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Investing in rural people

**President's report on a proposed grant under
the global/regional grants window to the
Food and Agriculture Organization of the
United Nations for the programme on**

**Strengthening decent rural employment
opportunities for young women and men in
the Caribbean**

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 as contained in paragraph 8.

President's report on a proposed grant under the global/regional grants window to the Food and Agriculture Organization of the United Nations for the programme on Strengthening decent rural employment opportunities for young women and men in the Caribbean

I submit the following report and recommendation on a proposed grant for agricultural research and training to the Food and Agriculture Organization of the United Nations (FAO) in the amount of US\$1.8 million.

Part I – Introduction

1. This report recommends the provision of IFAD support to the research and training programme of FAO.
2. The document of the grant for approval by the Executive Board is contained in the annex to this report:

Food and Agriculture Organization of the United Nations: Strengthening decent rural employment opportunities for young women and men in the Caribbean
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 new IFAD strategy for Small Island Developing States (SIDS) and with the revised IFAD grant policy. The proposed subregional grant programme contributes to IFAD's overarching goal of enabling the rural poor to improve their food security and nutrition, raise incomes and strengthen resilience to risk. Reiterating IFAD's recognition of the importance of small-scale agriculture as a primary source of income for many poor rural households, the programme aims to contribute to

poverty reduction among rural youth by promoting an enabling regional policy environment for rural youth employment in the Caribbean, to be implemented through public and private investment in the subregion, including by IFAD. With a significant focus on knowledge generation and management, the programme will contribute to IFAD's corporate objective of enabling effective knowledge exchange and advocacy for the benefit of the poor rural young people of the Caribbean subregion.

7. Finally, the design and implementation of a subregional grant programme on such a strategic topic as rural youth employment is expected to facilitate the development of targeted policies, partnerships and pilot investments in favour of youth in the Caribbean.

Part II – Recommendation

8. I recommend that the Executive Board approve the proposed financing in terms of the following resolution:

RESOLVED: that the Fund, in order to finance, in part, the programme on Strengthening decent rural employment opportunities for young women and men in the Caribbean, shall provide a grant not exceeding one million eight hundred thousand United States dollars (US\$1,800,000) to the Food and Agriculture Organization of the United Nations 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

Strengthening decent rural employment opportunities for young women and men in the Caribbean

I. Background

1. This proposal is being presented in an environment that is still being influenced by the global economic crises of the last years. Today, most Caribbean countries are suffering from: (a) low to negative growth rates, high public debt and a decline in foreign exchange flows resulting from a decline in remittances, foreign investment and inflows from tourism and exports; (b) loss of competitiveness in the traditional agricultural export product markets (sugar and bananas); (c) high inflation and an increasing food import bill; and (d) high economic losses from disasters due to the subregion's proneness to natural hazards.
2. Overall, these elements have contributed to hindering youth, particularly rural youth, from participating in economic activities in the Caribbean because of three main factors: (a) inadequate youth policies and institutional support services; (b) weak attitudinal and technical preparation of youth for participation; and (c) inadequate access to financial and other productive resources.
3. As a result, young people run the risk of being trapped in the lower end of the labour market, and face a high risk of exclusion and increasing poverty, especially in rural areas. Indeed, an enabling policy environment for decent work, knowledge-sharing and capacity-building, and opportunities for enterprise development among young people are critical as pathways out of poverty.

II. Rationale and relevance to IFAD

4. Historically, the food and agriculture sector has been the main contributor to economic and employment development in the Caribbean. However, in the face of rapid global urbanization, the number of young people is decreasing in the rural areas of many countries in the subregion.
5. The migration of rural youth translates into fewer agricultural producers and processors. For those who remain in rural areas or wish to remain in the agriculture sector, the prospects of finding decent work are limited.
6. The programme aims to contribute to poverty reduction among rural youth by promoting an enabling regional policy environment for rural youth employment in the Caribbean, through public and private investment in the subregion. With a significant focus on knowledge generation, it seeks to help realize IFAD's corporate objective of enabling effective knowledge exchange and advocacy for the benefit of the poor rural young people of the Caribbean.
7. This grant is consistent with the IFAD Strategic Framework 2011-2015 in that it is directly related to three strategic objectives: (a) a natural resource and economic asset base for poor rural people that is more resilient to climate change, environmental degradation and market transformation; (b) poor rural people and their organizations able to manage profitable, sustainable and resilient farm and non-farm enterprises or take advantage of decent work opportunities; and (c) enabling institutional and policy environments to support agricultural production and the full range of related non-farm activities.
8. In terms of the priorities of the Latin America and the Caribbean Division (LAC), in recent years IFAD has received an increasing number of expressions of interest from Caribbean governments in support for the development of their agriculture sectors. However, addressing these demands through a typical IFAD project poses several challenges to the Fund, mainly due to the small scale of almost all the countries in the subregion and the high costs of designing and implementing small investment projects in each of them. By contrast, the use of grant funds as a

financing instrument for the subregion will allow an efficient use of resources, as well as the concrete possibility of developing synergies with other stand-alone IFAD initiatives in the Caribbean.

9. The programme is fully consistent with LAC's 2014-2016 divisional strategic workplan. It represents an opportunity to develop divisional work and involvement in the thematic area of rural labour markets. Moreover, it focuses on entrepreneurial young rural people, who continue to be a priority target in the LAC grant programme. Finally, it advocates proactive policy engagement in rural poverty and development by helping define an enabling regional policy environment for rural employment of young people, thus enhancing the capacities of rural development actors to play a more-effective role in the policy arena. It also aims to scale up innovative practices already developed within the subregion for further impact on the development process.
10. The programme constitutes another IFAD effort to contribute to rural transformation through the promotion of rural employment. The lessons learned in this innovative experience will feed into both Caribbean countries' policymaking processes and IFAD's own knowledge base and SIDS strategy. The design and implementation of a subregional grant programme on such a strategic topic as rural youth employment is expected to facilitate the development of targeted policies, partnerships and pilot investments, and hence generate the knowledge base for efficiently and effectively supporting investments in favour of youth in the Caribbean.
11. Considerable effort and time have been devoted to seeking a sustainable institutional partner in the subregion. FAO's comparative advantage as the grant recipient lies in its vast global experience with youth in agricultural and rural development projects. Support to rural youth and young farmers has been part of FAO's work for the last four decades. Given its main mandate to defeat hunger, achieve food security and reduce poverty, it has a clear interest in promoting gainful and decent employment, particularly in rural areas.
12. FAO's presence in the Caribbean has strengthened over the years, especially through the increased diverse skills available in its human resource team. Through its subregional office in Barbados, FAO maintains a close and strong working relationship with the Caribbean Community (CARICOM), including the governments selected for this programme. Moreover, it has worked closely with various regional organizations, academic institutions, NGOs, private and civil society organizations (such as the Caribbean Farmers Network [CaFAN], Caribbean Business Association [CABA], Caribbean Labour Organization [CLO], Caribbean Network for Integrated Rural Development [CNIRD]), and youth organizations (such as the Caribbean Agricultural Forum for Youth [CAFY] and the Youth Business Trust). Collaboration with the International Labour Organization (ILO) is already under discussion, since it expressed its interest in partnering in the implementation of this programme at the United Nations Third International Conference on Small Island Developing States in Samoa (September 2014).
13. Identified participating countries for the programme are Belize, Cuba, the Dominican Republic, Grenada, Guyana and Haiti. These are countries in which IFAD is implementing investment projects. Additional countries, particularly those indicating an interest in assistance from IFAD (Barbados, Jamaica, Saint Lucia, Suriname, and Trinidad and Tobago), will benefit from regional-level activities under the programme, with the possibility of expanding operations in these countries as deemed realistic and appropriate during implementation.

III. The proposed programme

14. The overall goal of the programme is to promote rural youth employment opportunities in the Caribbean subregion.

15. The programme's objectives are to: (a) facilitate a common subregional policy and programme development process with governments, stakeholders and partners, including rural youth and farmer organizations; (b) develop and promote an evidence-based knowledge platform as the basis for information-sharing, training and capacity-building in rural youth employment generation and entrepreneurship; and (c) facilitate access to employment and the adoption of innovations and best practices for enterprise development among young people.
16. The activities of the programme will empower three subsets of direct and indirect beneficiaries: (a) young people who are interested and/or active in market-oriented agricultural and food-related activities; (b) local producers' organizations, cooperatives, networks and unions with relevant expertise in rural areas; and (c) selected Caribbean state governments and partner institutions. The programme will achieve this empowerment by building a regional strategy for rural youth employment creation and a consequent roadmap.
17. The three-year programme will comprise three main components:
 - (i) **Enabling policy environment and programme development.** Main activities of this component will be: (a) mapping of ongoing rural employment, youth and related policies and strategies in selected countries; (b) elaboration of profiles on rural youth; (c) definition of action plans for policy dialogue; (d) organization of joint subregional consultation meetings; and (e) regional media campaigns.
 - (ii) **Knowledge-sharing, learning and capacity-building.** Main activities for this component will be: (a) mapping of good practices and ongoing/anticipated successful experiences in rural youth employment creation and development; (b) systematization and development of a compendium of potential good practices in decent rural youth employment and other successful experiences; (c) elaboration and dissemination of a "local talents" catalogue; and (d) capacity-building and work-related training.
 - (iii) **Employment facilitation and enterprise creation and development.** Main activities for this component will be: (a) employability skills and leadership training; (b) counselling and mentoring in business development; (c) start-up grants through a youth enterprise and employment fund; and (d) technical assistance and follow-up on the proposals selected.
18. Grant activities will be phased in along two geographical poles: the Hispaniola island countries on the one hand, and the eastern Caribbean countries on the other, with activities of the three components starting at the same time in the Dominican Republic and Haiti and then in Belize.

IV. Expected outputs and benefits

19. Outputs and benefits are the following:
 - (i) A common rural youth employment strategy shared by the selected governments and partners;
 - (ii) Stakeholders strengthened in the establishment, maintenance and monitoring of sustainable youth employment creation models;
 - (iii) Increased awareness of young people and supporting stakeholders of decent employment opportunities for youth in the agriculture sector;
 - (iv) Evidence-based knowledge and systematization of experiences in rural youth employment creation models and best-practice approaches to youth employment made available to member countries for possible adoption;
 - (v) Modernized and adapted youth- and gender-sensitive training curricula;

- (vi) Strengthened knowledge and capacities of rural youth and key local and national actors to design, implement and evaluate initiatives aimed at improving rural youth employment.

V. Implementation arrangements

20. The programme will be implemented by FAO through its Subregional Office for the Caribbean (FAO SLC), based in Barbados, with the collaboration of FAO country offices within the subregion and in collaboration with the Regional Programme for Rural Development Training (PROCASUR) Corporation for specific components and activities as a subrecipient. PROCASUR's involvement will be initially foreseen in the Dominican Republic and Haiti, with the possibility of spillover into other selected countries. FAO will sign a memorandum of understanding (MoU) with PROCASUR at programme start-up. The MoU will establish activities under PROCASUR's direct responsibility, resources allocated and a disbursement schedule. IFAD's "no-objection" will be required for any subrecipient agreement signed within the framework of this programme. FAO will also seek the collaboration of the Caribbean Office of the ILO as a valuable partner in the region on issues pertaining to employment, decent work and labour standards.
21. FAO SLC will serve as the budget holder of the programme and will ensure its operational, administrative and financial management. A programme coordinator (PC) will be recruited for the sole and specific purpose of managing the proposed programme activities (i.e. incremental to existing FAO core staff), and will report directly to the FAO Subregional Coordinator for the Caribbean. The PC will be supported by national coordinators, assigned to the programme by participating countries.
22. Programme implementation will be overseen by a regional programme steering committee (RPSC). The RPSC will comprise the FAO Subregional Coordinator, technical officers from FAO SLC, and representatives of CARICOM, PROCASUR, CAFY and participating countries. They will provide general and technical oversight of the programme.
23. FAO will provide regular reports to IFAD, including six-month consolidated (reporting on expenditures incurred by PROCASUR) and project (reporting on FAO and other contributions) financial reports, including customized financial reporting on subprojects. FAO will submit a copy of its audited financial statements and trust fund reports, covering any part of the grant proceeds, within six months following the official publication of FAO's audited financial statements.

VI. Indicative programme costs and financing

24. Total cost of the programme is estimated at US\$2,741,732, of which US\$1.8 million will be provided by IFAD, and US\$586,656 and US\$275,076 provided by participating countries (in kind) and FAO (both in cash and in kind) respectively. PROCASUR will provide an in-kind contribution of US\$80,000.

Summary of budget and financing plan

(United States dollars)

Category	IFAD	FAO	Countries	PROCASUR	Total
1 Staff salaries	264 800	43 200	540 000	0	848 000
2 Consultancies	300 000	0	0	23 650	323 650
3 Travel	120 000	20 000	0	0	140 000
4 Training and capacity-building	472 050	100 000	0	50 000	622 050
5 Equipment and materials	50 000	40 000	0	0	90 000
6 Grants and subsidies	450 000	50 000	0	0	500 000
7 Overhead and mgmt. fees (8%)	143 150	21 876	46 656	6 350	218 032
Total	1 800 000	275 076	586 656	80 000	2 741 732

Results-based logical framework

Objectives-hierarchy	Verifiable indicators	Means of verification	Assumptions
<p>GOAL</p> <p>Promote rural youth employment opportunities in the Caribbean sub-region.</p>	<p>1 common rural youth employment strategy shared by selected governments and partners that will benefit around 500,000 unemployed young people in 6 participating country.</p> <p>1000 young people have improved their entrepreneurial skills and enhanced awareness of rural employment opportunities</p> <p>Increased employment rates for the young people directly benefiting from the project</p> <p>Increased allocation of public resources for rural youth employment in the benefiting countries</p>	<p>PSRs and supervision mission reports of IFAD projects</p> <p>Reports of regional workshops</p> <p>Content of national action plans</p> <p>Completion report and surveys</p> <p>Project M&E system</p>	<p>Effective Pro-poor and people (youth) centred national development frameworks.</p> <p>High youth propensity for Agri-entrepreneurship.</p>
<p>COMPONENTS</p> <p>COMPONENT A. Enabling policy environment and programme development:</p> <p><i>Facilitate a common sub-regional policy and programme development process with governments, stakeholders and partners, including rural youth and farmer organizations</i></p>	<ul style="list-style-type: none"> ▪ 1 national action plan implemented in each participating country ▪ 10 governments have increased their awareness about decent employment opportunities for youth in the agricultural sector (6 + Jamaica, Trinidad, Suriname and Barbados) ▪ strengthened partner institutions and governments in establishment, maintenance and monitoring of sustainable youth employment creation models; ▪ young people have increased awareness about decent employment opportunities for youth in the agricultural sector (estimated target of media campaign and workshops organized) ▪ A database of available information services, technical assistance and training provided by the private and public sector for supporting the establishment of sustainable and environmental friendly youth employment opportunities ▪ 6 national organizations and one regional have improved their technical and methodological skills in Local knowledge management and Rural Youth development 	<p>Reports by executing organizations on implementation of activities</p> <p>Completion Report of the project</p> <p>Reports of RPSC</p> <p>Project M&E system</p>	<p>The private and public sector, selected governments, stakeholders and partners are willing to collaborate</p>
<p>ACTIVITIES/OUTPUTS</p> <p>1.1 Mapping of ongoing rural employment, youth and related policies and strategies in selected countries</p> <p>1.2 The elaboration of profiles on rural youth</p> <p>1.3 Definition of action plans for policy dialogue</p> <p>1.4 Joint sub-regional consultation meetings with governments and stakeholders, including youth organizations</p> <p>1.5 Regional media campaigns</p> <p>1.6 Support network and partnership</p>	<p>6 mappings</p> <p>6 national profiles</p> <p>1 regional profile/document?</p> <p>6 action plans to foster policy dialogue</p> <p>6 regional meetings</p> <p>12 national meetings</p> <p>6 profiles and mappings are presented to and discussed with the relevant governments</p> <p>1 regional media campaign</p> <p>6 meetings with regional and national stakeholders</p>		

<p>COMPONENT B. Knowledge sharing, learning and capacity building:</p> <p><i>Develop and promote an evidence based knowledge platform as the basis for information sharing, training and capacity building on rural youth employment generation and entrepreneurship</i></p>	<p>Six participating countries have knowledge sharing platform on rural youth employment generation and entrepreneurship</p> <p>600 youth (100 per country) are trained in crops and livestock production, fisheries, beekeeping, agro-processing, landscaping, agro-tourism, solar drying, ICT activities related to food and agriculture and rural industries, etc.</p>	<p>Reports by executing organizations on implementation of activities</p> <p>Completion Report of the project</p> <p>Reports of RPSC</p> <p>Project M&E system</p>	<p>Case studies and best practices identified are willing to exchange their knowledge and expertise</p> <p>The private and public sector, selected governments, stakeholders and partners are willing to actively participate</p>
<p>ACTIVITIES/OUTPUTS</p> <p>2.1 Mapping of good practices and on-going / anticipated successful experiences on rural youth employment creation and development</p> <p>2.2 Systematization and development of a compendium of potential good practices on decent rural youth employment and other successful experiences</p> <p>2.3 Elaboration and dissemination of Local Talents Catalogue on good practices for awareness and promotion of good practices</p> <p>2.4 Capacity building and work related training, including exchange field activities for youth and other national stakeholders</p>	<p>Materials detailing 36 good practices on decent rural youth employment and other successful experiences developed and disseminated</p> <p>1 compendium of potential good practices on decent rural youth</p> <p>Local talents catalogue on good practices</p> <p>1 promotion event of the catalogue gathering all the main stakeholders per benefiting country</p> <p>24 trainings session (4 per country) on agriculture and rural industries</p> <p>18 national field visits organized for the exchange of knowledge and experiences in areas previously mentioned.</p> <p>4 study tours on agriculture and rural industries</p> <p>6 national / territorial learning routes</p> <p>1 regional learning route</p>		
<p>C. Employment facilitation and enterprise creation and development:</p> <p><i>Facilitate access to employment and the adoption of innovations and best practices for enterprise development among young women and men.</i></p>	<p>1000 young people improved their employability and leadership skills</p> <p>150 entrepreneurship business proposals are presented for grant funding competitive process</p> <p>600 young people improve their employment or self-employment situation through 120 grant-funded projects</p>	<p>Project Status Report</p> <p>Reports by executing organizations/institutions on implementation of activities</p> <p>Completion Report of the project</p> <p>Reports of RPSC</p> <p>Project M&E system</p>	<p>Strong interest and participation of young people</p> <p>Financing is secured</p> <p>Effective mechanism for resource mobilization and networking among youth in place</p>
<p>ACTIVITIES/OUTPUTS</p> <p>3.1 Employability Skills and Leadership Trainings</p> <p>3.2 Counselling and Mentoring on business development</p> <p>3.3 Start-up Grants through Youth Enterprise and Youth Employment Fund</p> <p>3.4 Technical Assistance and follow-up for selected proposals</p>	<p>12 trainings and seminars on employability and leadership</p> <p><i>750 young people benefit from business counselling and mentorship for project development</i></p> <p>120 projects funded through grant competitive process</p> <p>120 grant funded projects receive technical support and follow-up during the implementation of their innovation plans</p>		