

Document: EB 2016/LOT/G.18
Date: 21 November 2016
Distribution: Public
Original: English

E



Investing in rural people

President's report on a proposed grant under the global/regional grants window to the International Food Policy Research Institute for Enhancing the Impact of Policies and Rural Investments on Poverty, Food Security and Employment in the Near East and North Africa: The Arab Investment for Development Analyser Programme

Note to Executive Board representatives

Focal points:

Technical questions:

Tarek Kotb
Country Programme Manager
Near East, North Africa and Europe Division
Tel.: +39 06 5459 2965
e-mail: t.kotb@ifad.org

Abdelkarim Sma
Regional Economist
Tel.: +39 06 5459 2500
e-mail: a.sma@ifad.org

Dispatch of documentation:

William Skinner
Chief
Governing Bodies Office
Tel.: +39 06 5459 2974
e-mail: gb_office@ifad.org

For: Approval

Recommendation for approval

The Executive Board is invited to approve the recommendation for the proposed grant as contained in paragraph 17.

President's report on a proposed grant under the global/regional grants window to the International Food Policy Research Institute for Enhancing the Impact of Policies and Rural Investments on Poverty, Food Security and Employment in the Near East and North Africa: The Arab Investment for Development Analyser Programme

I. Background and compliance with IFAD Policy for Grant Financing

1. The Arab revolutions that began in late 2010 halted – and in some cases reversed – the Near East and North Africa (NENA) region's progress in achieving the Millennium Development Goals (MDGs). Just when peace was needed for the final push to achieve the MDGs by 2015 and transition to the new Sustainable Development Goals (SDGs) in 2016, conflicts intensified in Iraq, Libya, Syrian Arab Republic and Yemen, and their effects spilled over into Egypt, Jordan, Lebanon and Tunisia. Estimates for 2012 suggested that instead of halving poverty as targeted in MDG 1, poverty rose above the level of the 1990s, with more than 7.4 per cent of the population living in extreme poverty and an estimated 50 million people undernourished. Since 2012, conflicts have further intensified and as a result of poverty, food insecurity and unemployment. The root causes of conflict vary greatly in each country and are often a combination of political, institutional, economic and social stresses. The academic literature points to a broad set of factors, including ethnic and religious tensions, discrimination, poor governance and government capacity, competition for land and natural resources, population pressure and rapid urbanization. Arab countries hosted approximately 7 million refugees in 2014 (about 40 per cent of all refugees globally) with the number of refugees highest in Lebanon (41 per cent of the population) followed by Jordan (15 per cent).
2. Solutions are urgently needed to promote stability and peace in this increasingly fragile region. As joint research by IFAD and the International Food Policy Research Institute (IFPRI) has demonstrated, ending poverty, food and nutrition insecurity, and unemployment is essential for building resilience to conflict in the Arab region and improving the lives of its people.
3. Designing, prioritizing and implementing investments that contribute to achieving these poverty reduction, food security and employment goals (to meet SDGs one, two and eight respectively) is complicated by significant data and information gaps. Data in NENA is notoriously scarce – both in terms of availability and access. Second, few countries have rigorous monitoring and evaluation tools to track the performance of development programmes and projects. Third, getting investments right requires capacity and tools for rigorous impact assessment. Finally, rigorous policy and investment analysis is complicated by uncertainties about national strategies for hosting refugees, including the impacts of refugees on food prices, labour markets and service provision.
4. In order to address the challenges posed by the scarcity of data and provide rigorous evidence for better policy formulation in the NENA region, IFAD, IFPRI and the Policies, Institutions and Markets (PIM) research programme of the Consultative

Group on International Agricultural Research developed the Arab Spatial Food and Nutrition Security Analyser. This online tool allows users to compare and monitor a wide range of poverty and food and nutrition security-related indicators, and to learn more about new evidence in the region through bi-weekly blogs.

5. There is growing demand for computable general equilibrium (CGE) models in developing countries. Over the years, CGE models have made clear contributions to policy formulation, particularly in the areas of trade and policy making in the agricultural, industrial and social spheres. In a number of cases, governments and donors have used these models to make decisions and in other cases, analysis based on them has influenced policies. For example, CGE models have recently motivated the United Republic of Tanzania's government to remove maize export bans. They have also been used in: (i) preparing for the fifteenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change negotiations to estimate the cost of adapting to climate change; (ii) the prioritization of national and agricultural investments in Ethiopia; (iii) establishing policy modelling units and forging links to local think tanks for economy-wide analysis; and (iv) model-based analysis as evidenced by government investments in model-related data collection.
6. Adding to the data and monitoring functions of Arab Spatial Food and Nutrition Security Analyser, the proposed Arab Investment for Development Analyser (AIDA) will provide impact assessment tools and capacities for decision making in NENA. Building on the success of the previous project, with this grant, IFAD and IFPRI will strengthen the Arab Spatial Food and Nutrition Security Analyser and augment the NENA region's impact assessment tools and capacities. Adding AIDA to the Arab Spatial platform responds to policy needs and knowledge gaps identified during the previous project.
7. The proposed programme is in line with the goal and objectives of IFAD's 2015 Policy for Grant Financing and IFAD's objectives of facilitating policy dialogue, strategic partnerships, knowledge management and impact management. This grant will contribute to these objectives. IFPRI was directly selected at the concept note stage and endorsed by the Operational Strategy and Policy Guidance Committee based on its international reputation and strong partnership with IFAD, with 18 grants implemented, four of which are still ongoing.
8. This grant leverages two successful experiences in the region – the PIM research programme and the Arab Spatial Food and Nutrition Security Analyser. By implementing this grant, partnerships with other donors and stakeholders will be deepened and experiences working with rural poor people to improve their livelihoods and food security will be shared. IFAD and IFPRI will play a catalytic role by engaging in evidence-based dialogue with governments in the NENA region. In addition to leading by example through supported programmes, this grant will enable IFAD and IFPRI to provide governments with solid recommendations on establishing an enabling policy environment for reducing rural poverty and enhancing food security. This is an important pre-condition for rural investments since policy constraints are often the greatest obstacle to the empowerment and well-being of rural poor people. The important issues addressed by this grant will include:
 - (i) Identifying and promoting policies and investments that benefit rural poor and food-insecure people, including grass-roots organizations and local community-based institutions such as farmers' associations and natural resource users' groups;
 - (ii) Mainstreaming gender and youth issues, and advocating for rural groups;
 - (iii) Improving targeting of rural poverty-alleviation activities to reach and empower the poorest groups, including refugees; and

- (iv) Supporting the scale up of rural development projects.

Given IFAD's new focus on refugees in the region, host communities and related projects will be prioritized at both the policy and operational levels.

II. The proposed programme

9. The overall goal of the programme is to influence the design and prioritization of policies and investments that enable rural people to overcome poverty and food insecurity. Its objectives are to:
 - (i) Identify workable solutions and design options for prioritizing, scaling up and leveraging policies and projects to achieve the SDGs, including youth-employment initiatives;
 - (ii) Promote and mainstream AIDA and identified priorities so that they become public goods and integral parts of governments' and partners' strategies and investment programmes; and
 - (iii) Build capacity among local partners in the use of AIDA to systematically assess impacts and prioritize policies and rural investment portfolios.
10. The grant focuses on Egypt, Jordan, Lebanon and Tunisia. The primary target group comprises poor, food insecure and unemployed rural people, including refugees in Jordan and Lebanon. The grant will enable governments, IFAD and other stakeholders to prioritize policies and rural investments based on innovative research, analytical tools and capacity-building.
11. Implemented over three years, the programme will have the following components:
 - (i) Knowledge for development impact: AIDA;
 - (ii) Enhancing advocacy and policy engagement: scaling up the Arab Spatial Food and Nutrition Security Analyser; and
 - (iii) Sustainably strengthening partners' capacities: community of practice.

III. Expected outcomes/outputs

12. The programme is expected to have the following outcomes/outputs:
 - (i) It will yield a set of guidelines and tools to support the evaluation and design of investment strategies (including country strategic opportunities programmes and country strategy notes) and large-scale rural investment projects. These tools will enable stakeholders to: assess potential investment impacts; identify trade-offs between opportunity areas and locations; and measure contributions to IFAD and national objectives such as agricultural transformation, rural poverty reduction and job creation (for host countries and their refugee populations).
 - (ii) The programme will lead to the adoption and use of new guidelines and tools by the governments of Egypt, Jordan, Lebanon and Tunisia, and their international development partners.
 - (iii) The evidence base for determining the effectiveness and efficiency of rural investments by governments and their development partners will be strengthened.

IV. Implementation arrangements

13. IFPRI's Egypt office will be the principal implementer of the programme in collaboration with national, regional and international partners. The programme will be implemented over three years starting from the date of grant signature. Programme management and coordination from IFPRI's Egypt office will ensure effective and cost-efficient coordination among all partners, including the four

target countries. Programme management and coordination will encompass research, tool development, capacity building and communications. IFAD will facilitate collaboration with country programme managers in target countries and supervise grant activities.

14. During the inception phase, contributions from governments and other interested donors – both in cash and in kind – will be quantified in writing in order to ensure stakeholders' commitment and ownership, thereby promoting sustainability.
15. There are no deviations from the standard procedures for financial reporting and audits.

V. Indicative programme costs and financing

16. The total cost of the programme is estimated at US\$2,000,000. IFAD will contribute US\$1,600,000 (80 per cent of the total budget) while cost-sharing from in-kind contributions will total US\$400,000 (20 per cent).

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

<i>Components</i>	<i>IFAD</i>	<i>PIM</i>	<i>Total</i>
(i) Knowledge for development impact: AIDA	790	175	965
(ii) Enhancing advocacy and policy engagement: Scaling up the Arab Spatial Food and Nutrition Security Analyser	250	70	320
(iii) Strengthening partners' capacities sustainably: Community of practice	400	110	510
(iv) Cross-cutting	160	45	205
Total	1 600	400	2 000

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

<i>Expenditure category</i>	<i>IFAD</i>	<i>IFPRI cofinancing</i>	<i>Additional IFPRI cofinancing</i>	<i>Total</i>
1. Consultancies	660	55	-	715
2. Operating costs	160	35	-	195
3. Salaries and allowances	90	80	-	170
4. Workshops	395	-	45	440
5. Travel	75	-	-	75
6. Training	100	-	10	110
7. Indirect costs	120	145	30	295
Total	1 600	315	85	2 000

VI. Recommendation

17. 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, Enhancing the Impact of Policies and Rural Investments on Poverty, Food Security and Employment in the Near East and North Africa: The Arab Investment for Development Analyser Programme, shall provide a grant of one million six hundred thousand United States dollars (US\$1,600,000) to the International Food Policy Research Institute for a three-year period 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

Results-based logical framework

	Objectives hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Goal	The project influences policy and investment decisions of national and international policy makers and thereby positively impacts incomes and improves food and nutrition security of up to 16 million rural poor in Egypt, Tunisia, Lebanon and Jordan.	<ul style="list-style-type: none"> - Minimum 3 cases where the project directly contributed to the development of national strategies, policies and rural investments plans. 	<ul style="list-style-type: none"> - Analysis/screening of country strategies, programs and rural development projects' design documents. - Written feedback from national stakeholders and international organizations. 	<p>Relative political stability in the case study countries.</p> <p>Openness of national and international partners in enhancing their strategies, policies and investment plans.</p>
Objectives	<p>To enable policy makers, analysts and other stakeholders to use the analytical toolsets developed by the project and the results produced by these tools for evidence-based policy and decision making</p> <p>To create a culture of evidence-based dialogue and the use of evidence-based information in the design of country strategies, development projects and investment decisions.</p>	<ul style="list-style-type: none"> - Minimum 3 cases where AIDA/ArabSpatial is actively and independently used and applied by local partner institutions to shape policy and investment decisions. - Minimum 3 cases where local partners actively use and promote AIDA-based evidence for policy dialogue and communications 	<ul style="list-style-type: none"> - Institutional reviews, surveys and tests among local partners. - Stakeholder interviews, media reports (TV, newspapers). 	
Outcomes/Outputs	<p>AIDA toolset is actively used by policy makers, analysts and the public to evaluate rural policy and investment options.</p> <p>Policy and investment guidelines and recommendations are widely known in all participating countries.</p> <p>AIDA tools can be updated, adjusted and applied to changing conditions by local partners.</p>	<ul style="list-style-type: none"> - Minimum 3 cases where the project directly provided inputs to the design of rural development interventions by IFAD and other international/national actors (e.g., COSOPs and CSNs). - Minimum of 500 active AIDA users per year. - Minimum 20 policy blog stories published per year with recommendations as to how to improve food and nutrition security in Arab countries. 	<ul style="list-style-type: none"> - AIDA online. - Workshop reports, online statistics and records. - Stakeholder feed backs and participants' self-assessments. - Training workshop assessments - Publications. 	<p>Sufficient buy-in by IFAD-funded country programs and partners in the proposed activities is achieved.</p> <p>Culture of knowledge sharing and learning in participating projects.</p> <p>Availability of national collaborators with adequate capacity, or their willingness and ability to develop their capacity.</p>

	Objectives hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
		<ul style="list-style-type: none"> - Minimum 5,000 policy makers and other stakeholders read the recommendations. - Minimum 4 seminars/conferences organized and materials published. - Minimum 3 training workshops. - Minimum 7 policy briefs, guidelines, peer-reviewed journal articles, and discussion papers published. 		
Key activities by component	<p>Component 1:</p> <ul style="list-style-type: none"> - Investment guidelines - Spatial, dynamic economic models - Online simulations and spatial reporting <p>Component 2:</p> <ul style="list-style-type: none"> - Partnership mapping, theory of policy change and influence - Extended Arab Spatial platform, briefs, media and social media for policy influence and impact - Seminars and high-level conference <p>Component 3:</p> <ul style="list-style-type: none"> - Hands-on capacity building workshops - Online tutorials - Policy papers 	<ul style="list-style-type: none"> - Investment guideline published: - 4 AIDA toolkits developed for Egypt, Tunisia, Lebanon and Jordan with easy and open access. - AIDA-based and country specific recommendations published for each country. - 4 activity partnership mapping meetings - AIDA data and toolkit is published online and Arab Spatial website and related knowledge products are updated and published. - 4 high-level conferences to disseminate results and influence policy makers. - Minimum 4 seminars/trainings on AIDA at IFAD HQ and in-countries. - Minimum 7 policy briefs, peer-reviewed journal articles, and discussion papers published. 	<ul style="list-style-type: none"> - Analysis/screening of website statistics. - User surveys. - Number of publications. - Website statistics. - Media analytics and screening. - Number of seminars conducted and materials published. - Workshop reports and records. - Stakeholder feed backs and participants' self-assessments. 	