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President's Report on a Proposed Grant under  
the Global/Regional Window to the Swiss  
Association for the Development of  
Agriculture and Rural Areas for Delivering  
Extension Services to the Last Mile: Improving  
Smallholders' Access to Innovation and  
Pluralistic, Demand-driven Extension Services

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 14.

# President's Report on a Proposed Grant under the Global/Regional Window to the Swiss Association for the Development of Agriculture and Rural Areas for Delivering Extension Services to the Last Mile: Improving Smallholders' Access to Innovation and Pluralistic, Demand-driven Extension Services

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

1. IFAD identifies several kinds of interventions to boost agricultural growth, including agricultural research and extension, land management, rural employment generation, sustainable natural resource management and food security at household level. Strengthened and innovative delivery of last-mile rural advisory services (RAS) will enable organized smallholder farmers to access pluralistic, demand-driven services, which will be promoted by this grant. By building the managerial, communication and technical capacities of RAS service providers and organizing them in a business fashion around public/private platforms (PPPs) the grant will give development partners and governments a better opportunity to scale up agriculture-led rural transformation. The growing demand for RAS has not been matched by government and private-sector investments in RAS delivery systems. The demand for agricultural extension services continues to grow. For example, over the past eight years, IFAD has invested around US\$800 million (IFAD, 2018) in the mobilization and strengthening of smallholder organizations to enable them to achieve economies of scale to cohesively demand for rural goods/services. In total, over 300,000 smallholder organizations have been established and strengthened, all requiring sustainable access to goods and services. Similarly, the European Commission (EC) has spent about US\$0.5 million in rural development programmes in the East and Southern Africa region over the past six years. Governments are also reluctant to invest loan proceeds in innovative private-sector-led mechanisms to deliver RAS.
2. The proposed programme is in line with the goal and objectives of the IFAD Policy on Grant Financing (2015).<sup>1</sup> The very core of the proposal is mobilizing public/private RAS providers, organizing them into public-private-platforms (PPPs) and building their individual (technical and managerial), organizational and social skills to enable them to respond to organized demand from smallholder farmers. Some service providers in selected countries are currently attempting to organize around country platforms (CPs) to achieve economies of scale and seek entrepreneurial, technical and managerial skills to become PPPs. The proposed programme will support capacity-building of public, private and semi-private service providers with innovative, pro-poor approaches and technologies through innovation sub-grants to enable them to deliver services at the "last mile." Projects supported by IFAD and other co-financiers will be able to tap into the knowledge and services of the service providers organized under the PPPs framework to ensure that smallholder farmers gain sustainable access to effective rural advisory services.

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

3. The approach to be applied by this grant responds to the grant policy objective of strengthening partners' institutional and policy capacities. Partners also include public extension actors involved in providing advisory/knowledge services that promote sustainable poverty reduction among the rural poor in ways that target women and youth in particular. Strengthening RAS providers will result in better service delivery by IFAD loan-funded projects, making this grant highly complementary to IFAD operations in targeted countries. At the regional and continental levels, the country services providers are aggregated into registered networks which focus on policy advocacy in regional and international bodies (such as the African Union and ASEAN) to promote enabling environments for the implementation of common RAS agendas to facilitate last-mile service delivery. The programme will set up knowledge management systems that can facilitate the generation of innovative RAS products which can facilitate scaling up "what works" through South-South and North-South cooperation process. This is in line with the IFAD policy objective to generate and share knowledge for development impact.

## II. The proposed programme

4. IFAD's grant contributes to a larger long-term intervention that will be co-funded by the EC, German Agency for International Cooperation (GIZ),<sup>2</sup> Swiss Agency for Development and Cooperation and Heifer International. Through this grant, IFAD is making its contribution to a global joint effort involving several partners who share the goal of strengthening RAS to provide services at the last mile to smallholder farmers. Beyond contributing its own funding towards this initiative, IFAD has been unanimously selected by the participating development partners to take the lead in formulating this proposition to revitalize and innovate RAS delivery in developing countries. The overall goal of the programme is to contribute to the achievement of improved incomes, sustained market linkages and the reduction of climate vulnerability for smallholder farmers (with a major focus on women and youth) in developing countries in Africa, Asia and the Pacific, and Latin America and the Caribbean. The objectives are to boost the capacity of public and private providers of agricultural extension and rural advisory services to deliver services to the last mile. The specific objectives are to: (i) mobilize, organize and build the capacities of public/private RAS providers (RASPs) to deliver effective, innovative services with links to research for smallholder farmers; and (ii) generate and contribute the knowledge needed to promote the scaling up of climate-resilient good practices to smallholder farmers and strengthen RAS last-mile linkages.
5. The target group will consist of public extension service providers (ministries of agriculture and research and relevant policy and regulatory bodies), private service providers (private individual extension agents, knowledge firms, input suppliers, producers, buyers, apex farmers' organizations, traders, brokers, transporters, etc.) and semi-private providers (socio-entrepreneurs, NGOs, etc.) who offer agriculture-related services. RAS delivery agents (government agents and private and semi-private providers) of IFAD-supported projects and those supported by the EC, SDC, GIZ and Heifer International will be key beneficiaries. The RAS agents will be incentivized to become key stakeholders in PPP arrangements to improve their skills and strengthen linkages to last-mile demand for goods and services. The total number of direct beneficiaries at the peak of programme implementation should be around 14,000 service providers. The indirect target group will be rural smallholder farmers – differentiated by age, sex and disability status. The indirect beneficiaries will be tracked during implementation, based on the service that will be delivered.
6. IFAD funds will be used over a five-year period to cover activities for approximately seven countries where there is clear demand and readiness: three in Africa, three in Latin America and one in the Asia and Pacific region. The programme will have the following components: (i) building capacity of public and private RAS providers organized around PPPs – with priority being given to countries where IFAD, EC,

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<sup>2</sup> To be confirmed.

SDC, GIZ and Heifer International support agricultural and rural development programmes; and (ii) knowledge generation/management and communication to develop knowledge products based on lessons learned, good practices and the promotion of South-South Cooperation for scaling-up.

### III. Expected outcomes/outputs

7. The programme is expected to have the following outcomes and outputs:
  - (i) Outcome 1: Strengthened performance of RAS with related outputs:
    - (1.a) enhanced responsiveness of RAS providers (public and private) in targeted countries to the demand for advisory services in socially and economically differentiated categories of farmers and (1.b) increased maturity level and sustainability of business-oriented PPPs at national levels for enabling RAS stakeholders to network, share information and exchange experiences.
  - Outcome 2: strengthened and sustainable networks and platforms of rural advisory service providers with related output:
    - (2.a) increased maturity level and sustainability of business-oriented PPPs at national levels for enabling RAS stakeholders to network, share information and exchange experiences and influence policies and investments; and
  - Outcome (3) enhanced learning in RAS through output
    - (3.a) innovations and knowledge products generated and made available to smallholder farmers and other agricultural innovation systems' (AIS) actors, including policymakers.

### IV. Implementation arrangements

8. The grant recipient was selected through a competitive call for proposals won by AGRIDEA, Swiss Association for the Development of Agriculture and Rural Areas. AGRIDEA hosts and gives legal identity to the Global Forum for Rural Advisory Services (GFRAS), a global apex body that brings together continental RAS constituents from Africa, Asia and the Pacific, Latin America and the Caribbean, and Europe, including the African Forum for Agricultural Advisory Services (AFAAS), the Asia and Pacific Forum for Rural Advisory Services (APIRAS) and the Red Latinoamericana para Servicios de Extensión Rural (Latin American Rural Extension Services Network – RELASER).
9. While AGRIDEA will be the grant recipient, assuming sole responsibility for legal, financial and fiduciary obligations vis-à-vis IFAD, programme management will be the responsibility of the AGRIDEA-hosted GFRAS. The three continental partners – AFAAS, APIRAS and RELASER – will be the grant implementing agencies in their respective regions. Accordingly, AGRIDEA will enter into sub-agreements with AFAAS, APIRAS and RELASER for implementation of the programme at country level. The grant implementing agencies will be given limited support to strengthen their management and governance systems, including their financial management capacities. Their technical capacities will be bolstered through technical assistance to their respective secretariats.
10. The GFRAS Secretariat will oversee, lead and manage implementation of the grant, whereas AGRIDEA will exercise programme-related administrative functions. GFRAS secretariat staff are employed by AGRIDEA but receive guidance and content supervision from the GFRAS Steering Committee. However, due to the expected increase in its workload as a result of this programme, the capacity of the existing GFRAS Secretariat will be further strengthened to enable it to provide appropriate quality management and support in the domains of programme coordination, implementation, supervision support, monitoring and evaluation and communication and knowledge management and learning.
11. There are no deviations from standard financial reporting and audit procedures.

## V. Indicative programme costs and financing

12. The IFAD grant is in the amount of US\$3.0 million. IFAD's contribution is embedded in a larger programme financed by several development partners, for a total of US\$26.31 million, while AGRIDEA's contribution is in the amount of US\$.64 million (in-kind). Other cofinancing will be provided by the EC (US\$12.0 million), GIZ (US\$2.29 million), Heifer International (US\$4.99 million) and SDC (US\$3.38 million).
13. IFAD's financial support will be provided mostly to activities necessary to bring existing near-to-maturity platforms to the level of functioning and self-sustaining PPPs and build RAS providers' skill sets to enable them to serve farmers at the last mile, which will include generating and contributing the knowledge needed to promote the scaling-up of climate-resilient good practices.

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

<i>Components</i>	<i>IFAD</i>	<i>GFRAS/AGRIDEA</i> *	<i>Other cofinanciers (EU, SDC, GIZ Heifer)</i>	<i>Total</i>
1. Building capacity of RAS providers through strengthened PPPs	1 283	-	19 842	21 125
2. Knowledge generation, management and communication	1 717	637	2 828	5 182
<b>Total</b>	<b>3 000</b>	<b>637</b>	<b>22 670</b>	<b>26 307</b>

\* Calculation of in-kind contributions based on percentage of staff time, equipment and services allocated to the grant-funded programme.

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

<i>Expenditure category</i>	<i>IFAD</i>	<i>GFRAS/AGRIDEA</i>	<i>Other financiers (EU, GIZ, Heifer, SDC)*</i>	<i>Total</i>
1. Consultancies	230	-	-	230
2. Equipment and materials	-	195	-	195
3. Goods, services and inputs	-	96	-	96
4. Operating costs	43	-	-	43
5. Salaries and allowances	953	346	-	1 299
6. Workshops	110	-	-	110
7. Training	51	-	-	51
8. Travel and allowances	269	-	-	269
9. Sub-grants	1 344	-	-	1 344
Other financiers			22 670	22 670
<b>Total</b>	<b>3 000</b>	<b>637</b>	<b>22 670</b>	<b>26 307</b>

\*While the total amount of cofinancing from other development partners is indicated, it is not currently possible to provide the contribution disaggregated by IFAD categories of expenditure.

## VI. Recommendation

14. 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, Delivering Extension Services to the Last Mile: Improving Smallholders' Access to Innovation and Pluralistic, Demand-driven Extension Services, shall provide a grant of three million United States dollars (US\$3,000,000) to AGRIDEA for a five-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. Hougbo  
President

## Results-based logical framework

Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
<p><b>GOAL:</b> Improved incomes, sustained market linkages and reduction of climate vulnerability for smallholder farmers (women, men and youth), who are targeted by IFAD, EC, GIZ and SDC funded investments in developing countries in Africa, Asia and Pacific, and Latin America and the Caribbean"</p>	<ul style="list-style-type: none"> <li>i. Smallholder farmers (- women, men, youth) and other actors in agricultural innovation systems (AIS) benefiting from increased use of appropriate knowledge and technology for sustainable, profitable and climate smart agriculture;</li> <li>ii. Favourable policy environments for and increased investments in AIS</li> </ul>	Data from RAS observatories Surveys	
<p><b>OBJECTIVE:</b> To enhance the capacity of public and private service providers of agricultural extension and rural advisory services deliver services to the last mile</p>	<ul style="list-style-type: none"> <li>i. Progressive increase in numbers of RASPs belonging to and benefiting from public-private partnership (PPP) platforms and contributing to their sustenance;</li> <li>ii. Increased recognition of RAS, development (and AIS) in policies and investments</li> </ul>	Baseline survey National AAS impact assessment surveys AAS beneficiary assessments AFAAS impact assessment reports	Favourable general enabling environment Favourable conditions for agriculture
<p><b>OUTCOME 1: Strengthened performance of RAS OUTPUTS:</b> 1.1: Enhanced responsiveness of RASPs (public and private) in targeted countries to the demand for advisory services of socially and economically differentiated categories of farmers 1.2: Increased maturity level and sustainability of business-oriented PPP platforms at national levels for enabling the RAS stakeholders to network, share information and exchange experiences</p>	<ul style="list-style-type: none"> <li>1.1.i. By the end of Phase 2 of the Project, the average number of smallholder farmers (men, women &amp; youth) from project target countries accessing and utilising advise from RASPs increases by at least 25%</li> <li>1.2.i. 80% of all participating CFs reach at least stage 4 on the maturity scale by end of phase 2 and at least 50% of these are capable of sustaining services for RAS networking, collaboration, partnerships and policy engagement with links to national, regional, continental and global knowledge systems;</li> </ul>	Project and country progress reports Project monitoring evaluation & learning reports Beneficiary surveys	Stable RAS policy environments Stable socioeconomic environments
<p><b>OUTCOME 2: Enhanced learning in RAS OUTPUTS:</b></p>	<ul style="list-style-type: none"> <li>2.1.i. By the end of Phase 2 of the Project, the quantity of quality-certified content generated</li> </ul>		

<p>2.1: Innovations and knowledge products generated and availed to smallholder farmers and other AIS actors including policy makers</p>	<p>and exchanged within the networks and availed to rural farmers and other AIS actors using validated methods, approaches, ICT tools and platforms for covering the last mile is 50% higher among CF members than non-members;  2.1.ii. At least 75% of the smallholder farmers and other AIS actors - including policy makers - utilising the knowledge services provided by the PPP platforms and the RASPs associated with them - are satisfied with the services</p>	<p>Client survey</p>	
<p>KEY ACTIVITIES  Component 1: Establishing &amp; strengthening PPP platforms  1.1. Establishing baselines and RAS Observatory  1.2. Supporting institutional and organisational establishment and development of PPP platforms;  1.3. Supporting RAS innovation, advancement, professionalization, policy dialogue, thought leadership and capacity development;  1.4. Supporting transformation of PPP platforms into sustainable social enterprises.  Component 2: knowledge generation/ management and communication  2.1. Supporting establishment and development of global, continental, regional and national CKM frameworks and RAS observatories;  2.2. Supporting content generation for the last mile and other AIS actors;  2.3. Supporting strategic communication and engagement;  2.4. Supporting CKM innovation for the “last mile”.</p>	<p>i. Institutional and organisational support for: GFRAS, AFAAS, APIRAS, RELASER and country PPP platforms;  ii. Consultancies for institutional and organisational development and CKM;  iii. Capacity development for fiduciary management &amp; CKM focusing on the “last mile”;  iv. Contributions to Partnership projects and events for: scaling out technologies, outreach, advancement of RAS, capacity development; CKM;  v. Workshops &amp; meetings for consultations, governance, thematic groups, planning, reviews, networking; RAS innovations; lesson learning; policy dialogue;  vi. Grants for: RAS innovation, advancement, professionalization, capacity development, business development. CKM  vii. Challenge funds and competitions for CKM for the “last mile  viii. Communication: online presence, publicity materials;  ix. Advocacy: policy briefs &amp; position papers; engagement with the media, influencers, policy makers and potential donors;</p>	<p>Minutes of management meetings  Consultancy reports  Technical and financial audits  Project monitoring &amp; evaluation reports</p>	<p>Commitment of RASPs to coming together in PPP platforms  Favourable national policies for RAS  Sources of knowledge &amp; technologies  Timely flow of funds</p>