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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

Latin American Centre for Rural Development (RIMISP)

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 non-CGIAR-supported international centre as contained in paragraph 7.

President's report on a proposed grant under the global/regional grants window to a non-CGIAR-supported international centre: Latin American Centre for Rural Development (RIMISP)

I submit the following report and recommendation on a proposed grant for agricultural research and training to a non-Consultative Group on International Agricultural Research (CGIAR)-supported international centre in the amount of US\$1,808,400.

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: Latin American Centre for Rural Development (RIMISP).
2. The document of the grant for approval by the Executive Board is contained in the annex to this report:

Latin American Centre for Rural Development (RIMISP): Policy Processes for Large-scale Impact.
3. The objectives and content of this applied research programme are in line with the evolving strategic objectives of IFAD and the Fund's policy for grant financing.
4. The overarching strategic goal that drives the Revised IFAD Policy for Grant Financing, which was approved by the Executive Board in December 2009, is to promote successful and/or innovative approaches and technologies, together with enabling policies and institutions, that will support agricultural and rural development, empowering poor rural women and men in developing countries to achieve higher incomes and improved food security.
5. The policy aims to achieve the following outputs: (a) innovative activities promoted and innovative technologies and approaches developed in support of IFAD's target group; (b) awareness, advocacy and policy dialogue on issues of importance to poor rural people promoted by, and on behalf of, this target group; (c) capacity of partner institutions strengthened to deliver a range of services in support of poor rural people; and (d) lesson learning, knowledge management and dissemination of information on issues related to rural poverty reduction promoted among stakeholders within and across regions.
6. The proposed programme is in line with the goal and outputs of the revised IFAD grant policy. It contributes particularly to the policy's second output as it promotes enabling policies and institutions that support agricultural and rural development, and fosters awareness and supports advocacy and policy dialogue on issues of importance to poor rural people.

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 programme for Policy Processes for Large-scale Impact, shall provide a grant not exceeding one million eight hundred and eight thousand four hundred United States dollars (US\$1,808,400) to the Latin American Centre for Rural Development for a three-year programme upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board herein.

Kanayo F. Nwanze
President

Latin American Centre for Rural Development (RIMISP): Policy Processes for Large-scale Impact

I. Background

1. The proposed grant will facilitate evidence-based policy dialogue in Colombia, Ecuador, El Salvador and Mexico to support policy and institutional changes that create more conducive environments for the rural poor to overcome poverty. It will pilot an approach that complements IFAD's current operations in order to allow the Fund not only to work directly with 375,000 rural households to overcome poverty¹ but also to contribute to making a larger-scale impact on the poverty that affects 5.2 million rural households in the participating countries.
2. Under the grant provided to RIMISP entitled Knowledge for Change – Policy Processes for Poverty Impact, the Latin America and the Caribbean Division (LAC), a new approach was piloted to engage key stakeholders in policy dialogue on rural poverty and development. Rural dialogue groups (RDGs) were created in Colombia, Ecuador, El Salvador and Mexico, each with between 10 and 30 highly influential individual members from different sectors of government and society (including poor rural people's organizations, producers' organizations, high-level agribusiness leaders, indigenous peoples, journalists, politicians, members of NGOs and academics). Each RDG was jointly convened by the national government and a civil society organization. The RDGs defined policy and institutional change objectives and a thematic agenda to promote rural poverty and development as issues of prominence on the public and governmental agenda. The RDGs not only influenced national policies, but also contributed to strengthening IFAD's work in each participating country.

II. Rationale and relevance to IFAD

3. The idea underlying the proposed grant is that the impact of development operations can be far greater if they are complemented by pro-active and systematic policy dialogue processes. This requires a thorough understanding of the constraints hampering pro-poor institutional and policy change. The Knowledge for Change grant created the basic conditions for influencing large-scale policy processes. Based on this ongoing process, the proposed programme will add two new steps to the policy dialogue conducted by RDGs: (i) consolidate RDGs as independent, recognized and legitimate groups with the capacity to propose and support policy change in ways that benefit the rural poor; and (ii) build a more direct relationship with the rural poor by including their social organizations as active members of the RDGs in each participating country.
4. Policy dialogue to foster more enabling policies and institutions for the rural poor is prominent in IFAD's 2011-2015 Strategic Framework, and is reflected in two of the strategic objectives: (a) increase the ability of poor rural women and men and of their organizations to influence the policies and institutions that affect their livelihoods; and (b) enable institutional and policy environments to support agricultural production and the full range of related non-farm activities. This grant will also contribute to the goal and objectives of IFAD's grant policy as it will promote enabling policies and institutions that support agricultural and rural development, and foster awareness and support advocacy and policy dialogue on issues of importance to poor rural people. The grant is also consistent with two priorities of LAC's divisional strategic workplan: (a) scaling up innovative practice to impact broader development processes; and (b) policy processes related to rural poverty and development.

¹ Total direct beneficiaries of ongoing IFAD projects in the four countries.

III. The proposed programme

5. The overall goal of the programme is to create a more conducive environment for the rural poor to overcome poverty in the participating countries. The programme's objectives are: (i) to improve strategies, policies, legal frameworks and national programmes in each participating country as a result of the policy dialogue process conducted by the RDGs; (ii) to investigate and discuss innovative rural development investment instruments with policymakers; and (iii) for IFAD to use new innovative tools and processes for policy dialogue in Latin America and the Caribbean.
6. The target group is composed of rural poor men and women in the participating countries, many of whom belong to indigenous groups, through subnational and national organizations that represent them or advocate on their behalf. IFAD's operations in the participating countries currently benefit about 375,000 rural households; by scaling up some operations IFAD could contribute to reducing the poverty that affects 5.2 million rural households in these countries.
7. The programme will be of a three-year duration and will comprise four main components:
 - Component 1 – Rural dialogue groups. RDGs are the core element of the programme and the policy dialogue strategy. The RDGs were created under the previous grant provided to RIMISP (see paragraph 2). This grant will greatly enhance the participation of organizations dedicated to the empowerment of poor rural men and women in the RDGs. Each group has a part-time executive secretary and defines an agenda based on national context, public debates, policy opportunities and previous work. Based on this agenda the group develops a set of recommendations for policymakers and other sectors of society. The previous grant demonstrated that government leaders request the support of the RDGs in preparing new strategies or policies, and even drafting new laws. The RDGs commission policy analyses and papers to ensure that both the diagnosis and the recommendations are evidence-based. The groups engage in a systematic advocacy process through discussions with decision makers, seminars, and articles in major newspapers. A communications budget is also available.
 - Component 2 – Policy analysis. The RDGs frequently request that existing evidence and information be collated and summarized. New analysis may be conducted to better understand an issue or develop sound recommendations. Major institutional constraints affecting the design, implementation or sustainability of pro-poor policies, institutions and investments are also analysed as necessary.
 - Component 3 – Technical assistance. This component is the key strategy for policy change. As a result of the strong basis created by the RDGs over the past three years, opportunities for major change are now opening up in each participating country through dialogue with decision makers. Timely action tailor-made to the specific circumstances is essential in this context. Opportunities to influence policy design have also arisen as a result of joint work by decision makers and the RDGs. Each RDG will have access to funding for technical assistance to support processes of policy and institutional change.
 - Component 4 – Knowledge management. Processes and outputs will be systematically documented for use by stakeholders involved in IFAD programmes (e.g. project staff, senior consultants, country programme managers, NGOs and producers' organizations). Information will be provided in the form of learning notes, guidelines, and submissions to the occasional paper series published by the Latin America and the Caribbean Division (LAC). The programme will report on key learning at LAC's annual retreats. In

addition, a yearly half-day seminar will be held for IFAD staff interested in policy dialogue. A one-day annual workshop for IFAD staff and programme stakeholders will take place in each participating country.

IV. Expected outputs and benefits

8. These are the following:
 - Component 1 results: four active RDGs; sets of policy and institutional change recommendations produced; systematic engagement with decision makers to advocate and support policy and institutional changes.
 - Component 2 results: policy analysis papers; the Latin American Poverty and Inequality Report.
 - Component 3 results: realization of at least four significant policy or institutional changes that affect tens of thousands of rural poor men and women.
 - Component 4 results: six learning notes or sets of guidelines, three submissions to the LAC occasional paper series and knowledge sharing with IFAD staff in Rome and in country offices.

V. Implementation arrangements

9. The implementing agency will be RIMISP as it combines several comparative advantages. Specifically, RIMISP: (a) is an organization from the region, which is important given that the programme involves policy processes; (b) has outstanding access to influential decision makers in the participating countries given its long-standing work in each of them; (c) has a proven track record of combining high-quality research and policy analysis with constructive policy dialogue and advocacy; (d) has successfully managed a number of IFAD grants since the mid-1990s; (e) is capable of mobilizing complementary resources of different types in support of this grant; and (f) has gained the relevant experience and knowledge from implementing the Knowledge for Change grant, the direct predecessor of the new programme.
10. RIMISP will establish a programme coordination unit (PCU), accountable to the executive director. The PCU will be staffed by a coordinator, a technical assistant, a (part-time) communications specialist and an administrative assistant.
11. Components 1 to 3 will be implemented with the collaboration of the RDG executive secretary in each participating country, reporting directly to the programme coordinator. This executive secretary will be responsible – in consultation with the PCU and IFAD as supervisor – for selecting new RDG members, leading the group's meetings, defining an annual agenda and reporting results once a year. Component 3 is directly coordinated by the PCU and will be supported by specialized consultants. Component 4 will be under the responsibility of the PCU, which will also be in charge of monitoring activities.
12. RIMISP keeps separate bank accounts in international banks for major grants. Disbursement will be undertaken at the beginning of each programme year after approval of the annual workplan (year 1) and technical and financial reports (years 2 and 3). Financial reports will be submitted along with a copy of RIMISP's audited financial statements for the previous year. RIMISP will prepare a programme-specific audit report annually.

VI. Indicative programme costs and financing

13. The programme will be cofinanced by IFAD and RIMISP. The total cost is US\$2,814,768, of which RIMISP will contribute US\$1,006,368 of its own funds originating from a core funding grant received in 2012 from the International Development Research Centre (IDRC), a Canadian Crown Corporation. This funding

is completely independent and incremental to any other resources that IDRC may have contributed under any agreement with IFAD. IFAD will contribute US\$1,808,400, or 64 per cent of the total amount.

Summary of budget and financing plan

(in thousands of United States dollars)

<i>Number</i>	<i>Type of expenditure</i>	<i>IFAD</i>	<i>Cofinancing</i>
1	Personnel (including subcontractors)	284	14
2	Professional services/consultancies	572	701
3	Technical assistance	200	0
4	RDG workshops and meetings	360	0
5	Monitoring and evaluation	71	0
6	Communication and publications	39	200
7	Travel and allowances	78	0
8	Operational costs and equipment	40	0
9	Administrative costs (10%)	164	91
	Total	1 808	1 006

Note: Personnel: programme staff only (coordination unit); Professional services: RDG executive secretary, policy analysis, Latin American Poverty and Inequality Report and learning notes; Technical assistance: funding to provide initial technical assistance to support processes of policy and institutional change; RDG workshops and meetings: organization of RDG monthly meetings, special workshops, meetings with public authorities, trips of RDG members; Monitoring and evaluation: midterm review and completion report, including field visits; Communication and publications include translation services; Travel costs: one annual meeting between PCU and RDG executive secretaries, programme coordinator visits to participating countries and one annual meeting in Rome; Operational costs and equipment include equipment, audit and office and computer supplies and maintenance.

Results-based logical framework

	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Goal	Policies and institutions in the Participating Countries create a more conducive environment for the rural poor to overcome poverty.	More relevant, effective and sustainable rural development strategies and policies Increased investment in rural areas and in assets of and services for the rural poor Greater voice and influence of the rural poor in policy processes.	Annual programme reports Monitoring and evaluation reports Final external evaluation	Countries do not undergo major crisis that severely affect the normal policy process and agendas
Objectives	(a) Strategies, policies, legal frameworks and national programs have been improved in each Participating Country as a result of the policy dialogue process conducted by Rural Dialogue Groups; (b) Innovative rural development investment instruments are investigated and discussed with policy makers; (c) IFAD in LAC is using new innovative tools of policy dialogue through policy processes.	At least one important strategy, policy, legal framework or national program has been improved in each Participating Country y in ways that potentially benefit rural poor. At least two innovative rural development investment instruments in each Participating Country are investigated and discussed with policy makers. At least three new IFAD projects in LAC utilize policy dialogue as a tool for policy process.	Annual programme reports Monitoring and evaluation reports Final external evaluation	Stability of government decision makers and technical teams within the normal bounds of administrations Constraints imposed by procedures and regulations do not impede the timely implementation of changes
Outputs	Rural Dialogue Groups in each Participating Country makes recommendation about policy and institutional change to national governments Support development of evidence-based policy recommendations; Latin American Poverty and Inequality Report. Technical assistance to policy processes applied Knowledge management for mainstreaming in IFAD applied	4 active RDGs; sets of policy and institutional change recommendations; systematic engagement with decision makers to advocate and support policy and institutional changes. Policy analysis papers (2 by each Participating Country) Latin American Poverty and Inequality Report published Start-up of at least 4 significant pro rural poor policies or institutional changes 6 Learning Notes or Guidelines; 3 papers for LAC's occasional paper series; IFAD staff well informed of the results, processes, methods and tools used to achieve them	Annual programme reports Monitoring and evaluation reports Final external evaluation	Political or social unrest in the Participating Countries do not affect the implementation of the programme Devaluations or other economic shocks do not reduce the capacity of the programme to finance activities Other commitments do not compete for the time and attention

	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Key Activities	RDGs (in each Participating Country y). Prioritize policy issues and define national agendas. Conduct policy analysis on priority issues. Convene, organize and facilitate policy dialogue involving leading policymakers and other influential stakeholders. Communication support activities	# of meeting of RDGs; # of participants in policy coalition from different constituencies; # of contracts issued with independent centers for policy analysis; # of media briefs, press releases, briefings and meetings with journalists	Annual programme reports Monitoring and evaluation reports	Programme coordination unit in place Information shared about programme with key partners in Participating Country
	Policy analysis. High quality analytical work on a need basis	# of policy analysis papers; L. American Poverty and Inequality Report	Information from public agencies (websites, reports)	Contracts established with local organizations that can host the RDGs
	Technical assistance. Provide capacity-building and technical assistance to key public agencies	# of policies or institutional changes supported		Timely flow of funds and reports between RIMISP and subcontractors
	Knowledge management. Document the process and products of this grant	# of Learning Notes of Guidelines; # of papers for LAC's occasional paper series		