IFAD

Investing in rural people

President's Report on a Proposed Grant under the Regional Grant Window to the South Asian Association for Regional Cooperation Agricultural Centre for the Consortium for Scaling Up Climate-smart Agriculture in South Asia

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 16.

President's Report on a Proposed Grant under the Regional Grant Window to the South Asian Association for Regional Cooperation Agricultural Centre for the Consortium for Scaling Up Climate-smart Agriculture in South Asia

I. Background and compliance with IFAD Policy on Grant Financing

1. More than a quarter of the world's hungry and undernourished people live in South Asia, despite noticeable progress in the region. According to some projections, the region will need to double food production to feed a population of 2 billion to 2.68 billion by 2050, placing long-term pressure on already degraded land and water resources. Furthermore, agricultural production in the region is seriously constrained by the increased frequency of extreme climate events in recent decades. The International Food Policy Research Institute (IFPRI) projects a 14 per cent decline in food production by 2050 due to climate change.

2. Sustainable agriculture and climate change adaptation are inextricably linked agendas. Consequently, a paradigm shift is required when designing agricultural programmes and interventions that couple enhanced resilience with efficient use of natural resources at the farm level. Priority should be given to farming systems that are less vulnerable to climate change and natural resource degradation. In South Asia, such systems include: (i) rice-rice; (ii) rice-wheat; (iii) highland mixed; and (iv) rainfed mixed. Geographically, these are cultivated on a long belt stretching from the highlands in central Afghanistan to Bangladesh, covering north-central Pakistan, the Indo-Gangetic Plains, and the hills at the foot of the Hindu Kush Himalayan region. Altogether, these farming systems represent one of the world's key food baskets and are the source of livelihood for a large part of South Asia's poorest population.

3. Locally, these challenges are being tackled through nationally supported experimentation of climate-smart agriculture (CSA) technologies and practices.[1] There is an urgent need to scout for and catalyse existing efforts and scale up proven successes, and to match existing technologies with farmers' needs, market opportunities and environmental concerns. A thorough mapping of regional climate change effects, identification of agroecosystems with similar characteristics, and cross-dissemination of viable technologies and practices will help accelerate impacts and outreach of current national research efforts.

4. In August 2017, the South Asian Association for Regional Cooperation (SAARC) CGIAR round-table meeting on agricultural research for development identified climate change adaptation as one of their high-priority areas. This led to the creation of a consortium between the SAARC Agricultural Centre (SAC) and the IFPRI to promote CSA in South Asia by catalysing national agricultural research and extension system (NARES) programmes through regional cooperation and knowledge-sharing to accelerate the scaling up of innovative technological solutions

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[1] For example, timely sowing, drought-resistant varieties, multi-purpose varieties (for food, feed and green manure), soil and water conservation, soil fertility management, pest control, disease control for livestock and storage.

and best practices through national programmes and policies. However, cross-border cooperation between NARES in South Asia is constrained by lack of capacity and, in some instances, by political tensions, which can preclude opportunities for collaboration.

5. The proposed programme fosters partnership and cooperation between SAARC, NARES, IFPRI and other CGIAR centres, and SAARC governments on the CSA agenda. SAC has an explicit mandate to promote and support regional cooperation among SAARC member states to foster sustainable and resilient agricultural adaptation, bring together agricultural research centres and extension agencies to develop and share knowledge on CSA technologies and best practices, and to develop science-based strategies for collective responses. SAC will focus on supporting policy dialogue, knowledge-sharing and cooperation among NARES, while IFPRI will facilitate access to global technological and policy solutions in collaboration with the CGIAR global programme on Climate Change, Agriculture and Food Security (CCAFS).

6. The proposed programme will support: (i) the role of agricultural research in generating and facilitating delivery of technological solutions to smallholders, with priority given to the intensification and resilience of smallholder agriculture, contributing, inter alia, to increasing water management efficiency (both priority areas under the IFAD 2018 grant programme guidance memo); and (ii) IFAD's 2015 Policy for Grant Financing[2] objectives of promoting innovative, pro-poor approaches and technologies with demonstrated scaling-up potential, strengthening partners' institutional and policy capacities, enhancing policy engagement, and generating and sharing knowledge.

II. The proposed programme

7. The overall goal of the programme is to promote sustainable and resilient agricultural intensification in South Asia through enhanced capacity to scale up CSA strategies and technologies. The objectives include: (i) accelerating the identification and scaling up of viable CSA interventions through national policies and programmes in South Asia; and (ii) setting up effective and efficient mechanisms for knowledge-sharing, policy dialogue and cooperation in research and development programmes among SAARC countries on CSA.

8. The target group will be composed of 7,500 smallholders, and will also include researchers, extension workers and policymakers in SAARC member countries, with a focus on Bangladesh, India and Nepal. Of the 7,500 smallholder beneficiaries, an estimated 1,500 farmers will participate in validation of CSA technologies and practices (i.e. 500 smallholders per country), and 6,000 farmers will benefit from training, exposure visits and other knowledge-sharing events (i.e. 2,000 farmers per country). It is estimated that 50,000 smallholders will indirectly benefit from the development of strategies for scaling up and initial scaling-up support provided by government programmes and projects supported by IFAD and other donors.

9. The programme will be implemented over a three-year period and will have four components:

(i) Scaling up technically viable and gender-sensitive CSA technologies for smallholders in selected farming systems. This component will include developing an inventory of CSA technologies; validating and assessing CSA technologies through participatory research; analysing cost benefits and evaluating the impacts of CSA technologies (particularly on women and smallholder farmers); and developing strategies for the scaling up of CSA technologies through IFAD-supported projects, and government programmes.

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[2] See EB 2015/114/R.2/Rev.1.

(ii)   Policy analysis/advocacy and institutional development. This component will include analysing the policy and institutional constraints to scaling-up CSA technologies (especially for women and smallholder farmers); developing a regional cooperation strategy and programme to scale up CSA technologies in SAARC member countries; organizing high-level SAARC forums and conferences on CSA technologies involving key policymakers; and organizing round tables with civil society organizations, research centres, farmers' organizations (FOs) and the private sector.

(iii)   Knowledge management and capacity-building. This component will involve developing a CSA community of practice including researchers, entrepreneurs, FOs, donors and policymakers; developing training materials on CSA technologies and practices; organizing training and exposure visits for farmers, researchers, extension agents, policymakers and entrepreneurs/service providers to promote learning and exchange of materials and technologies; and developing innovative approaches to sharing CSA technologies and piloting knowledge-sharing strategies with the CSA community of practice, FOs and other farmer networks.

(iv)   Programme management. This component will include hiring a programme coordinator and setting up and training a programme management team at the SAC, plus the monitoring of programme activities, preparation of progress reports and coordination of other programme activities.

III.   Expected outcomes/outputs

10.   The programme is expected to have the following outcomes: (i) CSA technologies and best practices suitable for smallholders, particularly women farmers, identified and scaled up in programme countries; (ii) CSA policies and strategies mainstreamed in national agricultural development strategies with appropriate institutional arrangements for effective implementation; (iii) enhanced capacity of national staff (in policy, research and extension systems) and smallholder farmers (particularly women farmers) in CSA technologies and sustainable and resilient agricultural intensification; and (iv) enhanced SAC-led cooperation programmes on CSA in the SAARC region.

IV.   Implementation arrangements

11.   SAC will be the direct recipient of the grant, and the IFPRI will be a subgrantee. Direct attribution to SAC is sought in accordance to paragraph 15(iii) of the 2015 Policy for Grant Financing. SAC has a unique mandate to support the identification and scaling up of agricultural technologies through cooperation among SAARC member countries, and to leverage direct institutional links to SAARC national ministries and NARES through a technical committee for agricultural and rural development. SAC, as the regional platform, promotes programmes on agricultural policy, research and capacity development in South Asia through close integration with NARES, consultative group centres, international specialized bodies and the donor community. IFPRI is a leading research institution in agricultural and food policy, with a credible and impressive track record of substantive engagement in Asia, including involvement in other IFAD-funded grants.

12.   Grant funds from IFAD will flow to SAC, the main implementing agency, which will enter into a subgrant agreement with IFPRI, satisfactory to IFAD, before the grant becomes effective. SAC will have the overall responsibility for the implementation of the programme. Programme activities will be coordinated by SAC and IFPRI. Details of the division of responsibilities for programme activities between the two entities are provided in the grant design document (GDD).

13.   A mid-term review will be undertaken at the end of year 2 to review progress, identify issues requiring action, and draw lessons on programme design,

implementation and management. It will also make recommendations for more effective implementation and for a possible phase II to expand programme coverage to include other SAARC countries such as Bhutan, Pakistan and Sri Lanka.

14. There are no deviations from the standard procedures for financial reporting and audits.

V. Indicative programme costs and financing

15. The IFAD grant amounts to US$1.5 million. Total cofinancing amounts to US$1.4 million and will be provided in kind by SAC (US$0.25 million), IFPRI (US$0.25 million), CCAFS (US$0.6 million) and NARES (US$0.3 million). The SAARC Development Fund (SDF) has expressed an interest in cofinancing in cash and is currently undertaking an internal review as part of its decision-making process. Should SDF's cofinancing be confirmed, this will be used to scale up selected well-performing activities in accordance with the provisions of the GDD.

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

Components	IFAD grant	SAC cofinancing	IFPRI cofinancing	CCAFS cofinancing	NARES cofinancing	Total
1. Scaling up technically viable and gender-sensitive CSA technologies for smallholders in selected farming systems	505	65	56	325	150	1 101
2. Policy analysis/advocacy and institutional development	378	70	24	100	100	672
3. Knowledge management and capacity-building	288	70	78	150	50	636
4. Programme management	218	25	12	-	-	255
Subtotal	**1 389**	**230**	**170**	**575**	**300**	**2 664**
Management fees/overheads	111	20	84	-	-	215
Total	**1 500**	**250**	**254**	**575**	**300**	**2 879**

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

Expenditure category	IFAD grant	SAC cofinancing	IFPRI cofinancing	CCAFS cofinancing	NARES cofinancing	Total
1. Consultancies	483	25	50	375	200	1 133
2. Equipment and materials	63	30	-	-	-	93
3. Goods, services and inputs	24	25	20	-	-	69
4. Salaries and allowances	381	25	65	-	-	471
5. Workshops and trainings	324	35	25	200	100	684
6. Travel and allowances (incl. hotels)	114	30	10	-	-	154
7. Operating costs	-	60	-	-	-	60
Total direct costs	**1 389**	**230**	**170**	**575**	**300**	**2 664**
Management fees/overheads	111	20	84	-	-	215
Total	**1 500**	**250**	**254**	**575**	**300**	**2 879**

VI. Recommendation

16. I recommend that the Executive Board approves the proposed grant in terms of the following resolution:

> RESOLVED: that the Fund, in order to finance, in part, the Consortium for Scaling Up Climate-smart Agriculture in South Asia, shall provide a grant of one million five hundred thousand United States dollars (US$1,500,000) to the South Asian Association for Regional Cooperation Agricultural Centre for a duration of three years 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

	Objectives hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Goal	To promote sustainable and resilient agricultural intensification in South Asia through enhanced capacity (policy, institutions, skills) to scale-up CSA strategies and technologies.	Increased adoption of CSA technologies in South Asian countries	• SAARC/SAC reports • CCAFS reports • National data	
Objectives	1. Accelerating the identification and scaling-up of viable CSA interventions through national policies and programmes in South Asia; 2. Setting-up effective and efficient mechanisms for knowledge-sharing, policy dialogue, and cooperation in R&D programmes among SAARC countries on CSA.	• Increased SAC-led regional programmes on scaling-up CSA technologies • Increased public sector allocation to CSA technology dissemination • Enhanced SAC capacity for knowledge-sharing on CSA among SAARC members	• SAC reports • National data	• SAARC member states' reluctance to increase allocation to SAC • Low priority to agricultural research and development in public resource allocation
Outcomes/Outputs	1. Best CSA technologies and practices suitable for smallholders, particularly women farmers, scaled up in programme countries; 2. CSA policies and strategies mainstreamed in national agricultural development strategies with appropriate institutional arrangement for effective implementation; 3. Enhanced capacities of national staffs (policy, research and extension system), smallholder farmers (with special focus on women farmers) on CSA technologies and sustainable and resilient agricultural intensification; 4. Enhanced SAC-led regional cooperation programme on CSA in the SAARC region.	• In 3 participating countries, by year 3, at least two CSA technologies successfully piloted and initial scaling up started, indirectly benefiting 50,000 smallholders (at least 30% women). • In 3 participating countries, by year 5, the government accords priority to CSA technologies in its research and development programmes. • In all 8 SAARC countries, capacity of national staff (250) and smallholder farmers (6,000 of which at least 30% women) on CSA technologies enhanced through training, exposure visits, knowledge exchange events. • SAC has an increased level of budget and programme activities for regional cooperation on CSA.	• Supervision and evaluation reports • National budget data • SAC reports	• The PCU implements successfully the programme's knowledge and capacity development activities. • SAARC member countries accord high priority to sustainable intensification of agriculture and increase resource allocation to CSA. • SAC is able to communicate programme results to high-level SAARC bodies for greater policy influence.
Key activities by component	**Component 1: Scaling-up of Technically Viable and Gender-Sensitive CSA Technologies for Smallholders in Selected Farming Systems** 1. Develop inventory of CSA technologies 2. Validation/viability assessment of CSA technologies through participatory research 3. Benefit-cost analysis (economic, social, and environmental) and impact evaluation of CSA technologies with focus on impact on women and smallholder farmers. 4. Develop strategies for scaling-up/ support initial scaling up of promising CSA technologies by government programmes, IFAD-supported projects, and projects supported by other development partners.	• 1,500 smallholders (of which at least 30% women) participate in CSA technology validation trials. • A report with an inventory of CSA technologies and practices that are relevant and scalable in selected agro-systems (rice-rice, rice-wheat, highland mixed and rainfed mixed) in three programme countries of South Asia • A paper and a policy brief based on the participatory research for viability assessment of CSA technologies and practices across programme countries • Papers and policy briefs based on the impact assessment and benefit cost analysis of the most promising, smallholder-friendly and scalable CSA technologies • A set of three national strategies for three programme	• Supervision missions • Annual and semi-annual monitoring reports • Proceedings of high-level forums, roundtables and workshops • Published reports, studies and other programme materials • Programme website	• Efficient use of programme's financial and other resources • Regular convening of Programme Steering Committee • Adherence to approved annual work plan and budget • Cooperation from governments, SAARC Secretariat and other stakeholders

Objectives hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Component 2: Policy Analysis/ Advocacy & Institutional Development 1. Analyse policy and institutional constraints (local, regional and national) to scaling up CSA technologies specially by women and smallholder farmers 2. Develop a regional cooperation strategy and programme to support CSA technology scaling-up among SAARC member countries 3. Organize high-level SAARC forums and conferences on CSA technologies attended by key policymakers including parliamentary committee members 4. Organize roundtables with civil society organizations, research centres, apex farmers' organizations (FOs) and private sector organizations **Component 3: Knowledge Management and Capacity Building** 1. Develop a network of CSA community of practice including researchers, entrepreneurs, farmer organizations, donors and policymakers 2. Develop training materials on CSA technologies and practices 3. Organizing training & exposure visits of farmers, researchers, extension agents, policymakers, & entrepreneurs/service providers to promote learning & exchange of materials & technologies 4. Develop innovative approaches (e.g. Learning Routes) to share CSA knowledge and pilot innovative knowledge-sharing strategies with CSA communities, farmer organizations and other farmer networks **Component 4: Programme Management** 1. Hiring the Programme Coordinator and setting up/training a programme management team at SAC 2. Monitoring of programme activities, preparation of progress reports and coordination of other programme activities	countries for the scaling up of proven CSA technologies through NARES partners, farmer organizations, NGOs, IFAD-supported projects and other government programmes • 3 policy papers outlining policy & institutional constraints to the adoption of selected CSA technologies & practices & identifying strategies to reduce these constraints • A strategy paper on how to promote regional cooperation for promotion of CSA in South Asia • 1 policy roundtables and 1 high-level policy forums to share scientific evidence, experience in formulating and implementing CSA policies and find ways to improve regional cooperation for promoting CSA in South Asia • A well-functioning community of practice CSA consisting of researchers, entrepreneurs, farmer organizations, donors and policymakers with regular exchange of experiences • Training materials developed on CSA technologies and practices in collaboration with national and regional training centres to train farmers, researchers, policymakers and entrepreneurs • Enhanced knowledge and learning of smallholder farmers (6,000 of which at least 30% women), researchers, entrepreneurs/service providers, and extension agents (250) on CSA technologies • Innovative knowledge-sharing approaches (e.g. Learning Routes) developed and pilot tested with the CSA community of practice • A well-functioning Programme Coordination Unit (PCU) set up and trained at SAC for effective implementation and monitoring of programme activities • Timely preparation and submission of progress reports and coordination of programme activities		