

Document: EB 2015/LOT/G.3
Date: 13 August 2015
Distribution: Public
Original: English

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Investing in rural people

President's report on a proposed grant under the global/regional grants window to CGIAR-supported international centres to the International Potato Centre: Programme for Strengthening Innovation to Improve Income, Food Security and Resilience of Potato Producers

Note to Executive Board representatives

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Programme for Strengthening Innovation to Improve Income, Food Security and Resilience of Potato Producers

Abbreviations and acronyms

CGIAR	Consultative Group on International Agricultural Research
CIP	International Potato Centre
LAC	Latin America and the Caribbean
M&E	monitoring and evaluation
R&D	research and development

Recommendation for approval

The Executive Board is invited to approve the recommendation for a proposed grant under the global/regional grants window to CGIAR-supported international centres to the International Potato Centre: Programme for Strengthening Innovation to Improve Income, Food Security and Resilience of Potato Producers as contained in paragraph 5.

President's report on a proposed grant under the global/regional grants window to CGIAR-supported international centres to the International Potato Centre: Programme for Strengthening Innovation to Improve Income, Food Security and Resilience of Potato Producers

Part I – Introduction

1. This report recommends the provision of an IFAD grant in the amount of US\$1.4 million under the global/regional grants window to CGIAR-supported international centres to the International Potato Centre for the Programme for Strengthening Innovation to Improve Income, Food Security and Resilience of Potato Producers. 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. The grant is linked to IFAD priorities through promotion of pro-poor programmes for agricultural research-for-development. It will contribute to improving poor rural women's and men's access to scientific knowledge, and to gender-sensitive and climate-smart agricultural technologies in potato cultivation and will help create stronger linkages between smallholder farmers and value chains. This will be done by generating, adapting and disseminating gender-sensitive market innovations across the potato value chain to address poor farmers' commercial constraints and lack of opportunities. Moreover, the grant has a strong regional dimension, promoting cross-country knowledge-sharing.

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 Programme for Strengthening Innovation to Improve Income, Food Security and Resilience of Potato Producers, shall provide a grant not exceeding one million four hundred thousand United States dollars (US\$1,400,000) to the International Potato Centre 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

Programme for Strengthening Innovation to Improve Income, Food Security and Resilience of Potato Producers

I. Background

1. Potato production has been part of the livelihood systems of Andean farmers in Ecuador, Peru and the Plurinational State of Bolivia for thousands of years, and still has the potential to improve rural families' livelihood strategies, responding to both food and nutritional security and income constraints. However, there are a number of factors that limit potato production and use.
2. To overcome these constraints, the International Potato Centre (CIP) has designed an action-oriented research programme to enable local actors to improve their capacity for collaborative innovation by establishing conditions and methods to sustainably increase potato production and rural incomes.

II. Rationale and relevance to IFAD

3. Potato production continues to be a key activity for most IFAD-funded programmes in the mountain areas of Ecuador, Peru and the Plurinational State of Bolivia. This activity needs support because: (i) the crop is threatened by changing climate conditions; (ii) potato production plays a key role in food security and as a source of income; and (iii) potatoes play a traditional and cultural role in the communities.
4. The grant will generate, adapt and disseminate gender-sensitive and climate-smart technologies and practices in potato production to improve poor households' yields and resilience to climate change. Specifically, it will generate, adapt and disseminate gender-sensitive market innovations across the potato value chain in order to address commercial constraints and opportunities. The grant will support the exchange and use of lessons learned to leverage current knowledge of technical and market innovations in potato production and value chain development, thus helping establish the conditions for scaling up.
5. In the past 15 years, CIP has led programmes in the Latin America and the Caribbean (LAC) region, developing an extended and consolidated network. It is also a long-standing implementing partner, supported by IFAD in LAC and Asia.

III. The proposed programme

6. The overall goal of the programme is to enhance the incomes, food security and resilience to climate change of poor households whose farming systems are based on potato production (native and improved varieties) in the Andean region. The programme's objective is to improve poor households' yields, enhancing the potato value chain.
7. The target group is made up of a variety of stakeholders: local governments, national research-for-development institutions, local research and development (R&D) service providers and local IFAD investment-project implementing partners (who will provide future sustainability to the intervention).
8. The programme will be of a three-year duration and will comprise three main components: (i) technological innovation and training; (ii) value chain development and training; and (iii) knowledge management.

IV. Expected outputs

9. The programme is expected to have the following outputs:
 - At least 50 per cent of the direct beneficiaries of the programme have incorporated into their production systems at least one of the potato varieties, and two of the technologies validated and promoted by the programme for seed production, pest and disease management and integrated crop management.
 - At least 30 per cent of the direct beneficiaries have started to plan the production and delivery of native and/or improved potatoes according to a business plan, using market information and maintaining relationships with local processors and buyers.
 - At least one local government, one national R&D organization and an IFAD investment-project implementing partner in each country have used the results and lessons of the programme in the design of scaled up projects.

V. Implementation arrangements

10. The recipient of the grant will be CIP, an international research centre and member of the CGIAR consortium.
11. The grant's activities will be implemented in collaboration with government institutions, not-for-profit organizations, national research-for-development institutions, local R&D service providers and other development partners. These partnerships will offer the scientific and technical expertise needed to achieve the proposed objectives.
12. During its three-year implementation, the programme will be technically and financially managed by CIP through its regional office for LAC countries based in Quito, Ecuador, in coordination with IFAD country offices in Ecuador, Peru and the Plurinational State of Bolivia.
13. In each country a programme steering committee will be formed involving representatives of IFAD investment-project implementing partners, IFAD country managers and CIP researchers.
14. A monitoring and evaluation (M&E) system will be established at the outset, including M&E hierarchies, indicators, information needs, sources of data, methods for data collection, frequency of data collection and users. Information will be updated continuously and stored and monitored online for easy access. The programme M&E methodologies and schedule will be harmonized and linked to the supervision of each IFAD investment project with which the programme is involved. Programme M&E will be at three levels: (i) farmers and their organizations; (ii) partners implementing IFAD investment projects; and (iii) other local actors (e.g. local R&D service providers and local governments).
15. CIP will submit semi-annual unaudited statements of expenditure (SOEs) to IFAD. It will ensure that the entire programme implementation period is audited, through the submission of separate audit opinion letters duly completed by independent auditors and submitted to IFAD. These SOEs and audits should cover the full grant amount, including the 2 per cent cost-sharing amount paid to the World Bank as a CGIAR Fund trustee. In addition, CIP will have its institutional accounts audited every year by independent auditors in accordance with international audit standards and in compliance with CGIAR financial guidelines. It will deliver a copy of its audited financial statements to IFAD, including a reference to the IFAD grant, within six months of the end of each fiscal year.

VI. Indicative programme costs and financing

16. The total budget of the proposed overall grant is US\$1,635,000, with IFAD financing amounting to US\$1,400,000 and cofinancing to US\$235,000.

Table 1

Costs by component and financier

(Thousands of United States dollars)

Components	IFAD	Cofinancier	Total
1. Technological innovation and training	577 000	96 000	673 000
2. Value chain development and training	407 000	68 000	475 000
3. Knowledge management	416 000	71 000	487 000
Total	1 400 000	235 000	1 635 000

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. Consultancies	249 500	-	249 500
2. Workshops	73 500	29 000	102 500
3. Training	449 000	60 000	509 000
4. Travel	102 000	-	102 000
5. Equipment and materials	16 000	11 000	27 000
6. Salaries and allowances	219 000	73 000	292 000
7. Operating costs	161 000	31 000	192 000
Subtotal direct costs	1 270 000	204 000	1 474 000
Overhead (8%)	102 000	31 000	133 000
CGIAR system cost fee (2%)	28 000	-	28 000
Subtotal indirect costs	130 000	31 000	161 000
Total	1 400 000	235 000	1 635 000

Results-based logical framework

	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Goal	To enhance income, food security and resilience to climate change of poor households, whose farming systems are based on potato production (native and improved varieties) in the Andean Region.			Macro-economic and socio-political environment in target countries/project locations is conducive to the implementation of the project. IFAD investment projects and other national and international development agencies are willing to invest to expand this project's results and lesson learned
Objectives	<p>1. Generate, adapt and disseminate gender-sensitive and climate-smart technologies and practices in potato production in order to improve poor households' yields and resilience to climate change.</p> <p>2. Generate, adapt and disseminate gender-sensitive market innovations in potato cultivation in order to address commercial constraints and opportunities.</p> <p>3. Support information exchange to leverage the current knowledge of technical and market innovations in potato production and value chain development and to establish the condition for project up scaling. .</p>		<p>Report of changes in attitudes, skills, and practices, Most Significant Change study report Quantitative assessment of outcomes report Project documents Project final report</p>	<p>Local R&D and private value chain actors are willing/able to invest time and resources to be part of participatory innovation processes. Farmers, service providers and private actors are willing to work in partnership Farmers' organizations are willing to change their rules and procedures to include the provision of services and to be responsive to development of agricultural business. R&D organizations (local, national and regional) are willing and able to take into account the results and lessons learned of the project</p>
Outcomes	<p>Component 1. Direct beneficiaries have incorporated into potato production system technologies and practices validated and promoted by the project.</p> <p>Component 2. Direct beneficiaries have started to planning the production and delivery of native and/or improved potatoes, according to a business plan</p> <p>Component 3. Local government, one national R&D organization, and IFAD investment project-implementing partners in each country have used the results and lessons of the project in the design of scaling up projects.</p>	<p>1. Number of farmers (at least 50% of the direct beneficiaries, men and women) Number of varieties (at least 1) and technologies (at least 2) incorporated by farmers in their production system.</p> <p>2. Number of farmers (at least 30% of the direct beneficiaries, men and women) Number of business plans in operation (at least two per learning site).</p> <p>3. Number and type of projects by organization, designed using the results and lessons of the project.</p>	<p>Report of changes in attitudes, skills, and practices, Most Significant Change study report Quantitative assessment of outcomes report Project documents Project final report</p>	