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Investing in rural people

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

### **Secretariat of the Pacific Community**

#### **Note to Executive Board representatives**

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**For: Approval**

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## Abbreviations and acronyms

AWP/B	annual workplan and budget
LRD	Land Resources Division
PIFON	Pacific Islands Farmers Organisation Network
POETCom	Pacific Organic and Ethical Trade Community
SIDS	Small Island Developing States
SOE	statement of expenditure
SPC	Secretariat of the Pacific Community
SRIC-CC	Strengthening the Resilience of our Islands and our Communities to Climate Change

## **Recommendation for approval**

The Executive Board is invited to approve proposed grant under the global/regional grant 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: Secretariat of the Pacific Community**

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\$1.026 million.

### **Part I – Introduction**

1. This report recommends the provision of IFAD support to the research and training programme of the following regional intergovernmental organization: the Secretariat of the Pacific Community (SPC).
2. The document of the grant for approval by the Executive Board is contained in the annex to this report:
 

Secretariat of the Pacific Community: Capacity-Building for Resilient Agriculture in the Pacific
3. The objectives and content of this applied research and training 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 grant policy and responds to the third strategic objective of IFAD's Strategic Framework 2011-2015: "Poor rural women and men and their organizations able to manage profitable, sustainable and resilient farm and non-farm enterprises or take advantage of decent work opportunities".

## **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 Capacity-Building for Resilient Agriculture in the Pacific, shall provide a grant not exceeding one million and twenty-six thousand United States dollars (US\$1,026,000) to the Secretariat of the Pacific Community 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

# **Secretariat of the Pacific Community: Capacity-Building for Resilient Agriculture in the Pacific**

## **I. Background**

1. At the Third International Conference on Small Island Developing States (SIDS) in September 2014, IFAD issued its new report entitled *IFAD's Approach in Small Island States: A global response to island voices for food security*. The report states that IFAD will work with SIDS in three thematic areas: fisheries and aquaculture; employment in agriculture; and environment and climate change. The approach commits IFAD to work in partnership with other development assistance agencies, civil society and the private sector. It states that IFAD will engage in policy dialogue with government on thematic areas, encourage multi-country programming and provide financing for technical assistance.
2. The Capacity-Building for Resilient Agriculture in the Pacific programme is explicitly designed to translate the new IFAD approach from words into action. It responds to calls from IFAD Member States in the Pacific region to help implement the Pacific Youth in Agriculture Strategy, while it also addresses vulnerability to natural hazards and other consequences of climate change.
3. To align with the IFAD approach to SIDS, while respecting corporate efficiency goals, IFAD will partner with regional and local institutions in very small Pacific Member States through regional grants. This will have the added benefit of scaling up the impact of previous IFAD investments for institutional strengthening in Pacific partner institutions such as the Pacific Islands Farmers Organisation Network (PIFON), the Pacific Organic and Ethical Trade Community (POETCom) and the Secretariat of the Pacific Community (SPC), each of which have shown capacity to work directly with local stakeholders.

## **II. Rationale and relevance to IFAD**

4. The rationale for the programme in terms of target group, technical issues and institutional arrangements is tied to the particular situation in these SIDS. The capacity-building nature of the investment – comprised largely of training for institutional development and transfer of technical skills – was chosen in recognition of governments' limited resources and their restricted role in providing direct support to farmers. In this light, the programme will work directly with civil society institutions, creating capacity among producers through producer organizations, to build relationships and sustainability.
5. The programme targets young people to address social and economic concerns of poor rural households that are short on income, produce inadequate family food supplies and increasingly rely on the outmigration of family members, especially unemployed youth, for cash remittances.
6. The programme focuses on resilience in agriculture given the intense vulnerability of rural people in the Pacific to climate change and natural hazards, such as cyclones, droughts, floods, earthquakes, tsunamis and volcano eruptions. These are compounded by changes in rainfall and temperature patterns. Some risk-minimizing traditional agricultural techniques have been abandoned and need to be brought back into production systems. Other techniques are now inadequate to face new environmental challenges and need adaptation to changing environmental conditions.
7. This programme will provide an understanding of climate change issues for smallholder farmers that will feed into the future programming of resources from the Adaptation for Smallholder Agriculture Programme (ASAP) in the Pacific that is planned for 2015.

8. The programme will work in collaboration with the Strengthening the Resilience of Our Islands and Our Communities to Climate Change (SRIC-CC) Programme, a United Nations Development Programme-supported operation in the Cook Islands, and with the Global Environment Facility Small Grants Programme in the Marshall Islands, adding an agricultural dimension to these efforts and helping farmers access the financing they provide. This is an IFAD response to the Pacific region's youth in agriculture strategy and to the commitment made by Ministers of Agriculture and Forestry at their September 2012 regional meeting, which took place in Fiji under SPC sponsorship, to promote resilience to climate change in agriculture. SPC, the programme's implementing agency, is an intergovernmental body created by governments to channel resources and technical support to its 22 Pacific island members. Its mandate is to assist member countries in lowering the costs otherwise associated with direct collaboration. SPC is a partner known to IFAD and trusted by its Member States.
9. SPC also hosts POETCom, with which IFAD has successfully partnered in a previous small grant initiative to develop regional certification standards and a strategy for organic agriculture in Pacific island countries and territories. That project supported the Pacific Region Organic Strategic Plan launched at the Heads of Agriculture and Forestry Services Conference in Samoa in September 2008. SPC and POETCom currently implement a small regional grant from IFAD entitled Development and Pilot Implementation of Integrated Pacific Island Organic/Ethical Trade Initiatives. This project, a showcase for community-driven participatory guarantee systems in Fiji, was featured at the third international conference on SIDs in 2014.

### **III. The proposed programme**

10. The overall goal of the programme is that farmers in small Pacific island countries are using agricultural practices that are resilient to climate change and other natural hazards. The development objective is that young women and men farmers working with producer organizations have learned ways of producing food and earning income using agricultural practices that are resilient to climate change and natural hazards.
11. The target group is young women and men farmers in the Cook Islands, the Marshall Islands and Niue ("participating countries") and the farmers' organizations of which they are members.
12. The three-year programme will have three main components:
  - Building capacity of producer organizations;
  - Building capacity of young farmers; and
  - Sharing knowledge on resilient agricultural practices.

### **IV. Expected outputs and benefits**

13. The expected outputs are the following:
  - A total of 150 members of four lead producer organizations are trained as trainers and provide technical and marketing support and services to 600 young farmers.
  - Training and extension materials are developed for the sustainable production of four target products.
  - There is a 10% increase in the number of youth members of producer organizations.
  - Some 600 young farmers with production and marketing skills are newly self-employed or are expanding their enterprises in a sustainable way.

- Four best practices, including improved traditional practices, are documented and disseminated using information and communications technology/multimedia.
- Outreach campaigns are carried out targeting 3,600 members of the households of direct beneficiaries.

## **V. Implementation arrangements**

14. The IFAD grant recipient and implementing organization will be SPC through its Land Resources Division (LRD). In each participating country, SPC will work through its national counterpart and POETCom affiliates at the local level. POETCom will partner with PIFON and its members in the planning and implementation of programme activities.<sup>1</sup> To maximize complementary financing and activities, POETCom will plan its work in consultation with the SRIC-CC programme and the Global Environment Facility's Small Grants Programme in participating countries.
15. LRD, one of three SPC divisions, covers sustainable forestry and agriculture, genetic resources, plant health, crop production, animal health and production, biosecurity and trade. It has approximately 65 staff members and an annual budget of approximately US\$6.25 million.
16. POETCom is the governance body of the organics movement of the Pacific. Originally appointed by SPC as a technical committee to serve SPC member countries, it is now a not-for-profit membership-based organization with active members including farmers' organizations, producer support groups, research institutions, NGOs and private-sector operators in 14 Pacific countries. Currently SPC serves as the secretariat of POETCom. SPC will prepare a memorandum of understanding with POETCom to specify roles and responsibilities for implementation of this grant-funded programme.
17. PIFON is legally registered in Fiji as a company limited by guarantee not having share capital.
18. POETCom and PIFON will provide cofinancing in the form of in-kind resources. POETCom members will provide technical expertise in the preparation of materials and conduct of training, host training events, and provide sites and logistical support at training venues. PIFON and its members will provide technical expertise in the preparation and review of training materials and the delivery of training activities. The three organizations therefore join IFAD as cofinanciers and implementation partners. Moreover, since SPC, POETCom and PIFON are all located in the Pacific region, the programme will provide an opportunity for South-South collaboration among Pacific countries.
19. The three-year programme will commence in early 2015. Within SPC, LRD programme management will be the responsibility of the POETCom office. SPC/ LRD will appoint a programme manager and a training and extension specialist to implement the programme in collaboration with producer organizations identified by POETCom and relevant line ministries in participating countries. The programme manager will prepare annual workplans and budgets (AWP/Bs) to be approved by IFAD. It will oversee implementation in participating countries. When possible, more experienced producers, producer groups or farmers' organizations affiliated with POETCom, PIFON or others will conduct the training of trainers. The POETCom office will be supported by SPC/LRD core finance and administration staff, who will be responsible for financial management, including reporting, procurement, audits and progress reports.

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<sup>1</sup> Because PIFON does not currently have network members in the Marshall Islands or Niue, it will draw on the training resources and expertise of its network members in other countries. At the same time, it will encourage producer organizations in the two countries to join its network.

20. Programme monitoring and evaluation will include a baseline study and a monitoring, evaluation and learning framework set up together with producer organizations, POETCom affiliates and beneficiaries to facilitate beneficiary determination of their own goals in terms of results and impact. Participants will monitor and report on their progress together with collaborating producer organizations.
21. Based on AWP/Bs, grant proceeds will be transferred to the recipient through certified disbursement requests to a certified account in a commercial bank acceptable to IFAD. All incurred expenditure will be recorded in the recipient's accounting software according to internationally accepted accounting standards. The programme will be implemented in compliance with IFAD financial management procedures on procurement, financial reporting, audit and funds flow requirements. Disbursement will be made on the basis of the AWP/B cleared by IFAD.
22. SPC will issue semi-annual financial progress reports including expenditures by category using a statement of expenditure (SOE). It will provide audited financial statements annually consisting of the corporate audit for SPC, with specific reference to expenditures made with IFAD grant funds and an opinion expressed on the SOE. The programme and total grant amount will have an external audit as per IFAD standard procedures outlined in the grant agreement, with a separate audit opinion on the SOE.

## VI. Indicative programme costs and financing

23. The total programme costs will be US\$1,050,750, disbursed over a three-year period (table 1). Of this amount, US\$1,026,000 will be a grant from IFAD, and US\$24,750 will be provided in kind from programme partners POETCom, PIFON and SPC in the form of expertise and training inputs drawing on their members and staff (table 2).

Table 1  
**Costs by component, by year**  
(United States dollars)

<i>Component</i>	<i>Amount</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>
		<i>2015</i>	<i>2016</i>	<i>2017</i>
Building capacity of producer organizations	364 250	134 250	115 000	115 000
Building capacity of young farmers	399 500	139 500	125 000	135 000
Sharing knowledge on resilient agriculture	211 000	66 000	35 000	110 000
Subtotal	974 750	339 750	285 000	360 000
(Overhead)	76 000	24 400	22 800	28 800
<b>Total</b>	<b>1 050 750</b>	<b>354 150</b>	<b>317 800</b>	<b>403 800</b>

Table 2  
**Financing by financier, by category**  
(United States dollars)

<i>Category of expenditure</i>	<i>IFAD</i>	<i>POETCom</i>	<i>PIFON</i>	<i>SPC</i>	<i>Total</i>
Consultancies	120 500	4 500	2 000	1 000	128 000
Equipment and materials	134 500	0	500	0	135 000
Goods, services and inputs	104 000	0	0	3 000	107 000
Salaries and allowances	265 000	500	0	0	265 500
Travel	233 500	0	0	0	233 500
Training	92 500	0	3 250	10 000	105 750
Overhead/ management fees	76 000	0	0	0	76 000
<b>Total</b>	<b>1 026 000</b>	<b>5 000</b>	<b>5 750</b>	<b>14 000</b>	<b>1 050 750</b>



24. Costs for consultancies are for technical experts who conduct training. Equipment and materials are for training and demonstrations. Salaries and allowances are solely for staff time and allowances incurred directly in programme implementation. Travel costs cover travel for consultants, programme staff, trainers and training participants. Overheads cover financial management, accounting and administration.
25. The initial advance of funds will not exceed 50 per cent of expenditures in the relevant AWP/B. For subsequent withdrawal applications, the recipient will submit an SOE for at least 75 per cent of the preceding instalment (and 100 per cent of previous instalments). The last disbursement will be made once the final report, SOE and audited financial statements are received in accordance with IFAD financing conditions for grants.

# Results-based logical framework

	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
<b>Goal</b>	Farmers in small Pacific island countries are using agr practices that are resilient to climate change and other natural hazards	% of young people in programmes supported by local producer organisations	Project impact analysis	
<b>Objectives</b>	Young women and men farmers working with producer organisations have learned ways of producing food and earning income using agricultural practices that are resilient to climate change and natural hazards.	<ul style="list-style-type: none"> <li>4 lead producer organisations providing support programmes to young farmers.</li> <li>600 young farmers with sustainable enterprises established</li> </ul>	<ul style="list-style-type: none"> <li>Producer organisation activity &amp; training reports</li> <li>Feedback from project partners</li> <li>Project reports &amp; impact analysis</li> </ul>	<ul style="list-style-type: none"> <li>Positive environmental, market and political environment sustained</li> <li>Appropriate producer orgs. exist in each county</li> </ul>
<b>Outputs</b>	<ol style="list-style-type: none"> <li>1. Producer organisations are providing technical and marketing services and attracting younger members.</li> <li>2. Young people with production and marketing skills are newly self-employed or expanding their agricultural enterprises</li> <li>3. Learning and best practice captured and disseminated</li> </ol>	<ol style="list-style-type: none"> <li>1. 60 young farmer groups trained in production &amp; marketing skills &amp; engaged in agr enterprises.</li> <li>2. Training/extension materials developed for sustainable production of 4 target products including traditional practice.</li> <li>3. 10% increase in youth members in producer orgs.</li> <li>4. 4 best practices captured using ICT/multimedia including traditional practices.</li> </ol>	<ul style="list-style-type: none"> <li>Producer organisation activity &amp; training reports</li> <li>Training and extension materials</li> <li>Best practice ICT tools</li> <li>Impact report</li> </ul>	<ul style="list-style-type: none"> <li>Strong ownership by project partners</li> <li>Young people have access to land</li> <li>No major negative climate/environmental events</li> </ul>
<b>Key Activities</b>	<ol style="list-style-type: none"> <li>1.1 Identify producer organisation in each target country</li> <li>1.2 Needs &amp; capacity analysis of producer organisations</li> <li>1.3 Build capacity of producer organisations to support young farmers enter markets (sustainable or traditional production, marketing, value adding, branding, certification etc.)</li> <li>2.1 Identify best bet product and market in each target country</li> <li>2.2 Needs and capacity analysis of young farmers in relation to target product &amp; market</li> <li>2.3 Producer organisations build capacity of young farmers to enter markets</li> <li>2.4 Young farmers commence production</li> <li>3. Document &amp; share best practice</li> </ol>	<ol style="list-style-type: none"> <li>1.1 MOU signed with 4 producer orgs</li> <li>1.2 Capacity analysis report</li> <li>1.3 4 Producer organisations trained to support young farmers enter markets</li> <li>2.1 Products and markets identified</li> <li>2.2 Capacity analysis report complete</li> <li>2.3 Relevant training provided to young famers in each country as x needs analysis</li> <li>2.4 Key inputs provided to commence production</li> <li>3 ICT &amp; multimedia tools developed to document/ share learning</li> </ol>	<ul style="list-style-type: none"> <li>Signed MOU</li> <li>Needs &amp; Capacity analysis reports</li> <li>Training materials &amp; reports</li> <li>Producer organisation reports</li> <li>Project reports</li> <li>IACCT &amp; multimedia tools</li> <li>Impact report</li> </ul>	<ul style="list-style-type: none"> <li>Strong ownership by project partners</li> <li>Young people have access to land</li> <li>Viable products and markets identified</li> <li>Enough resources are available to meet expectations</li> </ul>