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Investing in rural people

President's report on a proposed grant under the global/regional grants window to the Regional Programme for Rural Development Training (PROCASUR) Corporation for the Strengthening Capacities and Tools to Scale Up and Disseminate Innovations Programme

Note to Executive Board representatives

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For: Approval

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Abbreviations and acronyms

ESA	East and Southern Africa
LAC	Latin America and the Caribbean
M&E	monitoring and evaluation
PROCASUR	Regional Programme for Rural Development Training
WCA	West and Central Africa

Recommendation for approval

The Executive Board is invited to approve the proposed grant under the global/regional grants window to the Regional Programme for Rural Development Training (PROCASUR) Corporation for the Strengthening Capacities and Tools to Scale Up and Disseminate Innovations Programme, as contained in paragraph 5.

President's report on a proposed grant under the global/regional grants window to the Regional Programme for Rural Development Training (PROCASUR) Corporation for the Strengthening Capacities and Tools to Scale Up and Disseminate Innovations Programme

I. Part I – Introduction

1. This report recommends the provision of an IFAD grant in the amount of US\$3.5 million under the under the global/regional grants window to the Regional Programme for Rural Development Training (PROCASUR) Corporation for the Strengthening Capacities and Tools to Scale Up and Disseminate Innovations Programme. 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 fulfill 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 goals and objectives of IFAD grant financing, as stated in the IFAD grant policy. The grant has a strong regional and global public goods dimension, with cross-regional/country knowledge exchange that can be aggregated and assessed beyond a single country operation. Moreover, it will deliver products and events to ensure that knowledge generated is shared within IFAD and meaningfully feeds into and informs strategic planning, global and regional policy engagement, research and country programme activities. The grant is specifically linked to priority areas 3 (empowerment of the farmer and of indigenous peoples' organizations) and 1 (pro-poor programmes of agricultural research for development) of the strategic guidance for IFAD grants 2015.

II. 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, the Strengthening Capacities and Tools to Scale Up and Disseminate Innovations programme, shall provide a grant not exceeding three million five hundred thousand United States dollars (US\$3,500,000) to the Regional Programme for Rural Development Training (PROCASUR) Corporation 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 Capacities and Tools to Scale Up and Disseminate Innovations Programme

I. Background

1. In recent years, the importance of scaling up innovations for smallholder agricultural development and rural poverty reduction has been recognized as crucial in coping with emerging global challenges. This has motivated a renewed interest in local knowledge and in the development and testing of new learning tools to effectively trigger dissemination and scaling up of innovations.
2. It is in this context that the concept of learning from the know-how of others inspired PROCASUR to design "learning routes" and other knowledge management and capacity-building approaches and tools, with the objective of valuing local knowledge and facilitating the development of platforms in which experiences and innovations can be exchanged. This methodology has proved effective in providing peer-to-peer training and technical assistance, and in addressing the needs of vulnerable groups.

II. Rationale and relevance to IFAD

3. As pointed out by the Independent Office of Evaluation of IFAD, innovation and scaling up are critical to IFAD's mission. There are examples of successful innovations that have been scaled up by others, but in the past scaling up was not pursued systematically.
4. This grant will promote the creation and distribution of a global public good – knowledge. By stimulating knowledge generation, in terms of quantity and quality, the transmission of international best practices will be aided. More precisely, the grant will strengthen capacities and tools for scaling up and disseminating innovations across projects, countries and regions. It will also be a laboratory for learning in which approaches will be adapted to the local context. In addition, it will contribute to breaking down divisional silos and provide input into IFAD's corporate thinking on innovation and the scaling up of results.
5. Over the past 15 years, IFAD has been working very closely with PROCASUR as a strategic partner in the area of knowledge management and South-South Cooperation – more specifically, in implementing training projects in IFAD-funded operations and involving IFAD staff and partners. PROCASUR has proved able to successfully manage IFAD resources, dealing simultaneously with various grants of significant amounts in different regions.

III. The proposed programme

6. The overall goal of the programme is to reduce poverty in rural areas of Latin America, the Caribbean and sub-Saharan Africa. The programme's objective is to enhance the implementation performance of rural development projects.
7. The target group is made up of diverse stakeholders: (i) small farmer, indigenous peoples and afro-descendant representatives and their respective organizations; (ii) rural entrepreneurs; (iii) private-sector representatives and service providers; (iv) representatives of civil society and non-governmental organizations; (v) managerial and technical staff of IFAD-supported programmes and projects; (vi) regional, national and local government officials and policymakers implementing rural development programmes and projects; and (vii) rural development practitioners, experts and researchers.

8. The three-year programme will have three main components:
- Knowledge mapping and systematization of good practices and innovations;
 - Strengthening human and institutional capacities to manage sustainable innovation processes;
 - Adoption and scaling up of innovations, and knowledge dissemination.

IV. Expected outputs

9. The expected outputs are the following:
- Increased knowledge and capacity for the adoption and scaling up of best practices and innovations for rural poverty reduction among project stakeholders;
 - Institutionalization of PROCASUR Corporation's approaches in a selected number of IFAD country programmes.
10. The programme will begin by mapping IFAD's knowledge and innovation management priorities and documenting practical local knowledge and innovative solutions. Based on the work plans defined jointly with IFAD-supported projects and stakeholders, a range of learning and capacity-building initiatives will be carried out at country, regional and cross-regional levels. The methodologies will be adapted to the needs and capacities of each region. In West and Central Africa (WCA), focus will be on documentation of good practices and implementation of learning routes as a way to scale up and adopt innovations, whereas in East and Southern Africa (ESA) and Latin America and the Caribbean (LAC), new complementary tools will be applied (e.g. learning territories, knowledge fairs, internships), building on previous engagements with PROCASUR. Finally, the programme will encourage the adoption and scaling up of innovations using various mechanisms and the dissemination of knowledge.

V. Implementation arrangements

11. The grant recipient is the Regional Programme for Rural Development Training (PROCASUR) Corporation, a not-for-profit organization registered in Chile with offices in Colombia, Kenya and Thailand.
12. The programme's activities will be implemented in collaboration with government institutions, NGOs, private-sector and other development actors. These partnerships will draw on the technical expertise needed to facilitate innovation and processes of scaling up.
13. Close collaboration will be sought with IFAD stakeholders to ensure that their priorities and needs are taken into account. The programme will build on lessons learned from previous grant programmes and initiatives, but will also establish synergies with ongoing grant programmes in the three regions and with those managed by IFAD's Policy and Technical Advisory Division and by its Strategy and Knowledge Management Department.
14. The programme will be implemented over a period of 36 months (2015-2018). It will be coordinated from PROCASUR's headquarters. Decentralized teams will operate at regional levels, building on existing capacities: the PROCASUR office in Santiago (Chile) will coordinate operations in LAC, whereas the office in Nairobi (Kenya) will coordinate operations in ESA and WCA.
15. A programme steering committee (PSC) will be established to provide overall guidance to the implementation of grant activities. The PSC will be responsible for: (i) providing overall strategic guidance; (ii) approving the annual workplan and budget; and (iii) commenting on annual audits, programme assessments and monitoring reports.

16. PROCASUR's results-oriented monitoring and evaluation (M&E) system is based on the theory of change. It will monitor: (i) activities (direct interventions); (ii) outputs (products elaborated, services delivered); (iii) outcomes (effects); and (iv) impact. The M&E system will include: (i) evaluations conducted as part of learning routes; and (ii) M&E as part of the programme management function. Monitoring activities will be carried out regularly throughout programme implementation.
17. Overall financial management, fund-flow accountability and disbursement are the responsibility of PROCASUR headquarters in Chile. A dedicated bank account for managing fund flows and disbursement will be opened. Headquarters will transfer the approved funds – according to the annually planned regional project budgets – to the existing bank account of the regional office in Kenya.
18. PROCASUR will ensure that the entire programme implementation period is covered by audit – according to generally accepted international auditing standards – by submitting a copy of its audited financial statements and an audit opinion letter on statements of expenditure to IFAD within six months of the end of each fiscal year. The terms of reference for the audit will be cleared by the Controller's and Financial Services Division. Financial reports by project shall consolidate expenditures incurred by subgrantees.

VI. Indicative programme costs and financing

19. The total budget of the grant is US\$4.3 million, with IFAD financing amounting to US\$3.5 million and cofinancing to US\$825,000.

Table 1

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

<i>Component</i>	<i>IFAD</i>	<i>Cofinancier</i>	<i>Total</i>
1. Knowledge mapping and systematization of good practices and innovations	162 400	130 000	292 400
2. Strengthening human and institutional capacities to manage sustainable innovation processes	1 645 438	450 000	2 095 438
3. Adoption and scaling up of innovations, and knowledge dissemination	824 162	180 000	1 004 162
4. Programme facilitation	868 000	65 000	933 000
Total	3 500 000	825 000	4 325 000

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>
1. Salaries and allowances	525 089	112 000	637 089
2. Overhead/management fees	282 300	35 000	317 300
3. Consultancies	268 152	53 000	321 152
4. Travel and allowances	283 805	61 000	344 805
5. Goods, services and inputs	77 368	30 000	107 368
6. Training and capacity-building	1 274 567	290 000	1 564 567
7. Workshops	788 719	244 000	1 032 719
Total	3 500 000	825 000	4 325 000

Results-based logical framework

	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Goal	Poverty reduction in the rural areas of LAC, ESA and WCA.	N. of households reporting improvements in household asset ownership index in the involved IFAD funded projects	Poverty reduction in the rural areas of LAC, ESA and WCA.	
Objectives	Enhanced implementation performance and impact of rural development projects in LAC, ESA and WCA by increasing access to knowledge, capacity building and scaling up of good practices for rural poverty reduction.	<ul style="list-style-type: none"> -26 IFAD funded projects in ESA, LAC and WCA benefit from the programme. -8 012 direct beneficiaries (40% women, 20% young people in the 3 regions; in LAC 30% will be indigenous peoples and afro-descendants). -15 000 Households benefit from the implementation of 45 co-financed innovation plans (IP) and other pro-innovation mechanisms. -Best practices and innovations identified, documented or implemented with IPs are scaled up by 25% of the involved projects and their partner institutions. -150 local champions trained as knowledge service providers. 	Supervision missions; Completion Review, periodic surveys of LR partners and LR participants, IFAD funded projects, in-country offices; case studies; Electronic feedback systems of IP through ICT; Surveys on progress of IPs, PROCASUR M&E system.	<ul style="list-style-type: none"> -Institutional, financial and political space for scaling up innovations. - IFAD funded projects and institutional partners count with resources to co-finance IPs -Political instability and security constraints.
Outputs	<ul style="list-style-type: none"> -Increased knowledge and capacity for the adoption and scaling up of best practices and innovations for rural poverty reduction among IFAD stakeholders. -Institutionalisation of the LR approach in a selected number of IFAD country programmes. 	<ul style="list-style-type: none"> -50% of the involved IFAD funded projects and partner institutions are employing LCs for KM activities. -90% of programme stakeholders and participants are satisfied with the approach and methodologies. -70% of participants confirm increased knowledge/skills. -40% of the involved projects and partner /institutions use new learning tools in their KM activities. -80% of IPs submitted on time, 60% with high quality. -50% of the submitted IPs implemented satisfactory. 	Compiling of information by PROCASUR; Assessment sheets; Records of Regional Coordinators; Case studies and IP; LR reports; websites, documented stories of the field.	<ul style="list-style-type: none"> -IFAD funded projects and institutional partners recognize the value of employing LCs as knowledge server providers. -Incorporation of grant results and methodological approaches and tools in project APWBs.
Key Activities	<ul style="list-style-type: none"> C.1. Knowledge mapping and systematization of good practices and innovations. C.2. Strengthening human and institutional capacities to manage sustainable innovation processes. C.3 Adoption and scaling-up of innovations, and knowledge dissemination. 	<ul style="list-style-type: none"> C.1. <ul style="list-style-type: none"> -03 diagnosis of knowledge supply/demand; -40 new best practices systematized and published; -1 catalogue register of Experiences and LC with at least 75 case studies briefs and 250 LCs profiles updated. C.2 <ul style="list-style-type: none"> -150 LCs trained as knowledge service providers; -6 trainings on methodological transfer; -4 Learning Territories established; -16 Learning Routes (LR) implemented; -6 Local Knowledge Fairs (KF); 1 Cross- regional KF C.3 <ul style="list-style-type: none"> -45 IPs designed, co-founded and implemented; -20 knowledge management products disseminated to regional and global audiences; -2 sub-regional, 3 regional and 1 cross-regional learning events 		Commitment of strategic partners.

