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Investing in rural people

President's report on a proposed grant under the global/regional grants window to University of the Andes (UNIANDES) for Improving the Articulation between Social Protection and Rural Development Interventions in Developing Countries: Lessons from Latin America and Africa

Note to Executive Board representatives

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Abbreviations and acronyms

CEDE	Centre for Economic Development Studies
DFID	United Kingdom's Department for International Development
FAO	Food and Agriculture Organization of the United Nations
UNIANDES	University of the Andes

Recommendation for approval

The Executive Board is invited to approve the recommendation for a proposed grant under the global and regional grants window to University of the Andes (UNIANDES) for Improving the Articulation between Social Protection and Rural Development Interventions in Developing Countries: Lessons from Latin America and Africa, as contained in paragraph 5.

President's report on a proposed grant under the global and regional grants window to University of the Andes (UNIANDES) for Improving the Articulation between Social Protection and Rural Development Interventions in Developing Countries: Lessons from Latin America and Africa

Part I – Introduction

1. This report recommends the provision of an IFAD grant in the amount of US\$1,500,000 under the global/regional grants window to the University of the Andes (UNIANDES) for Improving the Articulation between Social Protection and Rural Development Interventions in Developing Countries: Lessons from Latin America and Africa. The grant proposal document is contained in the annex to this report.
2. The goal of IFAD grants is to significantly broaden and add value to the support provided to smallholder farming and rural transformation, thereby contributing to rural poverty eradication, sustainable agricultural development and global food security and nutrition. In order to achieve these goals, IFAD grants should adhere to three basic principles: (i) make a significant contribution to a global, regional or national public good related to IFAD's mandate; (ii) focus on interventions where grant financing has clear added value and a comparative advantage over regular loans; and (iii) not be used as a substitute for resources from IFAD's administrative budget.
3. The objectives of IFAD grant financing are to: (i) promote innovative, pro-poor approaches and technologies with the potential to be scaled up for greater impact; (ii) strengthen partners' institutional and policy capacities; (iii) enhance advocacy and policy engagement; and (iv) generate and share knowledge for development impact. Rural poor people and their organizations should be squarely positioned at the centre of each grant submission to fulfil IFAD's mandate to enable poor rural people to improve their food security and nutrition, raise their incomes and strengthen their resilience.
4. The proposed programme is in line with the goal and objectives of IFAD grant financing, as stated in the IFAD grant policy. It does this by focusing on poor rural households in five Latin American and sub-Saharan African countries who are currently benefitting from social protection programmes. Their protection is likely to be enhanced if more effective and well-structured joint programmes are designed and implemented. The aim of this project is to gather evidence of successful interventions that can inform institutional and programme design in order to provide policymakers and donors a basis for improving anti-poverty interventions aimed at rural households.

Part II – Recommendation

5. 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, Improving the Articulation between Social Protection and Rural Development Interventions in Developing Countries: Lessons from Latin America and Africa, shall provide a grant not exceeding one million five hundred thousand United States dollars (US\$1,500,000) to University of the Andes (UNIANDES) for three years 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

UNIANDES: Improving the Articulation between Social Protection and Rural Development Interventions in Developing Countries: Lessons from Latin America and Africa

I. Background

1. The synergistic effects of interventions with rural households involving social protection and productive rural development have been recognized in recent years. This has generated a growing interest along with new questions for follow-up: How are these synergies generated and how can they be maximized? What is the best sequence of programme roll out? What institutional reforms are needed to mainstream successes?
2. IFAD contributed to these efforts through a grant to University of the Andes (UNIANDES) for conditional cash transfers and rural development in Latin America.¹ While new evidence was identified, new questions arose: Are these complementarity effects observed only at the household level or also at higher levels, such as in producer organizations and small territories? Are these synergies generating multiplier effects at the village level, and how can they be maximized? What type of institutional design is needed to exploit the benefits of articulating social protection and rural development interventions? How can these synergies support smallholders in becoming more business oriented and embracing rural transformation? What is the adequate level of interaction between programmes to optimize synergies?
3. Some countries are already engaged in designing interventions to take advantage of these synergistic effects. The Territorios Productivos programme in Mexico and the social and productive inclusion programme in Colombia were both designed taking into account different incentive schemes and monitoring and evaluation mechanisms. Understanding the different ways in which such interventions generate outcomes at the household and regional levels is a challenge. Rigorous evidence is needed to demonstrate to governments, policymakers, international finance institutions and the international development community the benefits of – and strategies for – articulating social protection and productive rural development interventions.

II. Rationale and relevance to IFAD

4. Previous work offers evidence that combining social protection and productive rural development interventions can increase their impact on poverty in rural areas. Although IFAD, UNIANDES and the Food and Agriculture Organization of the United Nations (FAO) have made important advances towards this understanding, there are still several questions unanswered. Efforts to provide an answer could be highly beneficial in the context of several IFAD-funded interventions.
5. Innovative approaches in the design and implementation of these initiatives could be promoted by providing evidence of their potential and by understanding the different ways they generate household- and regional-level outcomes. Ignoring the evidence of complementarity between these domains may have significant costs, especially if they focus on the same population and geographic area.
6. In light of this, policy dialogue will be an important aspect of the project in consultation with policymakers.

¹ www.sinergiasrurales.info.

7. The project will contribute to better accountability for results and will close data gaps by generating new evidence on how integrated programmes could improve outcomes for beneficiaries and their communities.
8. Interactions between productive rural development programmes and social protection programmes are important for achieving scalable interventions.
9. Moreover, the project is expected to launch a collaboration between UNIANDES, its Centre for Economic Development Studies (CEDE), FAO and IFAD to examine the relationships between social protection and rural development programmes at the regional level.

III. The proposed project

10. The main goal of the project is to gather evidence of the benefits of articulated interventions that can inform future project design, policymaking and interventions for rural poverty alleviation and helping smallholders to become more business oriented. The main objective is to influence government institutions' work on rural development and social protection, taking advantage of synergies between social protection and productive rural development initiatives. The specific objectives of the project are to: (i) document evidence of the benefits of articulation between social protection and productive rural development interventions; (ii) identify successful cases of articulation between productive rural development and social protection instruments, highlighting their institutional architecture; (iii) describe the mechanisms through which the results of these interventions in Africa and Latin America might be improved when they are articulated; (iv) inform policymakers at the national level in at least five countries in Africa and Latin America; and (v) advocate with international organizations providing financing to social protection and productive rural development projects regarding potential articulation between these interventions.
11. The project's target groups include governments and policymakers in developing countries, international financial institutions like IFAD and the entire international development community. This community will directly benefit from the evidence provided by the research, which will improve knowledge about articulated programming. Indirect beneficiaries will include rural households in five Latin America and sub-Saharan African countries currently benefitting from social protection programmes.
12. In 2011 the United Kingdom's Department for International Development (DFID) estimated that between 750 million and 1 billion rural poor people might already be beneficiaries of social protection programmes, especially cash transfers. Sub-Saharan Africa and Asia have both seen significant cash-transfer programmes, including Bolsa Familia in Brazil, PROSPERA (formerly Oportunidades) in Mexico, a child-support grant in South Africa and the Productive Safety Net Programme in Ethiopia.

IV. Expected outputs

13. The project is expected to have the following outputs:
 - (i) At least five peer-reviewed analytical studies providing evidence-based recommendations that will help policymakers and donors to better articulate these interventions, and take advantage of their synergistic effects; and
 - (ii) Policy dialogue established with local and national governments yielding recommendations on how to achieve coherence between social protection and rural productive development interventions.

V. Implementation arrangements

14. The project will be carried out in collaboration with a range of universities, research centres and think tanks in Africa and Latin America. The project coordinator will be UNIANDES through CEDE. UNIANDES-CEDE will: coordinate the project; act as the focal point for IFAD; ensure quality throughout the project; lead the comparison and synthesis of lessons learned; and coordinate financial management and reporting.
15. CEDE's work will be supported by a sub-agreement with FAO, which will lead studies in sub-Saharan Africa. Previous work led by FAO has yielded important lessons on evaluating the impact of social protection on rural development, with a focus on potential complementarities between social protection and rural development programmes. Both UNIANDES-CEDE and FAO are uniquely placed in the policy and analytical sphere, which will allow the project to capitalize on experience gained through their ongoing work in both regions. It will also allow the project to build on FAO's established country-level relationships, which are critical for effective implementation of policy-oriented research.
16. The project will be carried out in five countries in Africa and Latin America with articulated interventions that combine social protection and rural development – or with potential for interaction between existing interventions (facilitating the identification of programmes to be included in the study). Previous work carried out by UNIANDES-CEDE and FAO has created linkages with policy institutions in both regions.
17. A scientific committee and a steering committee will be established to support the project and to provide feedback on the proposed policy-dialogue process.
18. UNIANDES will implement a monitoring and evaluation system to track the implementation of initiatives carried out by each institution involved in the project, including FAO. As a result, UNIANDES, through CEDE, will produce an annual workplan and budget, which will to be shared with IFAD. UNIANDES–CEDE will submit an annual audited financial report consolidating its own and implementing institutions' expenditures.
19. Within each implementing institution, there will be a staff member responsible for monitoring. An annual report of successes and failures and an annual financial report of expenditures will be produced by each sub-grantee and made available to CEDE.²
20. The recipient shall submit unaudited statements of expenditure to IFAD every six months. It will also ensure that the entire project implementation period is covered by audit through the submission of separate audit opinion letters on statements of expenditure submitted to IFAD, completed by independent auditors. Both statements of expenditure and audit reports shall consolidate expenditures incurred by the recipient and implementing partners. However, the recipient shall remain solely responsible for grant fund management and financial reporting to IFAD. In addition, the recipient shall have its institutional accounts audited every year by independent auditors in accordance with International Standards on Auditing and deliver to IFAD a copy of its audited financial statements, inclusive of a reference to the IFAD grant, within six months after the end of each fiscal year.
21. Upon completion of the project, UNIANDES, through CEDE, will produce a final report showing how the financial resources were used, the results and whether the grant objectives were met. This report will show how the results can be extended to policymaking decisions.

² Details on these reports will be defined during the first phase of the project on the basis of the information required for completing CEDE's financial and technical reports. All payments to implementing institutions, including FAO, will depend on their results and the timeliness and quality of financial and technical reports.

VI. Indicative project costs and financing

22. The project cost is US\$1,500,000 and will be financed by IFAD. Participating institutions will contribute in-kind cofinancing expressed in physical and human resources. UNIANDES cofinancing will be approximately US\$320,000.

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

<i>Components</i>	<i>IFAD</i>	<i>Cofinancier</i>	<i>Total</i>
1. Definitions of programmes, priorities and methods to be used (8 months)			
1.1 Definition of the scientific committee and their duties; start of policy dialogue	13	1	14
1.2 A multi-country analysis based on findings from a previous IFAD grant to UNIANDES, FAO, DFID and European Union; a new publication will compare previous cases and propose a multi-country study	46	6.5	52.5
1.3 Description of the conditions for social protection and productive rural development interventions in each country; definition of the sub-project in each country	26	3	29
1.4 Project start-up workshop; definition of national project and methods and approaches to work, including the empirical strategy	25	8	33
1.5 Allocation and contract signing	191	46.5	237.5
1.6 Evaluation and adjustments by the scientific committee	2	-	2
Subtotal 1	303	65	368
2. Empirical analysis (20 months)			
2.1 Periodic meetings with national stakeholder groups	39	13	52
2.2 Implementation and follow-up of country-level projects	982	200	1 182
2.3 Workshop to discuss successes, problems and solutions related to project implementation in each country, including policy discussion	25	8	33
2.4 Scientific advice	11	-	11
2.5 Closure workshop	25	8	33
Subtotal 2	1 082	229	1 311
3. Consolidation and dissemination of results (8 months)			
3.1 Consolidation of results	22	5	27
3.2 Discussion and lessons learned	13	3	16
3.3 Dissemination to policymakers	47	11	58
3.4 Policy recommendations	9	2	11
3.5 Final document review	24	5	29
Subtotal 3	115	26	141
Total	1 500	320	1 820

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

<i>Expenditure category</i>	<i>IFAD</i>	<i>Cofinancier</i>	<i>Total</i>
Salaries and allowances	165	-	165
Consultancies	1 015	-	1 014
Travel and allowances	90	-	90
Operating costs	110	320	431
Overheads and management fees	120	-	120
Total	1 500	320	1 820

Results-based logical framework

	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Goal	Gather evidence of the benefits of the articulated interventions that could inform about the appropriate institutional and programme design, for policy makers and donors to be able to use it as a basis for improving rural households anti-poverty interventions and helping smallholders in becoming more business oriented and taking part in rural transformation.	<ul style="list-style-type: none"> • Number of government institutions involved in the project for understanding and evaluating synergies between SP and RD. • Number of government officials attending to seminars or events done during the project to discuss and inform of results to policy makers. Number of policy makers and/or governments that ask for results. 	<ul style="list-style-type: none"> • Proceedings from meetings with policy makers about the benefits of articulation SP-RPD. • CT technical reports. • Reports from country cases and lessons learned from interaction between SP and RPD. 	
Objectives	<p>Main: Try to influence governmental institutions related with rural development and SP (anti-poverty) policies in order to take advantage of identified synergies between SP and productive initiatives.</p> <p>Specific:</p> <ol style="list-style-type: none"> 1. Explore and document evidences of the benefits deriving from the articulation between SP and PRD interventions, using various entry points for the analysis, i.e. individual, household, producer organization and village levels, etc., in order to provide substantive evidence to policy makers and donors on better programme design, sequencing, and institutional design for supporting rural poor alleviation. 2. Identify the main characteristics of existing cases of articulation between RPD and SP instruments, highlighting the “institutional architecture” behind them. 3. Describe the mechanisms through which RPD and SP interventions’ results might be improved when they are articulated. 4. Inform policy makers at the national level in five countries in LA and Africa, and to international organizations providing financing to RPD and SP projects, about the performance and potential of actual and effective articulations between these two types of interventions. 	<ul style="list-style-type: none"> • Number of integrated programmes identified in the region before projects results. • Number of peer reviewed documents analysing the “institutional architecture” of the analysed experiences. • Number of peer reviewed documents with policy recommendations based on the observation of integrated interventions. • Number of meetings to inform and discuss with policy makers and CPMs about the performance of potential and actual articulations between SP and RPD. 	<ul style="list-style-type: none"> • Submitted peer-reviewed analysis for the institutional architecture and its implications for each case. • Submitted peer-reviewed analysis of mechanisms and drivers of synergies. • Minutes from meetings with policy makers. • Memories from meetings with CPMs. 	<p>The factors and conditions outside the recipient’s responsibility that might affect the achievement of the objectives:</p> <ul style="list-style-type: none"> • Access to databases and support from governments is assumed to be granted, but in some cases this might not work. Moreover, not having enough and reliable access to information, affecting the technical strategy which may create challenges in the identification of groups and unbiased estimation of evaluations. • Duties from governmental agencies might difficult their participation in other external processes. Then, there is a policy-related risk. Institutional resistance as well as lack of interest could be limiting the execution of the resulted policies recommendations. • Potential reluctance from policy makers to support the analysis if

Outputs	<ol style="list-style-type: none"> 1. At least five sound, peer-reviewed, analytical studies, that will provide evidence-based recommendations that allow policy makers and donors articulate better these combined interventions and take advantage of the synergistic and complementary effects that might emerge. 2. A policy dialogue process with local and national governments with recommendations on how to achieve better coherence between SP and rural development interventions. 	<ul style="list-style-type: none"> • Number of peer reviewed documents analysing mechanism through which improvements are (or may be) experienced. • Number of academic and non-academic meetings in on results. • Number of meetings with institutions related with SP programmes and RPD projects involved in the studies. 	<ul style="list-style-type: none"> • Reviewers reports • Attendance list and proceedings of proposed activities for CPM and Policy Makers. • CEDE's technical and financial reports. 	<p>they do not identify in advance the advantages of participating.</p> <p>Some features that contribute to the success of reaching these outputs are:</p> <ul style="list-style-type: none"> • Establish a pool of scientists that commits with the project, evaluates and tutors the proposals. • Enough and reliable information from both types of programmes. • Early policy dialogue is key to engage actors at the national, regional and local levels.
Key Activities	<ul style="list-style-type: none"> • Selection of a scientific committee. • A cross-country analysis based on the previous findings from the grant between IFAD and UNIANDES, to generate research questions that are consistent with the lessons learned from the first analysis. • A policy advocacy strategy defined from the beginning in order to validate analysis and enhance outreach of results. Monitoring and feedback will be done by CT and Steering Committee. • Select 5 countries, at least 2 from each region. Based on the SP and RPD programmes they are carrying out, the data availability and the potential teams to execute the analyses. • Prepare a strategy for identifying complementarities or synergies between interventions. • Institutional analysis to identify the architecture and its possibilities and obstacles in the creation and use of synergies or complementarities at the institutional level. • Workshops and other policy engagement activities. • Presentation and discussion of the advances in the execution of each sub-project. • Workshop for discussion of successes, challenges and solutions in the implementation of the country projects. • Workshop for results discussion. • Consolidation of results and policy recommendations. • Final document preparation and dissemination. 	<ul style="list-style-type: none"> • A publication presenting the main findings from the cross-country analysis. • Number of studies on the institutional architecture and its possibilities for the creation or use of synergies. • Number of recognized researchers in the scientific committee. • Number of documents defining the strategy for identifying synergies between interventions, considering household or local level impacts. 	<ul style="list-style-type: none"> • The publication with the cross-country analysis • CEDE's technical and financial reports. • The final report gathering main lessons from studies. 	<p>The assumed pre-conditions to be met before the action starts:</p> <ul style="list-style-type: none"> • Interest and support from CPMs • Policy makers and programme directors should have enough time available in order to attend meetings and workshops. • It is imperative that policy makers are willing to listen to results and debate policy recommendations.