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Investing in rural people

President's report on a proposed grant under the global/regional grants window to the ACUA Foundation for the Regional Programme for the Economic, Social and Political Empowerment with Cultural Identity of Afro-descendant Populations in Colombia, Ecuador and Peru

Note to Executive Board representatives

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For: Approval

## Recommendation for approval

The Executive Board is invited to approve the recommendation for the proposed grant as contained in paragraph 12.

President's report on a proposed grant under the global/regional grants window to the ACUA Foundation for the Regional Programme for the Economic, Social and Political Empowerment with Cultural Identity of Afro-descendant Populations in Colombia, Ecuador and Peru

### I. Background and compliance with IFAD Policy on Grant Financing

1. Afro-descendants, particularly women and youth, are one of the most vulnerable population groups in Latin America as a result of high poverty levels and economic, political and social exclusion. Due to their significant vulnerability and poverty, Afro-descendants are experiencing a loss of traditional knowledge and cultural uprooting (mainly among youth); low levels of political participation; and limited access to markets for products and services – and therefore limited access to opportunities for employment, income-generation and livelihood improvement. This programme aims to generate knowledge, innovative methodologies and experiences for working with Afro-descendant populations, especially women and youth, in areas such as socioeconomic development, political influence and capacity strengthening in ways that are based on recovering and strengthening traditional practices.
2. The proposed programme is in line with the goal and objectives of the 2015 IFAD Policy on Grant Financing.<sup>1</sup> The ACUA Foundation has contributed to improving the quality of thousands of Afro-descendants' lives in the region and developing more efficient public policies to protect the rights and access of Afro-descendant populations. The ACUA Foundation will not only ensure that the proposed grant objectives are achieved and that knowledge and lessons learned are accessible to IFAD for dissemination and scaling up, but that further opportunities for collaboration are created within and beyond Latin America (as noted in paragraph 15, provision ii(d) of the IFAD Grant Policy). In addition, ACUA has established recognized networks to benefit Afro-descendants since its creation by IFAD in 2007.
3. ACUA promotes the sustainable empowerment of organized Afro-descendant communities' cultural assets and contributes, through joint management, to the promotion of innovative income-generating initiatives, the recovery of cultural knowledge and practices, and economic and social inclusion. This constitutes a highly visible platform for positioning IFAD's agenda and interests in line with those of a well-known partner in the region that focuses on public policy, knowledge generation and capacity development. The programme: (i) promotes innovative, pro-poor approaches and technologies with the potential to be scaled up for greater impact in line with IFAD's Commitment to Indigenous Peoples and Ethnic Minorities; (ii) strengthens ACUA and other partners' institutional and policy capacities; (iii) enhances advocacy and policy engagement on Afro-descendant issues; and (iv) generates and shares knowledge for development through innovated approaches and methodologies promoted by this grant. The programme is also in line with the priority area of IFAD's 2017 Policy on Grant Financing: Rights and access to resources by the most vulnerable people.

<sup>1</sup> See EB 2015/114/R.2/Rev.1.

## II. The proposed programme

4. The overall goal of the programme is to improve the social, economic and political inclusion of the Afro-descendant populations, with a special emphasis on women (50 per cent) and youth (30 per cent) living in the programme's target area. The development objective is to economically, socially, politically and culturally empower targeted Afro-descendant communities. The programme will impact more than 1,799 households, representing 7,195 direct beneficiaries and 35,975 indirect beneficiaries.
5. The target group will be composed of the Afro-descendant populations of targeted territories in Colombia (50 per cent), Ecuador (25 per cent) and Peru (25 per cent),<sup>2</sup> consisting of small farmers, community-based organizations and service providers, and experts in rural development and public and political advocacy.
6. The programme will be implemented over three years and will have the following components:

Component 1: Revaluation of traditional knowledge and practices. This component aims to rescue, revalue and make visible the knowledge and practices of Afro-descendant communities that have the potential to generate new knowledge and innovations, and are key elements of territorial development. It also aims to generate mechanisms for these knowledge and practices to be transmitted between generations, allowing their appropriation and use by young people.

Component 2: Linking sustainable enterprises to the market. This component will identify small ventures in order to strengthen and develop sustainable business models that link related products and services to specialized markets, benefiting Afro-descendent populations.

Component 3: Including cultural and ethnic elements related to Afro-descendent populations in public policy instruments. This component aims to promote mechanisms for policy dialogue between Afro-descendant populations in the three countries and public institutions, enabling the consideration of ethnicity and culture in the formulation, execution and evaluation of public policies. It will also seek the elimination of barriers that impede these populations' access to political spaces, markets and social recognition.

## III. Expected outcomes

7. The programme is expected to have the following outcomes, measured by related indicators:

Outcome 1: Valuation of the traditional knowledge and practices of the prioritized communities in Peru, Colombia and Ecuador:

- (i) 12 communities (enterprises) in each country use traditional practices in productive processes; and
- (ii) 12 practices that demonstrate the territorial recognition processes (heritage status and recognition by national and international institutions, among others) have been revalued in Afro-descendant communities.

Outcome 2: Market-linked sustainable enterprises with cultural identity:

- (i) 18 organizations have signed trade agreements with established public or private entities, broken down by country;

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<sup>2</sup> The territories selected for the programme include: in Colombia, the Pacific coastal departments of Chocó, Valle del Cauca, Cauca and Nariño, and the Caribbean departments of San Andrés and Bolívar; in Ecuador, the Province of Esmeraldas; and in Peru, the Departments of Piura, Lambayeque, La Libertad and Lima.

- (ii) 80 percent of enterprises are linked to domestic markets, broken down by country; and
- (iii) 12 products have a recognized brand, intellectual property or designation of origin, broken down by country.

Outcome 3: The territorial public policy instruments of the target countries have included cultural and ethnic elements of Afro-descendant populations:

- (i) 9 public policy instruments (plans, rules, agreements, policies, directives or guidelines) include affirmative actions for rural communities, broken down by country.

#### IV. Implementation arrangements

8. The programme will be implemented by a programme management unit within ACUA Foundation's Latin America regional office in Bogota. The Programme's organizational structure will include a director general, a technical coordinator, territorial coordinators and local programme officers in Colombia, Ecuador and Peru. The programme management unit will prepare a programme implementation manual, which will govern the actions, methodologies and strategies for programme implementation.
9. The ACUA Foundation will prepare annual workplans and budgets (AWP/Bs) to be cleared by IFAD. Disbursement requests will be based on these AWP/Bs.
10. There are no deviations from the standard procedures for financial reporting and audits. The ACUA Foundation will use IFAD's Procurement Guidelines.

#### V. Indicative programme costs and financing

11. The total value of the programme is US\$2.8 million. The programme will be financed by IFAD, ACUA Foundation and other contributors. IFAD will contribute US\$1,800,000, ACUA Foundation will contribute US\$200,000 and other institutions will contribute approximately US\$880,000. The latter figure includes the contributions of entities with which ACUA has established cooperative relationships, including the European Union, Global Environment Facility (GEF), United Nations Development Programme (UNDP), the various ministries of foreign affairs and of culture, Cuso International and universities. Beneficiary communities will provide in-kind contributions through the provision of goods, services and logistics capacity.

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

Components	IFAD	ACUA	Others	Total
1. Revaluation of traditional knowledge and practices	343	54	150	547
2. Linking sustainable enterprises to the market	719	54	635	1 408
3. Including cultural and the ethnic elements related to Afro-descendent populations in public-policy instruments	166	28	45	239
4. Coordination	572	64	50	686
<b>Total</b>	<b>1 800</b>	<b>200</b>	<b>880</b>	<b>2 880</b>

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

Expenditure category	IFAD	ACUA	Others	Total
1. Salaries and allowances	338	138		476
2. Operating costs	110	34	50	194
3. Consultancies	238	28	30	296
4. Travel and allowances	88		40	128
5. Equipment and materials	18			18
6. Goods, services and inputs	511		307	818
7. Workshops	179		253	432
8. Training	192		200	392
9. Overheads and management fees	126			126
<b>Total</b>	<b>1 800</b>	<b>200</b>	<b>880</b>	<b>2 880</b>

## VI. Recommendation

12. 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 Regional Programme for the Economic, Social and Political Empowerment with Cultural Identity of Afro-descendant Populations in Colombia, Ecuador and Peru, shall provide a grant of one million eight hundred thousand United States dollars (US\$1,800,000) to ACUA Foundation for 36 months upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board herein.

Gilbert F. Hougbo  
 President

## Results-based logical framework

Hierarchy of Objectives	Verifiable Objectives	Indicators	Means of Verification	Assumptions
<b>Goal</b>	Contribute to improving the social, economic and political inclusion of the Afro-descendant populations, with a special emphasis on women (50%) and youth (30%) residing in the programme's area of influence.	40% of supported companies/entrepreneurships reporting increased income of at least 20%.  4560 Afro-descendants, especially women (50%) and youth (30%) directly benefiting from the development of the public mechanisms and/or policies driven by the programme.	Activity reports, balance sheets of associations, surveys.  Pre- and post-evaluation of each organization, valuation of the income yielded by the entrepreneurships.  Support document relating to the development of policy mechanisms; registration of participants in each process.	The associations create mechanisms to document and follow up on the development of their entrepreneurships.  Participants create reliable and truthful information during their involvement with the programme.  During the programme implementation, it is possible to participate in different scenarios for the construction and/or definition of local, regional and/or national planning instruments.
<b>Development Objective:</b>	Strengthen and empower Afro-descendant communities through economic development based on the appreciation of traditional practices and on their social and political recognition.	40% improvement in the technical, organizational, practical, management and administration capacities generated in each organization and in each country.  15% increase (50% women and 30% youth) in the number of associates of the supported entrepreneurships.  9 advocacy plans of public policy that includes cultural and ethnic elements.	Checklist and evaluation of each organization's capacities broken down by women and young people.  Register of associations, assessment of the initial status of the active members of each organization.  Initiatives presented and/or designed, broken down by country.	The degree of organizational capacity will be able to reflect a positive process of restoring dignity.  The target population is interested in participating in the programme because of the successful preliminary experiences and positioning of the programme.  There are organizations with growth potential and active members that share the same interests.  The period to update the plans with political advocacy is the same as the planning period of each territory or community.
<b>Outcomes</b>	<b>Outcome 1. Increased use and recognition of traditional knowledge and practices of the priority communities</b>	12 communities (entrepreneurships) in each country use traditional practices in productive processes.  12 practices revalued in Afro-descendant communities that show the territorial recognition process.	Previous and subsequent records of the practices followed in productive processes by community and by country.  Initial documents relating to the territorial recognition process. There is evidence of the appropriation of practices by communities.	The traditional practices can be valued, as there is information inherited verbally and in writing or there are records of traceability of such practices.
	<b>Outcome 2. Improved access to market for sustainable entrepreneurships with cultural identity.</b>	18 organizations that have signed trade agreements with established public and/or private entities, broken down by country.  80% of entrepreneurships linked to domestic markets, broken down by country.  12 products whose brand and/or intellectual property and/or designation of origin have been recognized, broken down by country.	Letters of agreement, statements of interest, contracts, negotiations.  Registration with the national authorities, public and private institutions.	The economic and political environment in each territory enables to build alliances with the Afro-descendant organizations.  The local legislation allows for brand recognitions.
	<b>Outcome 3. Improved the inclusion of the cultural and ethnic elements of the afro descendant populations in public policy instruments.</b>	9 public policy instruments that have included affirmative actions for the rural communities, broken down by country	Statement by governments of their interest in adopting or including the affirmative actions for each country's rural communities in the policy instruments.  Proposals and consensus reflected in advocacy instruments.	The period to update the plans with political advocacy is the same as the planning period of each territory or community.  During the programme implementation, it is possible to participate in different scenarios of construction and/or definition of instruments for the generation of agreements.

<b>Key activities and Outputs by Components</b>	<b>Component 1: Revaluation of traditional knowledge and practices;</b>	One publication containing information on traditional practices validated by the Afro-descendant populations / by country	Reports and records of the workshops held. Reports on national and international exchanges. Material containing information on traditional practices validated by the population. Systematized information. Monitoring and follow-up reports.	Commitment by all the programme's stakeholders.
	<b>Component 2: Linking sustainable entrepreneurship to the market;</b>	<p>One publication containing systematized package of information and knowledge transfer strategy / by country.</p> <p>One strategy to transfer knowledge to women and youth implemented in each country, with roadmaps for their scaling.</p> <p>One monitoring and follow-up report with results associated to this component.</p> <p>Design of three business models for each country.</p> <p>Transfer of direct resources to 12 entrepreneurship.</p> <p>12 peer-to-peer strengthening activities.</p> <p>Establishment of communication and marketing channels by entrepreneurship (12).</p> <p>12 market-linked business models.</p> <p>Brand positioning for 12 entrepreneurship.</p> <p>Systematization by country of their experiences related to the application of business models.</p> <p>One monitoring and follow-up report with the results associated with this component.</p>	<p>Diagnosis documents, reports on encounters, market study documents, business model design documents, technical assistance supporting documents, evidence of direct transfers, agreements to support entrepreneurship, roadmaps.</p> <p>Monitoring and evaluation reports, arrangement supporting documents, brand positioning, systematized information.</p>	
	<b>Component 3: Inclusion of the cultural and ethnic elements of the populations in public policy instruments.</b>	<p>Three mappings of stakeholders and dialogue spaces (one per country).</p> <p>Participation by country in two dialogue spaces and/or creation of new dialogue spaces (two per country).</p> <p>Three territorial diagnoses (one per country) to know the status of each territory in terms of ethnic elements (materials, products, techniques) that may be replicated and associated planning instruments.</p> <p>Participation in at least three dialogue spaces for the elimination of barriers by country.</p> <p>Three agreed proposals per country for the elimination of the barriers identified.</p> <p>One monitoring and follow-up report with the results associated with this component.</p>	Diagnosis documents, lists of identified barriers by country, consensus reports by territory, statements of interest, agreements, administrative acts, communication pieces.	