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Investing in rural people

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

**International Center for Tropical Agriculture
(CIAT)**

Note to Executive Board representatives

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For: Approval

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Abbreviations and acronyms

ASAP	Adaptation for Smallholder Agriculture Programme
CIAT	International Center for Tropical Agriculture
CCAFS	CGIAR Research Programme on Climate Change, Agriculture and Food Security
EC	European Commission

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 6.

President's report on a proposed grant under the global/regional grants window to a CGIAR-supported international centre: International Center for Tropical Agriculture (CIAT)

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 million.

Part I – Introduction

1. This report recommends the provision of IFAD support to a research project of the following CGIAR-supported international centre: International Center for Tropical Agriculture.
2. The document of the grant for approval by the Executive Board is contained in the annex to this report: International Center for Tropical Agriculture (CIAT): Learning Alliance for Adaptation in Smallholder Agriculture.
3. The objectives and content of this project are in line with the evolving strategic objectives of IFAD and the Fund's policy for grant financing.
4. The objectives of the proposed project address each of the aims of the 2009 IFAD grant policy: (a) knowledge products to promote innovative activities and develop innovative technologies and approaches to support IFAD's target group; (b) dissemination of this knowledge and specific in-house capacity raising events at IFAD to increase lesson learning, knowledge management; (c) engagement in global and national policy processes to further awareness, advocacy and policy dialogue on issues of importance to poor rural people promoted by this target group; and (d) selection of and support to national research partners to strengthen their capacity in support of IFAD's target group.
5. The International Center for Tropical Agriculture will implement the project through the CGIAR Research Programme on Climate Change, Agriculture and Food Security (CCAFS). CCAFS is a major global multi-partner research programme working specifically on climate change in the context of smallholder farming systems.

Part II – Recommendation

6. 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 Learning Alliance for Smallholder Agriculture, shall provide a grant not exceeding one million United States dollars (US\$1 million) to the International Center for Tropical Agriculture for a three-year project 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

International Center for Tropical Agriculture (CIAT): Learning Alliance for Adaptation in Smallholder Agriculture

I. Background

1. Climate change is among the foremost threats to the well-being and livelihoods of IFAD's target group. In 2012 IFAD launched the Adaptation for Smallholder Agriculture Programme (ASAP) to channel climate finance to smallholder farmers to enable them to access the information, tools and technologies that help build their resilience to climate change. One out of the five component areas for ASAP is knowledge management and lesson sharing to contribute to international and country-level policy dialogue.
2. ASAP has established a knowledge partnership with the CGIAR Research Programme on Climate Change, Agriculture and Food Security (CCAFS). The purpose of the knowledge partnership is threefold: to draw on existing scientific knowledge and expertise in the design of the current ASAP portfolio, to use shared networks and platforms to broaden the knowledge base on climate change among partners and agencies worldwide, and to strengthen the knowledge management and lesson sharing agenda of ASAP. The project proposed here builds on these foundations to create a learning alliance to capture, analyse and communicate lessons emerging from the ASAP portfolio.

II. Rationale and relevance to IFAD

3. The proposed grant will support IFAD corporate priorities by producing knowledge products and learning processes that have direct application in IFAD's programming. In doing so, the project will strengthen the capacity of partner institutions and improve the policy environment in three of the lending programme's main areas of engagement: (a) inclusion of poor people in agricultural value chains; (b) development of inclusive financial services; and (c) empowerment of rural women and indigenous peoples.
4. The project contributes to the updated strategic workplan 2013-2015 of the global agricultural research for development (AR4D) window, whose major outputs are enhanced productivity, profitability, resilience and sustainability of the farming systems of the rural poor, taking into account policy and institutional factors that influence the whole rural transformation agenda. It also contributes to the Divisional Strategic Work Plan of the Policy and Technical Advisory Division for the period 2013-2015.

III. The proposed project

5. The overall goal of the proposed grant is to maximize IFAD's impact on rural poverty in a changing climate. Its main objective is to enable agricultural development policymakers and practitioners to make science-based decisions in the context of climate change, leading to greater positive impact on target populations; and its three specific objectives are:
 - (i) Deliver innovative scientific knowledge products on climate change that are relevant to development programming;
 - (ii) Contribute scientific results as international public goods to policy dialogue at both global and national levels;
 - (iii) Enable national research institutions and researchers to strengthen their own capacity on climate change research for development.
6. The ultimate beneficiaries of the project are rural people living in poverty and experiencing food insecurity in developing countries whose livelihoods face

significant and growing climate risks. The Learning Alliance is projected to undertake applied research in a minimum of five ASAP-supported projects reaching at least 1.5 million direct beneficiaries.

7. The target group of the proposed Learning Alliance will be public-sector institutions and agricultural policymakers in local, regional and national governments who are engaged in ASAP-supported projects. The theory of change whereby these actors will bring about positive change for the ultimate beneficiaries is based on the fact that a lack of evidence and knowledge has been identified as a key barrier to adopting adaptation policy. Through the dissemination of knowledge and evidence generated by comparative analysis across the ASAP portfolio, this target group will be enabled to effect more positive change for the smallholder clients of ASAP-supported projects. Based on this reasoning, the 1.5 million smallholder clients who are directly or indirectly affected by the institutional, financial and policy actions of the Learning Alliance target group can be considered as indirect beneficiaries of the proposed initiative.

IV. Expected outputs and benefits

8. Each project objective above is associated with a component and with activities under each component as follows:

Component 1: Research and knowledge products. Scientific knowledge products, on topics and in formats selected by IFAD, are widely accessible:

- (a) Climate change research topic selected via participatory consultation within IFAD;
- (b) Open competitive call for research proposals;
- (c) Selection of research consortia based on agreed criteria, including national research partners;
- (d) 18-month research programme on selected topic, focused on IFAD case studies; and
- (e) Preparation, peer review and publication of knowledge products co-branded as IFAD, CGIAR (CCAFS) and research partners.

Component 2: Policy engagement. Knowledge products and results are actively cited in key policy forums at global and national levels:

- (a) Dissemination of knowledge products via IFAD, CCAFS and research partner communication channels including social media;
- (b) Targeting of specific results for inclusion in key policy processes via the annual policy engagement strategies of IFAD, CCAFS and national research partners; and
- (c) Publication of key results in scientific journals to provide a robust basis for citation in connection with the Intergovernmental Panel on Climate Change and the United Nations Framework Convention on Climate Change.

Component 3: Capacity enhancement. National research institutions, researchers and policymakers have raised capacities and profiles on climate change research for development:

- (a) Support to national research partners to develop and deliver policy engagement strategies;
- (b) Facilitation of appropriate South-South cooperation between ASAP countries; and
- (c) Inclusion of PhD students in research projects to strengthen long-term research capacity and research-practice linkages.

V. Implementation arrangements

9. CIAT, through CCAFS, will implement the project. A programme implementation agreement between CIAT and CCAFS regulates the roles and responsibilities of CIAT as lead centre for CCAFS, which is overseen by an independent science panel in which all 15 CGIAR centres participate.
10. CIAT, on behalf of CCAFS, will distribute project funds to research consortia on the basis of two competitive calls for proposals. The funds will not be confined to CGIAR, so any research consortium will be welcome to apply, especially those from developing countries.
11. A contribution agreement was entered into between IFAD and the World Bank (as CGIAR Fund Trustee) in December 2012, setting out the terms and conditions for the administration of CGIAR grant funds by the Trustee. A grant implementation agreement will also be entered into between IFAD and CIAT to set forth implementation modalities and detailed fiduciary arrangements. As part of project implementation, CIAT will enter into sub-agreements with legally recognized entities representing research consortia selected according to IFAD-approved criteria that meet the specifications for CIAT partnership and subcontracting.
12. CIAT takes full fiduciary responsibility for CCAFS. However, CCAFS functions largely autonomously with a dedicated coordination unit of full-time staff based in Copenhagen (Director) and Cali (finance). The CCAFS coordination unit will take direct responsibility for project management. Technical management of the project will be under the CCAFS Director. Financial management and reporting will be the responsibility of CCAFS's finance team based at CIAT. The successful research consortia will be contracted by CIAT to report in full on an annual basis. During this period there will be two 18-month research cycles with two tender operations. Each research cycle will cover all three components.
13. The following will be critical in overall project accounting and financial management:
 - CIAT will prepare an annual workplan and budget to be approved by IFAD in a format acceptable to IFAD. All project-related transactions will be performed by the CIAT Finance Department. CIAT applies the CGIAR guidelines on financial management, accounting policies and reporting, auditing and cost allocation from the Consortium Office, which are based on the International Financial Reporting Standards. In this regard the grant proceeds received by CIAT will be managed through a separate internal budget account and each transaction will be recorded in the entity's accounting system. All funds will be channelled to CIAT through the World Bank as Trustee of the CGIAR Fund. Disbursements from IFAD to CIAT will be based on annual workplans and budgets, with advances of up to 75 per cent of the approved budget for activities to be carried out. Subsequent advances will be based on statements of expenditure (SOE) certified by management and in a form acceptable to IFAD, justifying at least 75 per cent of the immediately previous advance and 100 per cent of all earlier advances, if any. Any unspent advances at the closing date of the operation will be promptly refunded to IFAD. CIAT will issue semi-annual financial progress reports in a format acceptable to the Fund, including incurred expenditures by category for the reporting period and cumulatively using an SOE. The Center has an internal audit department and audit committee reporting directly to the board and an internationally recognized external auditor that conducts an annual audit and report, which is then submitted to CIAT's management and Board of Trustees. CIAT will have its institutional accounts audited every year by external independent auditors and will deliver to IFAD a copy of its audited financial statements within six months after the end of each fiscal year. CIAT will ensure that an audit opinion letter on the SOE submitted to IFAD is duly completed by the external auditor

disclosing the amount of funds from various sources received and spent under this operation by category of expenditure. Moreover, such audits should cover the full grant amount, including the 2 per cent CGIAR system fee paid to the World Bank.

- **Procurement.** Procurement will be carried out according to CIAT's policy on procurement of goods and services. The bulk of the funding will be distributed to research consortia. CIAT has established procedures for managing subcontracts with research partners.

VI. Indicative project costs and financing

14. The total budget of the proposed IFAD grant is estimated at US\$1 million. The European Commission (EC) contribution is estimated at US\$0.75 million and that of CCAFS at 2.1 million. The IFAD and EC funds will pass through the World Bank as per the multidonor agreement and will thus incur a fee of 2 per cent. CGIAR, via CCAFS, will provide US\$1.2 million in cash to distribute under the research calls, and US\$0.9 million in kind to cover staff and operating costs.
15. The majority of funds will be distributed as grants to research consortia to undertake activities across component 1 (approximately 70 per cent), component 2 and component 3 (approximately 15 per cent each), in two rounds (January 2015 and January 2016). The subgrants will not pay for overhead costs.

Table 1
Costs by component and financier
(Thousands of United States dollars)

<i>Components</i>	<i>IFAD</i>	<i>CCAFS</i>	<i>EC</i>	<i>Total</i>
Component 1: Research and knowledge products	559	1174	419	2 152
Component 2: Policy engagement	219	460	164	843
Component 3: Capacity enhancement	222	466	167	855
Total	1 000	2,100	750	3 850

Table 2
Costs by expenditure category and financier
(Thousands of United States dollars)

<i>Expenditure category</i>	<i>IFAD</i>	<i>CCAFS</i>	<i>EC</i>	<i>Total</i>
Goods, services and inputs ^a	30	200	25	250
Grant and subsidies ^b	500	1 000	500	2 000
Operating costs ^c	48	407	55	500
Salaries and allowances ^d	250	211	150	611
Workshops and training	40	40	20	100
Vehicles, equipment, works	0	0	0	0
Subtotal	868	1 858	750	3 461
CIAT overhead 13 per cent	112	242	0	354
CGIAR system fee (WB) 2 per cent	20	0	0	35
Total	1 000	2 100	750	3 850

^a Materials and services for communications and printing, and a comprehensive annual external audit to cover all costs as required by IFAD (US\$2 000/year).

^b Eligible expenditures under research grants awarded through a competitive call in accordance with criteria acceptable to IFAD.

^c Communication costs, website development, planning and reporting systems for annual workplans and budgets and other reporting, staff travel.

^d Staff time costs of CCAFS project management, communications, administrative and finance staff.

Results-based logical framework

	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Goal	To maximise IFAD's impact on rural poverty in a changing climate			
Objective	To enable agricultural development policy-makers and practitioners to make science-based decisions in the context of climate change, leading to greater positive impacts on target populations	Approx. 1,5 million smallholder farmers directly involved in ASAP-supported projects will benefit from enactment of informed adaptation policy.		
Outputs / results for each specific objective	<ol style="list-style-type: none"> 1) Scientific knowledge products, on topics and in formats selected by IFAD, are widely accessible 2) Knowledge products and results are actively cited in key policy forums at global and national levels 3) National research institutions and researchers have raised capacities and profiles on climate change research for development 	<ol style="list-style-type: none"> 1) Number of knowledge products and their distribution statistics 2) Numbers of citations of results in selected policy forums and policy statements; numbers and citation indices of journal papers 3) Numbers of external citations of work of national research partners 	<ol style="list-style-type: none"> 1) Annual reporting from CCAFS, ASAP and research consortia 2) Analysis of selected policy forums and policy statements 3) Analysis of national media and other public information sources 	<ul style="list-style-type: none"> - Sufficient progress in ASAP implementation to generate useful research findings - Sustained policy effort on climate change at national and international levels - Legitimate voice for research in national policy processes
Key activities for each objective	<ol style="list-style-type: none"> 1.a) Climate change research topic selected via participative consultation within IFAD 1.b) Open competitive call for research proposals 1.c) Selection of research consortium 1.d) 18 month research program on selected topic, focused on IFAD case studies 1.e) Preparation, peer review and publication of knowledge products in agreed formats 2.a) Dissemination of knowledge products via IFAD, CCAFS and research partner communication channels including social media 2.b) Targeting of specific results into key policy processes 2.c) Publication of key results in scientific journals 3.a) Support to national research partners to deliver policy engagement strategies 3.b) Facilitation of appropriate south-south cooperation between ASAP countries 3.c) Inclusion of PhD students on research projects to strengthen long-term research capacity and research-practice linkages 	<ol style="list-style-type: none"> 1) Verifiable transparent & objective process for selection of research consortium; research process carried out with due diligence including peer review; delivery of agreed research products 2) Number of international and country dialogues where IFAD or IFAD-supported partners make an active contribution; number of citations of knowledge and results in selected policy dialogues and policy statements; number and citation ratings of journal articles 3) Verifiable transparent & objective process for selection of research consortium; evidence of effective delivery of research partners' policy engagement strategies; number of south-south exchange events and numbers of participants, disaggregated by gender; number of PhD students disaggregated by gender 	<ol style="list-style-type: none"> 1) Annual activity and output reports from the project; internal records at IFAD and CCAFS 2) Annual activity and output reports from the project; documentation of policy dialogues and policy statements; scientific journal websites 3) Annual activity and output reports from the project; annual reports and policy engagement strategies of national research partners 	<p>Pre-conditions to be met prior to action:</p> <ul style="list-style-type: none"> - Confirmation of co-funding over three years by CCAFS/CGIAR (done) - Buy-in from senior management responsible for ASAP and CCAFS (done) - Outreach to key national research partners in relevant countries (to do) - Strategic analysis of policy landscape at global and national levels (ongoing) - Engagement with relevant agricultural development policy makers and practitioners to assess demand for research and ensure that topics and formats of outputs will meet their needs (to be done by research consortia)