, this target group; (c) capacity of partner institutions strengthened to deliver a range of services in support of poor rural people; and (d) lesson learning, knowledge management and dissemination of information on issues related to rural poverty reduction promoted among stakeholders within and across regions.
6. The proposed programme has been developed as one of the key deliverables of the strategic work plan of the NEN Division and is aligned with the following goals of the revised grant policy: (i) promote innovative activities and technologies and develop approaches in support of IFAD's target group; (ii) promote awareness and policy and advocacy dialogue on issues of importance to poor rural people, and on behalf of this target group; (iii) strengthen the capacity of partner institutions to deliver a range of services in support of poor rural people; and (iv) promote lesson learning, knowledge management and the dissemination of information. Moreover, it is entirely dedicated to delivering on IFAD's commitment to sharpen its focus on SSTC and to mainstream it further in its own business model. The latter objective is

reflected in various corporate documents and initiatives, including, inter alia: (a) a paper on South-South Cooperation in IFAD's Operating Model, which was presented to the Executive Board in September 2010; (b) a paper on South-South Cooperation in IFAD's Business Model, prepared in the context of the Consultation on the Ninth Replenishment of IFAD's Resources (IFAD9); and (c) participation in SSTC international events in the context of various interagency or intergovernmental processes or IFAD-funded programmes.

7. The programme's goal is to contribute to effectively increasing food and water security and alleviating rural poverty among poor rural people, with particular emphasis on young people and women, in selected communities of five countries of the NEN region through cross-regional SSTC for agricultural development.

Part II – Recommendation

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

RESOLVED: that the Fund, in order to finance, in part, the programme South-South and Triangular Cooperation for Agricultural Development and Enhanced Food Security in the NEN Region, shall provide a grant not exceeding one million eight hundred thousand United States dollars (US\$1,800,000) to the United Nations Office for South-South Cooperation for a four-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

United Nations Office for South-South Cooperation (UNOSSC): South-South and Triangular Cooperation for Agricultural Development and Enhanced Food Security in the Near East, North Africa and Europe Region

I. Background

1. In light of the rapid growth in the diversity of development actors, particularly from the South, international aid architecture is changing considerably. The contribution of South-South cooperation to development (referred to as East-East cooperation in the case of Central Asia and Eastern Europe) is thus attracting increased attention in the international arena. South-South cooperation is viewed as a valuable and essential complement to traditional North-South cooperation.
2. It is difficult to overestimate the importance of effective and efficient intraregional and cross-regional coordination, management and implementation of SSTC in agricultural development, and of the transfer of effective and workable solutions and appropriate technologies for achieving development objectives. The dissemination of suitable solutions related to water use for agriculture in dry lands, increased agricultural production and productivity through modern biotechnology, and support to the establishment of farmer-based organizations are key tenets of South-South cooperation for agricultural development.
3. In particular, sustainable natural resource management is receiving increased attention in dryland areas, where water is becoming a scarce and precious resource under the increasing effects of climate change. It is particularly true in Arab countries, which have the lowest per capita water availability in the world. But it is also true in other countries in the NEN region that do not have a history of water shortage. Thus the perceived trade-off between water for agriculture and food security and water for other purposes becomes a difficult choice, as about 70 per cent of the fresh water consumed in the world goes to agriculture. While growing populations call for increased food production, and the realities of climate change necessitate more careful approaches to water conservation, it is becoming clear that without water security, there is no food security.

II. Rationale and relevance to IFAD

4. The proposed project contributes directly to the objectives established under the Near East, North Africa and Europe Divisional Strategy, which is in turn informed by the IFAD Strategic Framework 2011-2015. More specifically, it focuses on the first desired output of the revised grant policy: promoting innovative technologies and approaches – as well as on three other cross-cutting outputs: awareness-raising, capacity development and knowledge exchange.
5. The transfer of innovative solutions and technologies in agricultural production is to be implemented through three cross-regional forms of South-South cooperation:
 - From the Arab states to Central Asia and Eastern Europe, focused on expertise in sustainable water resource management and supported by Egypt;
 - From Eastern Europe (Hungary) to the Arab states and Central Asia, focused on expertise in biotechnology and supported by Hungary;
 - From Turkey to the Arab states and Central Asia, focused on training in the management of agricultural cooperatives and supported by Turkey.

6. The transfer is to be led by locally based institutions. It will also focus on developing national capacities and establishing long-term partnership linkages. In addition, through robust South-South knowledge exchange (component 3), UNOSSC, in collaboration with its local partners, will document best solutions and transferable technologies. It will also set up online orientation and exchange modules to enable scaling up and replication through relevant IFAD projects (e.g. the West Nubaria Rural Development Project and the Promotion of Rural Incomes through Market Enhancement Project in Egypt) and by the rural development community at large in other countries in the NEN region and beyond.

III. The proposed project

7. The initiative on SSTC for Agricultural Development and Enhanced Food Security in the NEN Region intends to offer a holistic approach to further strengthening the positions from which the beneficiary countries address the South-South cooperation agenda in pursuing their individual and shared development priorities in agricultural development.
8. As a result of project implementation, it is expected that sustainable model mechanisms will be put in place that will be closely integrated with the global multilateral South-South support architecture of the Nairobi Outcome Document (United Nations General Assembly resolution A/64/222 – 2010), with a view to further enhancing the favourable environment in participating countries for dynamic growth in their respective shares of intra- and interregional cooperation flows.
9. The project has three objectives:
 - Innovative solutions are successfully transferred in water preservation technologies, cultivation of water-efficient crops and cattle-breeding.
 - More favourable policy and institutional spaces are created for the scaling up (i.e. replication, adaptation or expansion) of successful solutions in agricultural production and income generation.
 - South-South knowledge exchange is facilitated on the basis of documented successful solutions and methodologies, as well as through online access to relevant home-grown expertise and solutions.

It is structured in three components:

- Component 1: Practical transfer of innovative solutions and technologies
 - Component 2: Policy advice and institutional capacity development for scaling up of solutions
 - Component 3: South-South knowledge exchange
10. Component 1 focuses on the transfer of innovative solutions in water preservation technologies, cultivation of water-efficient crops and cattle-breeding (implemented through cross-regional South-South cooperation corridors for such transfer). It will increase the resilience of young residents in rural communities, with special attention to women aged 20-35, involved in agricultural production in rural communities in five countries: Algeria, Egypt, Morocco, Turkey and Uzbekistan. Training and resource support in organizing community-based agricultural cooperatives will reach up to 1,000 rural youth and women, and will use cost-efficient innovative agricultural technology, as well as the entire complex of support activities based on identified local needs. The other two project components will target policymakers, agricultural associations and line ministries in Algeria, Egypt, Morocco, Turkey and Uzbekistan, as well as in other countries of the NEN region. Twenty groups from 10 communities in Algeria, Egypt, Morocco, Turkey and Uzbekistan would be identified, each consisting of an average of 50 residents who would form an agricultural cooperative. Specific communities would be identified in

consultation with national government counterparts and civil society groups on the basis of mutually agreed detailed criteria, based on the following broad conditions:

- Share of vulnerable population groups within a community (youth, women)
- Potential for improved/optimized agricultural production
- Responsiveness of local community authorities

IV. Expected outputs and benefits

11. The proposed project is expected to:
 - Increase resilience of local communities – more specifically, up to 1,000 direct beneficiaries – and increase availability of practical pilot examples to be replicated;
 - Improve cross-regional and intraregional coordination and collaboration for results;
 - Simplify access to relevant knowledge, expertise, solutions and methodologies for communities and other stakeholders in the NEN region and beyond;
 - Improve the awareness of national-level decision makers and potential direct beneficiaries of the advantages and practical means of South-South cooperation in addressing food and water shortages and rural poverty among youth and women.
12. The transfer of solutions under this project will take place along three main cross-regional South-South cooperation corridors. These include:
 - From the Arab states to Central Asia and Eastern Europe, focused on expertise in sustainable water resources management;
 - From Eastern Europe (Hungary) to the Arab states and Central Asia, focused on expertise in biotechnology;
 - From Turkey to the Arab states and Central Asia, focused on training in management of agricultural cooperatives.
13. Such exchanges are viewed as a mutually beneficial partnership, rather than as a top-down delivery of assistance, and thus have the potential for continued and sustainable partnership development beyond the scope of a given project. The selection was also informed by the capacities of countries such as Egypt, Hungary and Turkey as solution providers, as well as the interest that was expressed by them during the preliminary informal consultations that took place during the project development phase.
14. The online mapping platform is a response to existing demand to fill the information gap on the range of existing tools and mechanisms for effective South-South cooperation that are specific and unique to the NEN region. It has been supported initially by the Islamic Development Bank, UNOSSC and the Regional Centre in Cairo for Arab States of the United Nations Development Programme (UNDP) – and it will be expanded to Eastern Europe and Central Asia under the proposed project.

V. Implementation arrangements

15. The project will be implemented in coordination with three technical and development cooperation institutions and in collaboration with three specialized centres of excellence, drawing on their knowledge and expertise in their respective areas.

16. Corridor A, which focuses on the transfer of expertise in sustainable water resources management from the Arab states to Central Asia and Eastern Europe, will be implemented in close coordination with the Egyptian Fund for Technical Cooperation with the Commonwealth, Islamic European States and Newly Independent States, and in close cooperation with Egypt's National Water Research Centre. Corridor B, which focuses on the transfer of expertise in biotechnology from Eastern Europe (Hungary) to the Arab states and Central Asia, will be implemented in close coordination with the Hungarian International Development Cooperation Interdepartmental Committee and in cooperation with the Hungarian Agricultural Biotechnology Centre. It will emphasize non-controversial biotechnologies such as marker-assisted breeding and tissue culture micropropagation. Corridor C, which focuses on the transfer of expertise and training in the management of agricultural cooperatives from Turkey to the Arab states and Central Asia, will be implemented in close coordination with the Turkish International Cooperation and Development Agency and in cooperation with the Turkish International Agriculture Research and Training Centre.
17. UNOSSC will serve as the main project manager of the IFAD grant – responsible for obtaining key results, implementing technical assistance, providing oversight to partners, managing the budget and completing financial and narrative reporting. Given the complexity and specific nature of the grant, the function of project coordinator will be entrusted to the Chief, Division for Arab States, UNOSSC, who will ensure that: each local partner is progressing in their individual implementation plans; grant-wide milestones are met; and a close relationship with IFAD headquarters and individual country offices is developed.
18. UNDP's financial statements, including those of UNOSSC, will be submitted biannually to IFAD, bear audit certificates from UNDP's External Auditors and be accompanied by their reports, if any. Financial reports for expenditures under this project will be prepared on a cash accounting basis, excluding in-kind cofinanced expenses. Advances will be disbursed by IFAD to the United Nations Fund for South-South Cooperation through a bank account nominated for this purpose by UNOSSC. An initial advance will be disbursed up to a maximum of 75 per cent of the annual work plan and budget (AWP/B) as approved by IFAD. Subsequent disbursements will be made every year up to 75 per cent of the approved AWP/B for that year, after at least 75 per cent of the preceding yearly advance is justified by certified statements of expenditure. All advances should be fully justified through these certified statements within six months of the grant completion date. Further payments to implementing partners will be made by UNOSSC and duly accounted for following its financial regulations. UNOSSC shall refund the outstanding balance, if any, before the grant closing date. IFAD and UNOSSC cash contributions will finance all project expenditures, which are earmarked expenditures, on a pari passu basis. Non-cash items are notional values of the facilities provided by partner agencies.
19. UNOSSC will also lead the delivery of technical assistance to and knowledge exchange among national and local partners. The project will have an implementation period of four years.

VI. Indicative project costs and financing

20. The total cost of the project is estimated at US\$2,695,500. IFAD will contribute US\$1,800,000 (67 per cent), while cost-sharing from in-kind and cash contributions will amount to US\$895,500 (33 per cent of the total budget). This includes a US\$257,000 cash contribution and a US\$220,000 in-kind contribution from UNOSSC and a US\$418,500 in-kind contribution from local organizations.

Table

Summary of budget and financing plan

(Thousands of United States dollars)

<i>Type of expenditure</i>	<i>IFAD</i>	<i>Cofinancing</i>
Salaries ^a	259	353.5
Training	610	246.5
Consulting services ^b	531	210
Travel and allowances	260	85.5
Overhead ^c	126	0
Total	1 800	895.5

^a Salaries for UNOSSC staff assigned to work full-time on grant activities.

^b Includes contracted services and expenditures on studies and research.

^c Project overhead costs (General Management Support fees) will be estimated on the basis of 7 per cent of IFAD's contribution, amounting to US\$126,000, and will accrue to UNOSSC.

Results-based logical framework

	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Goal	To contribute to effectively advancing South-South and Triangular Cooperation for agricultural development, enhanced food and water security and rural poverty alleviation in the selected communities in the countries of the Near East and North Africa, Central Asia, and Eastern Europe.	Qualitative: What are the practical new elements brought about by the project that could advance South-South and Triangular Cooperation or agricultural development? Can they be easily adapted/internalized by IFAD in its other relevant activities?	Project evaluation report	It is assumed that the scope of problems and opportunities with respect to advancing South-South and Triangular Cooperation agenda addressed in this project is representative of similar problems and opportunities in a broader sense
Objectives	<ol style="list-style-type: none"> To transfer successful innovative solutions through pilot initiatives in water preservation technologies, cultivation of water-efficient crops and cattle-breeding. To improve conditions for scaling up including replication, adaptation, and expansion of successful solutions in agricultural production and income-generation through policy advice, and institutional capacity development. To facilitate South-South knowledge exchange through documenting successful solutions and methodologies, as well as providing online access to relevant home-grown expertise and solutions. 	<p>Quantitative: Number and types of concerted South-South exchanges resulting from the project intervention.</p> <p>Qualitative: Are solutions brought about through this project more efficient in terms of time and other resource investment vis-à-vis benefit for the communities? Are solutions easily/hardly adaptable?</p> <p>Qualitative: How have conditions improved for scaling up successful solutions? Have the project brought about new workable strategies, policies and/or mechanisms directly aimed at scaling up successful solutions?</p> <p>Quantitative: Number of new solutions documented by solution-providers and downloaded (or commented upon) by solution-seekers through the online mapping platform</p>	<p>Project evaluation report, baseline surveys</p> <p>Project evaluation report</p> <p>Project evaluation report</p>	<p>It is assumed that South-South solutions brought about by the project will be more time- and cost-efficient and will bring better results in addressing the challenges of enhanced water and food security, and poverty alleviation.</p> <p>It is assumed that new strategies, policies, and mechanisms adopted with the assistance from the project would improve conditions for scaling up successful solutions.</p>
Outputs	<p><u>Component 1: Transfer of Innovative Solutions and Technologies</u></p> <p>Output 1: 10 community needs assessment reports with clearly identified needs of each of the communities identified and matching of these needs with technological solutions implemented.</p> <p>Output 2: At least 2 groups consisting of up to 50 young agricultural entrepreneurs, women and men, are identified in each of the 10 pilot rural communities in beneficiary countries and have committed their time and resources available to create/strengthen their agricultural cooperative. Approach to selection process is described in the sub-chapter Target Group.</p> <p>Output 3: At least 20% of the leading members of agricultural cooperatives received formal training, the remaining members benefited from on-site expert advice resulting in preparation of detailed business and technology plans by each of 20 groups for creation/strengthening of</p>	<p>Quantitative: Number of needs assessment reports. Output target: 10</p> <p>Quantitative: Percentage of women in groups. Output target: 50%</p> <p>Quantitative: Number of people who received formal training Output target: 200</p>	<p>Project evaluation report</p> <p>Project evaluation report</p> <p>Project evaluation report</p>	<p>Assessments to be conducted by native speakers against the TOR unified across all five countries</p> <p>Information on project opportunities should be disseminated using locally-acceptable means of public information</p>

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	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Outputs	<p>their agricultural cooperative.</p> <p>Output 4: 20 agricultural cooperatives created/strengthened in the rural communities of five target beneficiary countries. <u>Component 2: Policy Advice and Institutional Capacity Development for Scaling up Successful Solutions</u></p> <p>Output 5: Support provided to the Ministries of Agriculture of the 5 target beneficiary countries in establishing and developing the institutional capacity of the specialized units for South-South and Triangular Cooperation in agricultural development.</p> <p>Output 6: Inter-ministerial network supported by interactive online platform for 5 Ministries of Agriculture in the target beneficiary countries is set up and operational, focusing on exchange of assets and technologies, including legislative analysis on formalizing such exchange and elaboration of country-specific recommendations.</p> <p>Output 7: At least five national-level consultative boards established with the participation of the respective units of the Ministries of Agriculture and the Ministries of Finance (and other relevant entities) within the 5 target beneficiary countries aimed at scaling up solutions piloted within the given project and other similar solutions. <u>Component 3: South-South Knowledge Exchange</u></p> <p>Output 8: The online portal on Mapping South-South Cooperation Mechanisms and Solutions that was initially supported by the IDB and the UN for the Arab States region will be expanded to Central Asia and Eastern Europe with at least 20 additional new solutions documented online. More details on the portal are available in the sub-chapter below.</p> <p>Output 9: Needs-based research on trends, obstacles and priority areas of support to expanding South-South and Triangular Cooperation in the field of resource-efficient agricultural production is conducted leading to three online and printed publications focusing on innovative experiences and knowledge transfer in sustainable water resources management, biotechnology, as well as in organization of agricultural cooperatives.</p> <p>Output 10: At least 3 promotional online video clips produced with the participation of resource persons from the communities that benefited from the project support, focusing on spreading the</p>	<p>Quantitative: What is the % of increase in agricultural productivity compared to average agricultural productivity in the area due to the new biotechnology adapted? What is improvement in the use of water resources due to the new solutions adapted?</p> <p>Qualitative: How did the project improve the institutional capacity of the Ministries of Agriculture vis-à-vis the needs for better knowledge transfer, experience sharing and replication?</p> <p>Qualitative: How did the interactive online platform contribute to improving South-South knowledge exchange in the areas of water/food security, biotechnology, and agricultural cooperatives?</p> <p>Qualitative: What is the composition of national-level consultative boards? How well are the recommendations of the boards are transferred in concrete actions?</p> <p>Quantitative: Number of additional new solutions documented online Output target: 20</p> <p>Qualitative: Are publications easily understandable for various target audiences (policy-makers, development practitioners)? Can publications be used to effectively replicate and adopt certain solutions?</p>	<p>Project evaluation report</p> <p>Project evaluation report</p> <p>Project evaluation report</p> <p>Project evaluation report</p> <p>Project evaluation report</p> <p>Project evaluation report</p>	<p>Scheduled training sessions should be synchronized with average seasonal workload in targeted communities to ensure high level of attendance</p> <p>Agricultural cooperatives need to complement not replace services already available to residents from other means (local authorities, etc.)</p> <p>Proposals and plans in establishing specialized units should be synchronized with overall ministry schedules and plans</p> <p>Internal policies and procedures of ministries involved must be taken into account and followed while establishing the network</p> <p>Consultative boards should be rather established on the basis of existing consultative mechanisms rather than from the scratch</p>

	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Outputs	successful solutions in resource-efficient agricultural production and aiming at policy decision makers and civil society organizations dealing with the rights of rural youth and women	Qualitative: How likely are the messages delivered through the video clips to encourage the target audiences to pursue actively South-South Cooperation for agricultural development? How relevant are the recommendations provided to the IFAD business model	Project evaluation report Project evaluation report	Solutions to be documented should be relevant to the needs identified at the assessment stage Solutions presented in the publications should be relevant to the needs identified at the assessment stage Consultations with national and regional media corporations should be conducted far in advance to ensure highest possible coverage of the audience