President’s report on a proposed grant under the global/regional window to the Confederation of Family Farmers of the Expanded MERCOSUR (COPROFAM) for the Policy Dialogue for Rural Transformation Programme

Note to Executive Board representatives

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Dispatch of documentation:

For: Approval
Recommendation for approval
The Executive Board is invited to approve the recommendation for the proposed grant as contained in paragraph 24.

President’s report on a proposed grant under the global/regional window to the Confederation of Family Farmers of the Expanded MERCOSUR (COPROFAM) for the Policy Dialogue for Rural Transformation Programme

I. Background and compliance with IFAD Policy for Grant Financing

1. The regional context has been experiencing major changes since 2015 owing to: (i) governmental crises in some of the countries involved, and changes in the direction of economic and development policies; (ii) financial deterioration due to an increase in national debts; (iii) deficits and budget restrictions; and (iv) a deterioration in the terms of trade (owing to a fall in agrifood-sector prices). These changes are affecting the resources allocated to policies directed at family farming.

2. In the countries involved in the programme (Argentina, the Plurinational State of Bolivia, Brazil, Chile, Paraguay, Peru and Uruguay), the rate of rural poverty (46.5 per cent) almost duplicates the rate of urban poverty (23.8 per cent). Some nine million family farmers represent a fifth of the total rural population, and half of them are affiliated with the member organizations of the Confederation of Family Farmers of the Expanded MERCOSUR (COPROFAM).

3. The proposed programme is in line with the goal and objectives of the IFAD Policy for Grant Financing (2015), as it will: (i) contribute to development of the regulatory frameworks that promote and protect family farmers; (ii) strengthen the capacities of COPROFAM and its affiliated organizations to participate in the policy process; and (iii) increase the family farming sector's access to markets and its inclusion in ongoing IFAD projects. Gender, youth, indigenous and environmental perspectives will be mandatory during analysis of family farming policies and the subsequent training provided to organizational leaders.

4. The IFAD Policy for Grant Financing recognizes exemptions from the competitive selection of grant recipients for those regional organizations of agricultural and rural producers that have a unique representation mandate. The recipient of the grant – COPROFAM – is one of IFAD’s corporate strategic partners in the region. COPROFAM is: (i) the largest representative organization of family farmers in Latin America and the only large-scale confederation of family farmers in the Common Market of the South (MERCOSUR); (ii) a key stakeholder in the creation and operations of MERCOSUR’s specialized Commission on Family Farming; and (iii) a member of the steering committee of the IFAD-promoted Farmers’ Forum. Thus it is one of the main interlocutors with government officials on family farming issues at the regional level.

5. The programme is aligned with IFAD’s medium-term plan 2016-2018 and the IFAD Strategic Framework 2016-2025. The programme is: (i) aimed at developing the participation of family farmers’ organizations in identifying and

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formulating policies at regional and national levels; (ii) focused on analysis and
development of family farming policies with a gender perspective; and
(iii) built on the need for knowledge production and sharing among family
farming actors.

II. The proposed programme

6. The overall goal of the programme is to improve the capacity of COPROFAM
and its affiliated organizations to influence the formulation and implementation
of public policies tailored to family farming, and to link the organizations
affiliated with COPROFAM to IFAD projects. The objectives are to increase:
(i) impact of COPROFAM's participation in policy forums at regional and
international levels; (ii) political participation of organizations affiliated with
COPROFAM at national and subnational levels; (iii) organizations' knowledge of
gender, youth and indigenous perspectives related to family farming policies;
and (iv) participation of COPROFAM's affiliated organizations in projects aiming
to enhance their insertion in private markets and in public procurement.

7. The programme area is the expanded MERCOSUR region: Argentina, the
Plurinational State of Bolivia, Brazil, Chile, Paraguay, Peru and Uruguay. The
direct target group will comprise 500 leaders of COPROFAM and its affiliated
organizations, while some activities linked with information-sharing will reach
15,000 family farmers. The indirect target group includes over four million
family farmers affiliated with COPROFAM's member organizations. As half of
the COPROFAM-affiliated members are women, the programme aims to reach
men and women equally.

8. The programme will be implemented over three years and will have the
following components: (i) development of public policy proposals;
(ii) knowledge management and South-South Cooperation;
(iii) competitive integration in differentiated markets; and (iv) technical
coordination for implementation and administration.

9. Components 1 and 2 are very closely related, as component 1 will produce
some materials with which part of the activities of component 2 are to be
developed (such as technical products, workshops, identification of areas of
interest, and topics for the exchange and dissemination activities foreseen by
component 2). Component 3 has a specific focus on supporting family
farming's competitive insertion into markets – bringing COPROFAM
organizations closer to development projects (particularly IFAD projects). It
will also strengthen the national policy dialogue space on family farming issues
in the target countries, allowing a flow of knowledge and experiences from
policies to projects and vice versa, to which COPROFAM attaches great value.

III. Expected outcomes/outputs

10. The programme is expected to have the following outcomes: (i) increase
COPROFAM's knowledge of previous and ongoing policies directed at family
farming in each country, to be used as an instrument to propose innovative
policies and participate in policy dialogue platforms; (ii) increase the capacity
of COPROFAM-affiliated organizations to participate actively in the creation or
improvement of national policies for family farmers; (iii) strengthen
COPROFAM-affiliated organizations' management skills, in order to facilitate
their negotiation of business agreements with enterprises from both the
private and public sectors; and (iv) strengthen COPROFAM’s technical and
financial capacities to improve networking and cooperation among its affiliated
organizations.

11. The programme has identified potential linkages with various initiatives
supported by IFAD in Latin America and the Caribbean in terms of knowledge
management activities and South-South Cooperation (e.g. the Regional Rural Dialogue Programme, Knowledge Management in Semi-arid areas of North-east Brazil, the rural dialogue groups promoted by the Latin American Center for Rural Development and the IFAD project with the World Rural Forum, Beyond IYFF 2014: Support to National Committees for Family Farming). Similarly, it proposes linkages with the family farming development projects already underway in all countries with COPROFAM affiliates, to assist them in accessing favourable policies and investments, and in developing linkages with the private sector in the value chains of differentiated products and/or with the agencies responsible for public purchases from family farmers. Linkages with other IFAD initiatives will assist COPROFAM and its affiliates in establishing knowledge-sharing activities that may be maintained after programme completion, based on self-financing and taking advantage of other existing sources of funding available in the region.

IV. Implementation arrangements

12. COPROFAM is the recipient of this grant programme. The Centro Latinoamericano de Economía Humana (CLAEH) will be responsible for the grant’s administration. Its responsibilities and obligations will be established in an administration and specific service provision agreement. The agreement will be signed by CLAEH and COPROFAM, subject to IFAD’s previous “no objection”. The agreement between CLAEH and COPROFAM aims to strengthen the organizations’ strategic capacities beyond the programme's lifetime through three mechanisms: (i) the parties’ incentive to continue implementing the agreement, as expected results are achieved, measured and disseminated; (ii) the engagement of other organizations – such as donors or partners – by CLAEH; and (iii) the increase of financial contributions by COPROFAM's member organizations and other COPROFAM donors (e.g. the Food and Agriculture Organization of the United Nations, Action Aid, and Oxfam), based on the results achieved.

13. The governance of the programme is provided by: a steering committee (SC); a regional coordination unit (RCU); and an administration unit. The SC will meet at least twice a year. It can also be convened to extraordinary meetings by any of its members or by a member of the RCU. The SC is responsible for approving each year’s annual workplan and budget (AWP/B), which will establish the RCU’s priorities.

14. The programme will be supported by the Discussion and Support Group created by the FIDA-MERCOSUR programme in 2000, and comprised of social leaders, scholars and public officials.

15. It will be supervised directly by IFAD. Three basic documents will be produced and shared with IFAD: (i) the AWP/B; (ii) a biannual progress report; and (iii) a yearly progress report and budget review.

16. The AWP/B will establish the budget and timeline for planned activities. At the end of the first semester of each year, the RCU will prepare a report detailing the activities and the direct and indirect results achieved.

17. At the end of each year, the RCU will present a report of the activities completed in the year, the direct and indirect results achieved, and the costs actually incurred in each of them (compared with those budgeted, and explaining deviations recorded between planned and executed, if any).

18. For planning, monitoring and evaluation, and learning and knowledge management, relevant information will be collected through: (i) publication of the documents; (ii) training reports; (iii) reports on the debates and exchange events; (iv) the planned survey on successful business development experiences; (v) existing differentiated policies directed at family farming in
each country, with their scope and budget evolutions; (vi) the access of organizations affiliated with COPROFAM to IFAD projects; and (vii) trade agreements of organizations affiliated with COPROFAM with private partners in differentiated product markets and/or with public institutions responsible for public procurement.

19. The sources of information will be data collected by: (i) the RCU; (ii) organizations affiliated with COPROFAM; (iii) contracted consultancies planned in component 1; and (iv) an annual survey by the RCU to undertake a qualitative analysis for the COPROFAM board of the changes occurring in the differentiated policies directed at family farming.

20. Relevant information will be shared through COPROFAM’s newsletters and will be available on the website and/or in print, as appropriate.

21. The RCU will produce an annual survey of the programme’s target group and other stakeholders to collect information on: (i) the level of satisfaction with programme activities; (ii) the level of knowledge produced by the programme; and (iii) an evaluation by leaders of the affiliates of COPROFAM of the results achieved by the programme.

22. CLAEH will be responsible for financial reporting and submission of audits.

V. Indicative programme costs and financing

23. The total cost of the programme amounts to US$2,671,000, of which US$2,150,000 will be financed by IFAD, and US$521,000 by cofinanciers: COPROFAM, CLAEH and others.

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

<table>
<thead>
<tr>
<th>Components</th>
<th>IFAD</th>
<th>COPROFAM, CLAEH, others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Development of public policy proposals</td>
<td>655</td>
<td>243</td>
<td>898</td>
</tr>
<tr>
<td>2. Knowledge management and South-South Cooperation</td>
<td>664</td>
<td>142</td>
<td>806</td>
</tr>
<tr>
<td>3. Competitive integration in differentiated markets</td>
<td>245</td>
<td>100</td>
<td>345</td>
</tr>
<tr>
<td>4. Technical coordination for implementation and administration</td>
<td>586</td>
<td>36</td>
<td>622</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2 150</strong></td>
<td><strong>521</strong></td>
<td><strong>2 671</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Expenditure category</th>
<th>IFAD</th>
<th>COPROFAM, CLAEH, others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Consulting services</td>
<td>395</td>
<td>20</td>
<td>415</td>
</tr>
<tr>
<td>2. Workshops and meetings</td>
<td>697</td>
<td>258</td>
<td>955</td>
</tr>
<tr>
<td>3. Overhead/management fees</td>
<td>227</td>
<td>-</td>
<td>227</td>
</tr>
<tr>
<td>4. Salaries and allowances</td>
<td>527</td>
<td>106</td>
<td>633</td>
</tr>
<tr>
<td>5. Project management</td>
<td>157</td>
<td>-</td>
<td>157</td>
</tr>
<tr>
<td>6. Operating costs</td>
<td>35</td>
<td>-</td>
<td>35</td>
</tr>
<tr>
<td>7. Equipment and materials</td>
<td>112</td>
<td>137</td>
<td>249</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2 150</strong></td>
<td><strong>521</strong></td>
<td><strong>2 671</strong></td>
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VI. Recommendation

24. 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 Policy Dialogue for Rural Transformation Programme, shall provide a grant of two million one hundred fifty thousand United States dollars (US$2,150,000) to the Confederation of Family Farmers of the Expanded MERCOSUR (COPROFAM) 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.

Gilbert F. Houngbo
President
## Results-based logical framework

<table>
<thead>
<tr>
<th>Objectives hierarchy</th>
<th>Objectively verifiable indicators</th>
<th>Means of verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Goal</strong></td>
<td>To improve the capacity of COPROFAM and its affiliated organizations to influence the formulation and implementation of public policies tailored to family farming, and to link the organizations affiliated with COPROFAM to IFAD projects and private markets.</td>
<td>% increase in differentiated public policies for family farming.&lt;br&gt;% increase in outreach of family farmers on the current policies.&lt;br&gt;% increase in budget allocated to the implementation of family farming public policies.</td>
<td>Programme M&amp;E System.&lt;br&gt;National budgets of involved countries.&lt;br&gt;Quantity of FF assets in each country’s Family Farming.&lt;br&gt;National Registries, and REAF’s (mandatory) report to MERCOSUR authorities.</td>
</tr>
<tr>
<td><strong>Objectives</strong></td>
<td>1. Increase the impact of COPROFAM’s influence in regional and international policy fora.&lt;br&gt;2. Enhance the participation of organizations affiliated with COPROFAM at the national and sub-national levels.&lt;br&gt;3. Enhance the organizations’ gender, youth and indigenous perspectives related to FF policies.&lt;br&gt;4. Increase the participation of COPROFAM’s affiliated organizations in projects aiming to enhance their links to markets and government procurements.</td>
<td>No. of recommendations submitted to the GMC and CMC by REAF on the proposals made by COPROFAM.&lt;br&gt;No. of agreements at the MERCOSUR level on proposals made by COPROFAM.&lt;br&gt;No. of proposals made by organizations affiliated with COPROFAM at the national level.&lt;br&gt;% of proposals with gender, youth or indigenous perspective.&lt;br&gt;No. of new organizations participating in IFAD projects in the region.&lt;br&gt;No. of new family farmers participating in IFAD projects in the region.</td>
<td>Programme M&amp;E System.&lt;br&gt;UCR’s Reports.&lt;br&gt;IFAD project information on beneficiary organizations’ instruments in each country, in which COPROFAM’s affiliates are identified.&lt;br&gt;REAF’s Acts.&lt;br&gt;National Chapters’ Acts.&lt;br&gt;MERCOSUR Decisions and Resolutions.&lt;br&gt;COPROFAM’s newsletter and website.&lt;br&gt;Final evaluation assessment.</td>
</tr>
<tr>
<td><strong>Outcomes/Outputs</strong></td>
<td>1. A body of knowledge comprised of 20 documents with diagnoses, analyses and differentiated public policies proposals, with a well-defined strategic framework.</td>
<td>No. of presentations by COPROFAM’s leaders of proposals in the regional dialogue spaces.</td>
<td>Programme M&amp;E System.&lt;br&gt;RCU’s Reports.&lt;br&gt;Technical progress report.&lt;br&gt;IFAD project information on beneficiary organizations’ instruments in each country, in which COPROFAM’s affiliates are identified.&lt;br&gt;COPROFAM’s newsletter and website.&lt;br&gt;Final evaluation assessment.</td>
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<td></td>
<td>2. Over 300 organizational leaders empowered in family farming policies.</td>
<td>No. of presentations by leaders of organizations affiliated with COPROFAM of proposals to the National Sections.</td>
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<td>3. Organizations affiliated with COPROFAM that have business operations and the potential to utilize IFAD project instruments are identified and trained in associative management/cooperativism/access to markets, with the goal of developing businesses that improve their competitive insertion into markets and/or public procurement.</td>
<td>No. of organizations affiliated with COPROFAM that join regional projects to develop businesses and improve their access to private markets and/or public procurement.</td>
<td></td>
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<tr>
<td>Key activities by component</td>
<td>Objectives hierarchy</td>
<td>Objectively verifiable indicators</td>
<td>Means of verification</td>
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<tr>
<td><strong>Component I - Development of public policy proposals</strong></td>
<td>1. Analysis of current and previous public policies directed at family farming. 2. Development of documents with regional and national public policy proposals. 3. Meetings with the IFAD-MERCOSUR Discussion and Support Group. 4. Participation in REAF. 5. Organization of workshops to develop a regional and international institutional strategy for COPROFAM.</td>
<td>No. of documents produced with diagnosis of differentiated public policies on each country, their budgets, and family farmers reached. No. of in-depth analyses of policies selected by COPROFAM, with at least five years of implementation. No. of documents with public policy proposals aimed at family farming for each country. No. of meetings with the ‘Support and Reflection Group’. Extent of COPROFAM’s participation at REAF. No. of workshops organized to develop strategy. No. of documents on COPROFAM’s institutional strategy.</td>
<td>Programme M&amp;E System. RCU’s Reports. Technical progress report COPROFAM’s newsletter and website. Final evaluation assessment. Quantity of family farming assets in each country’s Family Farming National Registries, and REAF’s (mandatory) report to MERCOSUR authorities on the number of beneficiaries of differentiated public policies implemented in each State within the regional bloc.</td>
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<tr>
<td><strong>Component II - Knowledge management and South-South Cooperation</strong></td>
<td>1. Trainings (two per country) with COPROFAM’s organizations leaders (at least 300). 2. Events for the exchange of experiences among at least 70 organizational leaders. 3. A coordination/capacity complementing platform is created between COPROFAM and (at least) the Central American and Dominican PDRRs, and it brings regional (LAC) proposals to the Farmers’ Forum. 4. Presentation website of successful experiences relating to differentiated public policies at REAF and through COPROFAM’s website.</td>
<td>No. of trainings organized No. of organizational leaders participating in the trainings No. of events organized for the exchange of experiences No. of organizational leaders participating in the exchange events No. of presentations of successful experiences at REAF and through COPROFAM’s website A working partnership is created between COPROFAM and the PDRR (at least; other LAC agencies that are relevant to the Farmers’ Forum may also participate) that coordinates general, regional positions to be presented at the Farmers’ Forum’s biannual sessions in Rome.</td>
<td>Complementarity Agreement between COPROFAM and PDRR (at least), to extend work beyond the PDRT’s activities, and its positioning in relation to the Farmers’ Forum organized by IFAD.</td>
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<td><strong>Component III - Competitive integration in differentiated markets</strong></td>
<td>1. Inform organizations of IFAD projects in the region 2. Support organizations’ participation in IFAD projects 3. At least 200 organizational leaders are trained on how to gain access to markets and be linked to IFAD’s projects.</td>
<td>No. of newsletters sent with information on IFAD projects to encourage their involvement No. of newsletter recipients No. of exchange meetings with IFAD’s CPOs and CPMs No. of organizations supported No. of leaders trained</td>
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