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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 CGIAR-supported international centre

International Rice Research Institute (IRRI)

Note to Executive Board representatives

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For: **Approval**

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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 CGIAR-supported international centre as contained in paragraph 8.

President's report on a proposed grant under the global/regional grants window to a CGIAR-supported international centre: International Rice Research Institute (IRRI)

I submit the following report and recommendation on a proposed grant for agricultural research and training to a Consultative Group on International Agricultural Research (CGIAR)-supported international centre in the amount of US$1.5 million.

Part I – Introduction

1. This report recommends the provision of IFAD support to the research and training programme of the following CGIAR-supported international centre: International Rice Research Institute (IRRI).

2. The document of the grant for approval by the Executive Board is contained in the annex to this report.

   International Rice Research Institute (IRRI): Reducing Risks and Improving Rice Livelihoods in South-East Asia through the Consortium for Unfavourable Rice Environments

3. The objectives and content of this 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, thereby 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, in that it aims to (a) develop the capacity of national agricultural research and extension systems and other partners in South-East Asia to generate and evaluate newly available combinations of stress-tolerant rice germplasm and crop management options, assessing their impact on men and women farmers in terms of productivity gains, income generation, risk reduction, opportunities for value addition and improved livelihoods; (b) identify uptake and communication pathways to fast-track the dissemination of new varieties and management options for greater impact, including technical innovation services, decision support systems, and innovations in seed systems and other last-mile delivery mechanisms; (c) enhance the capacity of partners, including IFAD-supported investment projects,

to extend technology options through knowledge management support and training; and (d) provide a platform for partnerships and information brokering for wider sharing and impact in Asia.

7. The proposed grant will be disbursed through the CGIAR Fund, which is a multi-donor trust fund administered by the World Bank, as trustee, and governed by the Fund Council.[1] The CGIAR Fund was established within the framework of the CGIAR reform. Channelling the grant through the CGIAR Fund trustee entails an additional 2 per cent cost-sharing contribution to the World Bank, in its capacity as Trustee of the CGIAR Fund as per the Fund Council's rules and regulations.

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 Reducing Risks and Improving Rice Livelihoods in South-East Asia through the Consortium for Unfavourable Rice Environments, shall provide a grant, through the trustee of the CGIAR Fund, not exceeding one million five hundred thousand United States dollars (US$1,500,000) to the International Rice Research Institute 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.

[1] The Council is the CGIAR Fund decision-making body representing all Fund donors.

International Rice Research Institute (IRRI): Reducing Risks and Improving Rice Livelihoods in South-East Asia through the Consortium for Unfavourable Rice Environments

I. Background

1. Submergence, salinity, problem soils and drought cause extensive poverty and food insecurity among the 30 million farm households dependent on growing rice in the less favourable areas of South-East Asia. At least 6 million hectares under rice cultivation in South-East Asia are estimated to be regularly affected by submergence, 10 million hectares by drought, and 5 million hectares by salinity or problem soils. A further 9 million hectares are estimated to be located in upland areas.

2. Once established, rice is tolerant of submergence for three to seven days but extended periods of submergence cause complete crop loss and often there is little chance to replace the crop due to the ongoing monsoon. Likewise, the costs of drought can be immense. Poverty increases in drought years as people "fall back" into poverty. It is not unusual for different stresses to occur in the same field at different times of the year.

3. Given the low productivity of rice and limited employment opportunities, it is anticipated that a high proportion of poverty is likely to remain in environments that are unfavourable to rice cultivation. Increasing rice productivity can serve as a critical entry point to initiate and reinforce the process of agricultural growth and income generation.

II. Rationale and relevance to IFAD

4. The proposed programme aims at developing rice varieties and management practices for smallholder rice farmers in the uplands and in areas affected by drought, submergence, problem soils and salinity in South-East Asia. The goal and objectives of this programme are consistent with the thematic focus of IFAD's Strategic Framework (2011-2015): promoting the development of appropriate technologies for small farmers to raise their crop productivity and make their production systems more resilient. Likewise, it is aligned with the priority of IFAD's Grant Policy (2009) of promoting innovative agricultural technologies focused on increased productivity and adaptation to climate change.

5. This proposal aims to support the objective of IFAD's regional grant strategy 2012 of supporting innovations that reduce risk and vulnerability for poor rural men and women through technological change and/or management systems and uptake pathways that improve the productivity and sustainability of smallholder agriculture. This grant will promote community-based and participatory approaches in technology validation and delivery and build local capacity, particularly among minority groups and women. It will support local capacity development, knowledge management and sharing, and policy forums.

6. Alignment with operations under the country strategic opportunities programme (COSOP) and review of national programmes will be ensured by the participation of the Consortium for Unfavourable Rice Environments (CURE) in IFAD country and regional workshops, and meetings organized by country programme officers or country programme managers. CURE's steering committee, which is comprised of senior staff of key agencies in each country, will facilitate alignment with national programmes in support of rural and rice sector development.

7. This proposal will build on the previous CURE phase, funded by IFAD since 2009, and due for completion by March 2013, which has registered significant gains in

germplasm development and in the identification of crop management practices appropriate for stress-prone environments and approaches for technology delivery. Rice varieties have recently been developed that have greater tolerance for drought, submergence, salinity and other soil problems, and are suited to upland systems; some of these varieties have already been released.

8. Models for technology and information sharing such as community-based seed systems, technical innovation services, partnerships with NGOs and others have been documented for scaling up with partners nationally and regionally. This programme will support the scaling up of technologies by building stronger links with national programmes, identifying uptake mechanisms, and determining how new varieties can be better integrated into varietal release systems, and informal and formal seed systems.

9. The proposed programme will provide a platform for partnerships and information brokering for wider sharing and impact across Asia. The linkages with IFAD's country programmes have resulted in better alignment of activities and identification of opportunities. These linkages will be further strengthened in the new phase. The gains from the current CURE programme provide a strong basis on which to extend the programme for a four-year phase under this proposal.

III. The proposed programme

10. The overall goal of the programme is for rice farmers in the upland systems and in areas affected by drought, submergence, problem soils and salinity to have greater access to varietal and management technologies that improve household food security and reduce poverty.

11. The programme's objectives are to:

- Develop the capacity of national agricultural research and extension systems (NARES) and other partners in South-East Asia to generate and evaluate newly available combinations of stress-tolerant rice germplasm and support the integration of crop management options, including assessment of farm-level impact on men and women farmers;
- Identify uptake and communication pathways to fast-track the dissemination of new varieties and management options for greater impact, and decision support systems and innovations in seed systems and other last-mile delivery mechanisms;
- Enhance the capacity of partners, including IFAD-supported investment projects, to extend technology options through knowledge management support and training; and
- Provide a platform for partnerships and information brokering for wider sharing and impact in Asia.

12. The programme has four components: (i) development and evaluation of combinations of stress-tolerant rice germplasm and integrated crop management options for productivity, income gains, value addition and risk reduction; (ii) identification of uptake/communication pathways and approaches to fast-track technology dissemination; (iii) capacity enhancement through knowledge management and training; and (iv) establishment of a platform for partnerships and information brokering.

13. The proposed programme will identify, adapt and validate improved rice technologies and management options for each type of unfavourable environment. Activities will involve biophysical and social scientists to determine the incremental gains to annual productivity and risk reduction that accrue from new varieties and management options, including crop diversification options to meet farmers' preferences.

14. Priority will be given to promoting better decisions for varietal choice, nutrient management, and nursery bed and crop establishment practices. Decision support systems will likely be computer- or web-based, and brochure, poster or fact sheet options will be made available depending on the country and subject. Activities will also focus on (i) developing strategies for expanding and scaling up technology delivery to enable rapid dissemination; (ii) identifying appropriate communication and uptake pathways in terms of partners and information and communication materials; and (iii) expanding partnerships under the technical innovation services and developing models to strengthen seed systems in South-East Asia.

15. The programme will build the capacity of partners to develop, evaluate and disseminate technologies and information for agricultural development in unfavourable rice environments. Capacity-building will include training for NARES, NGOs, IFAD investment partners and other stakeholders to manage projects, package technical information on seed multiplication into usable formats for various clients and farmer-beneficiaries. Knowledge resources will be made available on various web-based knowledge-sharing platforms such as the CURE database and website; through meetings such as the annual review and planning meetings and by sharing prototypes for translation into other dialects/languages.

16. The proposed programme will serve to coordinate all projects supported by IFAD and the European Commission under way with IRRI in unfavourable rice environments in South and South-East Asia, for instance through joint review and planning meetings to develop synergy among projects, and share knowledge, learning and technologies. This programme will consolidate the scientific outputs of the ongoing projects for developing, validating, and disseminating rice technologies in Asia, particularly in South-East Asia. Project outputs will be consolidated through joint project activities, common protocols and the ongoing content build-up of the CURE database for research findings on unfavourable rice environments.

IV. Expected outputs and benefits

17. The programme will have the following outputs/outcomes:

- NARES evaluating gender-sensitive combinations of stress-tolerant germplasm and integrated management across a wide range of unfavourable rice environments in terms of productivity, risk, income, opportunities for value addition and livelihoods.
- NARES using decision support tools to target appropriate varieties and management options according to the nature of stress-prone environments, and delivery of options enhanced through innovations in seed systems, communication and other uptake mechanisms.
- NARES, NGOs, and IFAD partners have information resources, skills and strategies to rapidly offer varieties and management options to target communities in unfavourable environments.
- Information approaches and technologies are widely shared among partners in South and South-East Asia.

V. Implementation arrangements

18. IRRI will be the implementing agency responsible for reporting progress to IFAD. The coordinating unit of the current governing structure of the CURE will coordinate activities with NARES. This coordinating unit, comprising a senior IRRI scientist, various working groups each coordinated by a senior IRRI scientist and a full-time social scientist, will be fully involved in programme planning, activities, guidance on socio-economics, and monitoring and evaluation, among other tasks.

19. The programme will be implemented in compliance with IFAD financial management procedures and guidelines on procurement, financial reporting, audit and flow of fund requirements.

20. These will be included in the contribution agreement that will be entered into by IFAD and the World Bank (as CGIAR Fund trustee) setting forth the terms and conditions for the administration of the grant by the trustee, and also in the grant implementation agreement to be entered into by IFAD and IRRI, which will establish implementation modalities and detailed fiduciary arrangements.

21. Grant funds will be transferred in instalments to IRRI, through the trustee, conditional on the signature of both the contribution agreement and the grant implementation agreement. Disbursement will be made on the basis of withdrawal applications from the trustee. The first advance will be supported by an approved annual workplan and budget (AWP/B) and subsequent instalments will be made on the basis of a statement of expenditures from IRRI and annual audited financial statements of IRRI. The disbursement applications will include both the amount to be transferred by the trustee to IRRI, covering the expenditures approved in the relevant AWP/B, and the 2 per cent portion to be retained by the trustee. At the end of the programme, IRRI will provide IFAD with an external audit opinion letter on the final statement of expenditures for the entire grant amount. Any grant balance remaining unutilized at programme completion will be returned by IRRI directly to IFAD within four months of the end of the programme.

22. The programme will focus on seven South-East Asian countries, promoting complementarity among activities of related IFAD and IFAD/European Commission grants for stress-prone environments in the region. The programme will capitalize on information generated by these projects.

23. CURE is a network of national networks that facilitates the sharing of scientific knowledge, technologies and information among the network members.

24. It has a steering committee composed of senior officials, and heads of rice agencies in each country. A representative of IFAD's Asia and the Pacific Division will participate as observer in the steering committee. The committee provides overall direction, evaluates workplans and research progress, and provides guidance on strategies. NARES partners, representatives of local authorities, representatives of IFAD-supported investment programmes, and IRRI staff will participate in annual workshops.

VI. Indicative programme costs and financing

25. The total budget of the proposed programme is US$1.5 million over four years, in the form of a grant from IFAD. The total financing requirement is US$2.4 million, of which US$0.9 million will be financed by IRRI through in-kind support and other projects and from NARES.

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

Number	*Type of expenditure*	*IFAD*	*Cofinancing IRRI and other institutions*	*Cofinancing NARES*	*Total*
1	Staff costs*	368	190	60	618
2	Supplies and services	338	210	20	568
3	Travel	80	40		120
4	Research and pilot activities by NARES	404	350		754
5	Training and information resources	60		20	80
6	Meetings and workshops	80		10	90
	Subtotal	1 330	790	110	2 230
7	Institutional cost/overheads	140			
8	CGIAR Trust Fund cost-sharing (2%)	30			
	Total	**1 500**	**790**	**110**	**2 400**

* Personnel costs are related directly to the staff and exclusively assigned to the programme.

Results-based logical framework

	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Goal	Rice farmers in the upland systems and in areas affected by drought, submergence, problem soils, and salinity to have greater access to varietal and management technologies that improve household food security and reduce poverty.	Men and women farmers have improved livelihoods through the use of improved technologies and practices; % of households in target areas below the poverty line decreases.	Field and household survey, project and media reports.	Support of NARES collaborators, national policies.
Objectives	1. Support and develop capacities of NARES and partners to generate combination of newly available stress-tolerant rice germplasm and crop management options. 2. Identify uptake and communication pathways to fast-track the dissemination of varieties and management options, including decision support tools and TIS. 3. Enhance capacity of partners and IFAD-supported investment projects through knowledge management and capacity building. 4. Provide a "platform" for partnerships and information brokering for wider sharing and impact in Asia.	1. Germplasm and crop management options identified to increase income of men and women farmers by 10–15%, by 2017; 2. Communication approaches and decision support tools being used by NARES; 3. NARES adapt approaches for knowledge sharing, learning alliances, and technology uptake; 4. Rice workers from countries in Asia regularly sharing results and information.	NARES reports, Web sites, project reports. Information resources in hard and digital formats, annual and project completion reports, adoption/impact studies, research papers.	Support of NARES collaborators provided, supportive national policies, and project funding secured.
Outputs	1. Stress-tolerant germplasm and management options evaluated across a wide range of unfavourable rice environments. 2. Decision support tools to target appropriate varieties and management options, and enhanced delivery of research and development products. 3. Information resources, skills, and strategies for capacity enhancement within NARES, NGOs, and IFAD partners. 4. Effective mechanism for sharing information and technologies among partners in South and Southeast Asia.	1. At least one combination of germplasm and management options being used by at least 10,000 farmers by 2017. 2. Communication approaches developed for at least 3 countries and decision support tools being used by at least 3 NARES, by 2017 3. At least 1,000 staff of partners and key farmers had training to improve technology uptake, by 2016. 4. NARES workers across Asia meet and exchange information annually.	NARES reports, and research papers. Reports and information resources within CURE database, survey, outcome/impact studies.	Support of NARES collaborators provided. Policy of provision and use of information.
Key Activities	***1.*** Development and evaluation of gender-sensitive combinations of rice germplasm and integrated crop management options ***2.*** Uptake/communication pathways, decision tools and approaches to fast-track technology dissemination ***3.*** Capacity building and knowledge management ***4.*** Platform for partnerships and information brokering through partnerships with other IFAD/EC-funded activities in unfavourable rice environments.	Number of gender-sensitive combinations of germplasm and management options tested and available; number of opportunities for smallholder farmers for value addition, productivity gains, and risk reduction; number of guidelines, protocols, and uptake and knowledge-sharing platforms available for NARES and partners; number of training programs and partnership activities conducted; and number of trained NARES, partners, and collaborators.	GIS data sets, annual project reports, site assessments; other reports. Promotion and training materials in hard copy and digital form, Web sites, field visits, Rice Knowledge Bank material.	Support of NARES collaborators in evaluating options; information/ communication pathways available.