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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

Asian Farmers Association for Sustainable Rural Development

Note to Executive Board representatives

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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 centre, as contained in paragraph 7.

President's report on a proposed grant under the global/regional grants window to a non-CGIAR-supported international centre: Asian Farmers Association for Sustainable Rural Development

I submit the following report and recommendation on a proposed grant for agricultural research and training to a non-Consultative Group on International Agricultural Research (CGIAR)-supported international centre in the amount of US\$2 million.

Part I – Introduction

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

Asian Farmers Association for Sustainable Rural Development (AFA):
Medium-term Cooperation Programme with Farmers' Organizations in the Asia and the Pacific Region – Phase II
3. The objectives and content of this applied research programme are in line with the evolving strategic objectives of IFAD and the Fund's policy for grant financing.
4. The overarching strategic goal that drives the Revised IFAD Policy for Grant Financing, which was approved by the Executive Board in December 2009, is to promote successful and/or innovative approaches and technologies, together with enabling policies and institutions, that will support agricultural and rural development, empowering poor rural women and men in developing countries to achieve higher incomes and improved food security.
5. The policy aims to achieve the following outputs: (a) innovative activities promoted and innovative technologies and approaches developed in support of IFAD's target group; (b) awareness, advocacy and policy dialogue on issues of importance to poor rural people promoted by, and on behalf of, this target group; (c) capacity of partner institutions strengthened to deliver a range of services in support of poor rural people; and (d) lesson learning, knowledge management and dissemination of information on issues related to rural poverty reduction promoted among stakeholders within and across regions.
6. The proposed programme is in line with the goal and outputs of the revised IFAD grant policy. Its objective is to build the pro-poor capacity of partner institutions, including community-based organizations, enabling them to gain the institutional capacity they need to participate effectively in policy dialogue on behalf of their members. It directly supports IFAD's engagement with farmers' organizations through the Farmers' Forum. Furthermore, the programme emphasizes promoting innovative practices in the region and building a strong knowledge management

system to encourage experience sharing and learning between the subregions and among the countries in the region.

Part II – Recommendation

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

RESOLVED: that the Fund, in order to finance, in part, the Medium-term Cooperation Programme with Farmers' Organizations in the Asia and the Pacific Region – Phase II, shall provide a grant not exceeding two million United States dollars (US\$2,000,000) to the Asian Farmers Association for Sustainable Rural Development for a five-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

Asian Farmers Association for Sustainable Rural Development (AFA): Medium-term Cooperation Programme with Farmers' Organizations in the Asia and the Pacific Region – Phase II

I. Background

1. The Farmers' Forum is a bottom-up process of consultation and dialogue among organizations of small farmers and rural producers, their governments and IFAD. Its goal is to enhance the impact of rural development and poverty reduction programmes on the Forum's members through their economic and social empowerment. The Forum was launched in 2005 following broad consultations between stakeholders and IFAD; it holds global consultations with IFAD Member States in Rome, Italy, once every two years in conjunction with the annual IFAD Governing Council session.
2. Following consultations conducted with a number of leading farmers' organizations (FOs) in the region during the period 2005-2006, the Medium-term Cooperation Programme with Farmers' Organizations in the Asia and the Pacific Region (MTCP) was designed in 2006. The first phase of this programme became effective on 23 November 2009 and was completed on 31 December 2012.
3. After three years of operations, implementation is considered moderately satisfactory. Overall, the MTCP helped raise awareness of the need to promote inclusion of smallholder farmers and their organizations in policy dialogue at different levels; and it invested in strengthening the regional, subregional and national FO platforms. However, a number of lessons were drawn at completion, such as the need for stronger FOs capable to participating in effective policy dialogue, and greater organizational efficiency among the FOs. Linkages between FOs and IFAD country programmes will be reinforced to enhance the role that FOs play in rural socio-economic development. In this context, a second phase of the MTCP is proposed by national FOs and their regional networks. The design of the second phase builds on experiences and lessons learned from phase I; in addition, innovations will be sought in the approaches and processes adopted.

II. Rationale and relevance to IFAD

4. FOs in the Asia and the Pacific region are increasingly taking an active part in rural economic development, tackling the challenges of reducing rural poverty, improving food security, securing development opportunities for smallholders and developing agribusiness value chains. Their principal aim is to represent the interests of a broad range of producers of different socio-economic categories, give a voice to their views and expectations in decision-making processes, and deliver a range of services to their members. However, the capacity of FOs to exert influence in policy consultations is still at an early stage of development; institutional and operational strengthening is required to help them increase their effectiveness and be recognized as key actors in socio-economic development at the national, subregional and regional level.

III. The proposed programme

5. The overall goal of the programme is to contribute to poverty alleviation in the Asia and the Pacific region by strengthening the capacity of the rural poor and their organizations with a view to achieving better livelihoods and a positive socio-economic impact on the rural development. The objectives are to strengthen the capacity of FOs in the region to engage in active policy consultations related to the rural smallholders' interests at national, subregional and regional levels, and to provide improved and inclusive services to the rural poor.

6. The target group is composed of rural women and men involved in farm and non-farm enterprises in Asia and the Pacific, and organizations operating in rural and agricultural development that are firmly committed to representing and promoting farmers' interests, and whose policies and services cater to the first tier of smallholder farmers.
7. The programme will be of a five-year duration and will comprise four main components:
 - (1) Strengthening of FOs and their networks;
 - (2) Participation of FOs in policy dialogue;
 - (3) FO service provision and involvement in agriculture development programmes; and
 - (4) Programme management and coordination.

IV. Expected outputs and benefits

8. These are the following:
 - (i) Institutional and operational capacity of the FOs is effectively strengthened according to their roles in the policy process and the services they provide to their members.
 - (ii) Smallholder farmers' interests are promoted and their concerns are addressed in related policy processes thanks to the strengthened capacity of the FOs.
 - (iii) Strengthened FOs providing effective pro-poor services and actively participating in agriculture and rural development, complementing IFAD operations where applicable.

V. Implementation arrangements

9. The programme will build on the management set-up of phase I. Accordingly, it will continue with the two interrelated subregional programmes for South Asia and Southeast Asia (plus China), and under the second phase will add a third subregional programme for the Pacific.¹ The Asian Farmers Association for Sustainable Rural Development (AFA) will be the grant recipient (regional implementing agency) and will implement the programme in partnership with La Via Campesina (LVC). A small regional liaison unit will be set up. An FO will be appointed in each subregion to act as implementing agency for the respective subprogramme. An FO will be selected from among participating national FOs to implement the programme at the national level.
10. AFA will be accountable to IFAD for ensuring sound disbursement, reporting and auditing with regard to the use of grant resources.
11. Funds will be transferred to AFA in accordance with the provisions of the grant agreement. AFA, as regional implementing agency, will provide funds to the subregional implementing agencies on the basis of their approved annual workplans and budgets. Disbursements will be undertaken through the revolving fund facility. Second and subsequent advances will be made upon justification of the previous advance. The grant recipient will submit consolidated audited financial statements to IFAD yearly as part of the conditions for disbursement.

¹ South Asia: Bangladesh, India, Nepal, Sri Lanka (Afghanistan and Pakistan will be considered at a later stage). Southeast Asia: Cambodia, Indonesia, Lao People's Democratic Republic, Myanmar, Philippines, Thailand, Viet Nam (Malaysia will be considered at a later stage). Pacific: Cook Islands, Fiji, Samoa, Solomon Islands, Tonga, Vanuatu (Kiribati, Marshall Islands, Nauru, Niue, Papua New Guinea and Tuvalu will be considered at a later stage).

VI. Indicative programme costs and financing

12. The programme will be implemented over five years. The total programme base cost is estimated at US\$14,178,000. About 21 per cent for component 1; 28 per cent for component 2; 37 per cent for the component 3; and 13 per cent for component 4 (programme management and coordination).
13. Programme costs will be cofinanced by the Asia and the Pacific Division in the amount of US\$1,500,000 and the Policy and Technical Advisory Division in the amount of US\$500,000 (14 per cent of total costs), which will be used as core financing for the first three years of phase II. The European Union will cofinance several grants totalling US\$5,000,000 (35 per cent). Supplementary grant financiers (Japan, Republic of Korea, Australia, New Zealand, and agricultural development agencies) will be identified to cofinance the programme up to an amount of US\$7,178,000 (51 per cent). While the contribution of participating FOs will be highly valued, it is not yet included in the total programme financing. Their contribution will be mainly provided in kind in the categories of salaries and office support, equivalent to approximately US\$500,000.

Summary of budget and financing plan

(in United States dollars)

<i>Number</i>	<i>Type of expenditure</i>	<i>IFAD</i>	<i>Cofinancing*</i>
1	Salaries and allowances	534 000	476 000
2	Travel costs	102 000	4 808 000
3	Monitoring and Evaluation, knowledge management	120 000	158 000
4	Research, studies and publication	165 000	1 029 000
5	Office utilities and logistic support	210 000	217 000
6	Review, workshop and training	869 000	3 570 000
	Technical Assistance		1 920 000
	Total	2 000 000	12 178 000

* Where applicable.

Results-based logical framework

Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
A. STRATEGIC GOAL			
To contribute to the poverty alleviation in Asia and the Pacific Region through strengthened capacities of the rural poor and their organisations that leads to improved livelihoods and positive socio-economic impacts in the rural development	<ul style="list-style-type: none"> - Increased pro-poor policies adopted by national and sub-regional institutions - increased relevant national and regional regulations or guidelines adopting proposals or contributions from the FO forums. 	<ul style="list-style-type: none"> - Reports by FO forums at related levels - Regulations and guidelines published and reported 	Regional, sub-regional and national policy makers and influencers continue to include poverty alleviation and poor-poor rural and agriculture development as part of their strategic objectives
B. PROGRAMME DEVELOPMENT OBJECTIVES			
To strengthen the farmers' organizations in Asia and the Pacific Region in their capacities of engaging active policy consultations related to the rural smallholders' interests at national, sub-regional and regional levels, and to provide improved and inclusive services to the rural poor	<ul style="list-style-type: none"> - Strengthened national FO forums effectively ensuring regular position of representation in the mainstream of national policy dialogue - Increased number of proposals related to farmer interests incorporated by the FO forums in the sub-regional and regional policy processes 	<ul style="list-style-type: none"> - Progress reports - Official documents - Policy papers 	<ul style="list-style-type: none"> - Favourable overall political environment, e.g. no major conflicts - Policy makers are open to dialogue with FOs - FOs are strengthened up to the level of competence and gain recognition
C. OUTPUTS			
<ul style="list-style-type: none"> - Institutional and operational capacities of the FOs are effectively strengthened in correspondence with their roles and functions in policy process and services to the members - Smallholder farmers' interests are promoted and their concerns are addressed in related policy process thanks to the strengthened capacities of the FOs - Strengthened FOs providing effective pro-poor services and actively participating in agriculture and rural development, in complement with IFAD country programmes' interventions where applicable 	<ul style="list-style-type: none"> - At least 120 FOs that undergone an organizational review with strategic development plan made. - At least 20 million of farmer members served and represented by the strengthened FOs - At least 15 formal partnerships and alliances the FO forums take part in - At least 15 joint policy actions the FO forums took with other stakeholders - At least 100 FOs reporting agri-business development service in their org structure - At least 30 FOs reporting participation in more than two value chain sectors - 15 FOs reporting success in certified product or production - 25% of women and youth in incremental increase of membership since start-up - 15 of issues introduced by the FO forums and adopted by the policy makers, disaggregated by levels, themes - 30 regular representation seats in policy consultation platforms - At least 18 FOs participating in IFAD country programme implementation, by country and by areas of intervention - At least 7 countries where IFAD country programmes incorporate FO as partner in the project design 	<ul style="list-style-type: none"> - Programme progress reports - Sector or value chain studies - Government reports and publications - IFAD project progress reports in related country programmes 	<ul style="list-style-type: none"> - Motivation of Farmers' Organisations to collaborate, maintain and expand their joint activities - Common issues of importance to all the participants are identified - Agreement on the composition of the Steering Committee at different levels is achieved