

Document: EB 2019/LOT/G.2
Date: 25 September 2019
Distribution: Public
Original: English

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Investing in rural people

President's report

Proposed global/regional grant to the
Union Maghrébine et de l'Afrique du Nord des
Agriculteurs (UMNAGRI) for the

Farmers' Organizations for Africa, Caribbean
and Pacific Countries (FO4ACP)

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 18.

I. Background and compliance with IFAD Policy for Grant Financing

1. Farmers' Organizations for Africa, Caribbean and Pacific Countries (FO4ACP) is a capacity-building programme aimed at increasing the income and improving the livelihoods, food security and safety, and nutrition of family farming in the targeted geographical areas, through greater integration of family farms into value chains. The proposed programme builds on lessons learned from: (i) the implementation of the Support to Farmers' Organizations in Africa Programme (SFOAP) 2013-2018; and (ii) experience acquired by farmers' organizations (FOs) over decades. SFOAP was completed in December 2018 and the following outcomes were documented by the SFOAP self-assessment exercise: (a) national and regional FOs gained visibility and credibility and are systematically involved in policymaking at the national level; and (b) benefits at the farm level in the form of improved productivity and higher incomes/revenues.
2. The proposed programme is in line with the goal and objectives of the IFAD Policy for Grant Financing (2015).¹ This grant contributes to: IFAD Strategic Framework 2016-2025 strategic objective 1 (SO1) (increase poor rural people's productive capacities); SO2 (increase poor rural people's benefits from market participation); and SO3 (strengthen the environmental sustainability and climate resilience of poor rural people's economic activities). The programme is also relevant to the 2030 Agenda for Sustainable Development, and will contribute directly to the progressive achievement of Sustainable Development Goals (SDGs) 1 and 2, but will also support progress towards SDGs 5, 13 and 17.
3. The programme forms part of IFAD's work for the United Nations Decade of Family Farming (UNFFF) 2019-2028. The Decade was proclaimed as such on 20 December 2017 by the United Nations General Assembly through the adoption of resolution A/RES/72/239, which encouraged "all States to develop, improve and implement public policies on family farming" and invited governments and other relevant stakeholders (including international and regional organizations, civil society organizations, the private sector and academia) to actively support the implementation of the Decade. The priority areas of intervention and objectives of FO4ACP are fully consistent with the seven pillars of work identified as building blocks for the implementation of the UNFFF Global Action Plan. De facto, FO4ACP will make a major contribution to the Global Action Plan in Africa, the Caribbean and the Pacific.

¹ See EB 2015/114/R.2/Rev.1.

Table 1
FO4ACP convergence with and contribution to the UNDF Global Action Plan in ACP countries

	<i>FO4ACP strategic areas</i>			
	Facilitating the integration of smallholders and FOs in value chains by strengthening the FOs capacity to effectively provide financial economic services to their members and improve and access to finance and de-risking instruments	Supporting FOs capacity to influence policy dialogue and the governance mechanisms of the value chains at all levels	Supporting the institutional development of FOs through capacity-building and contributing to the financing of FOs' core costs	Facilitating knowledge-sharing between ACP FOs through the promotion of exchanges among peers for innovation, generation of knowledge products, replication and scaling up in the areas of production, processing and marketing
<i>UNDF Global Action Plan pillars</i>				
Pillar 1. Develop an enabling policy environment to strengthen family farming				
Pillar 2. Support youth and ensure the generational sustainability of family farming	Cross-cutting priority			
Pillar 3. Promote gender equity in family farming and the leadership role of rural women	Cross-cutting priority			
Pillar 4. Strengthen family farmers' organizations and capacities to generate knowledge, represent farmers and provide inclusive services in the urban-rural continuum				
Pillar 5. Improve socioeconomic inclusion, resilience and well-being of family farmers, rural households and communities				
Pillar 6. Promote sustainability of family farming for climate-resilient food systems				
Pillar 7. Strengthen the multidimensionality of family farming to promote social innovations contributing to territorial development and food systems that safeguard biodiversity, the environment and culture				

4. The FO4ACP programme complements most of the agricultural and value chain development projects funded by IFAD as well as several national-level policy engagement initiatives involving national and subnational FOs as key partners. It is also complementary to the Agribusiness Capital Fund (co-funded by the European Commission and IFAD) in that FO4ACP component 1 will contribute to strengthening the business capabilities of producers' organizations and cooperatives.
5. The programme is in line with the commitments of the Report on the Eleventh Replenishment of IFAD's Resources (IFAD11), which strongly emphasizes the empowerment of smallholder farmers through strengthened productive capacities and stresses the role that IFAD plays as a "global pioneer" among United Nations agencies through its work and unique collaboration with FOs beyond the grass-roots levels. FO4ACP also substantially contributes to IFAD's cofinancing commitment, with a cofinancing ratio of 1:16.
6. The rationale for supporting the programme stems from the dual role that FOs have in promoting smallholders' and family farmers' interests in the markets and at

the policy level, and in providing economic services to their members for profitable engagement in value chains, leading to rural transformation.

7. The recipient was identified through direct selection. Union Maghrébine et de l'Afrique du Nord des Agriculteurs (UMNAGRI) is considered an IFAD strategic partner as it is the only regional network with competence in advocacy and policy influence and represents the main voice of African farmers in the North Africa region as well as all the other members of the Pan-African Farmers' Organization (PAFO).

II. The proposed programme

8. The overall goal of the programme is to improve incomes and livelihoods of family farmers in the ACP countries and enhance their food and nutrition security and safety. The objectives are:
 - Improve the technical and economic services provided by FOs and farmer-led enterprises along value chains;
 - Support FOs in influencing policies and business environments for the transformation of family farming and the development of sustainable, adaptive economic initiatives and farmer-led enterprises; and
 - Ensure that FOs are accountable organizations able to effectively perform their institutional functions.
9. The target group will be composed of smallholders and family farmers who are members of FOs that are affiliated with the existing regional FO networks in ACP countries.
10. The overall IFAD grant financing for FO4ACP will be used exclusively to support African FOs, in particular: (i) the sub-Saharan regional FOs and PAFO through small grants (less than US\$500,000); and (ii) UMNAGRI (North Africa) through one large grant. The rationale for supporting UMNAGRI is that it does not receive co-funding from the European Commission (EC) because not all of the countries included in the UMNAGRI regional network are eligible for EC funding. The countries targeted in North Africa are: Algeria, Egypt, Mauritania, Morocco and Tunisia. The grant provided to UMNAGRI is intended to promote solidarity and equity between it and its strategic partners and members of PAFO throughout Africa continent.
11. Specific support will be provided to women and youth in all organizations involved in the programme.
12. The programme will be implemented from 2019-2023 up to a maximum period of 60 months. It will have the following components: (i) delivery of economic services along priority value chains; (ii) enabling the business environment; and (iii) institutional development of FOs.

III. Expected outcomes

13. The programme is expected to have the following outcomes: (i) improved capacity of FOs to deliver technical and economic services and connect their members to markets; (ii) improved access of FOs to financial services; (iii) improved business environment and smallholder competitiveness; (iv) strengthened institutional capacities and professionalism of FOs; and (v) enhanced knowledge and dissemination of such among peers for use in replication and scaling-up.

IV. Implementation arrangements

14. IFAD will ensure overall monitoring of programme implementation, based on the consolidated logical framework. To this effect, it will undertake regular supervision missions and will prepare annual progress reports. At the regional level, monitoring and evaluation (M&E) will be undertaken by the regional farmers' organizations

(RFOs). Together with their members, the RFOs will set up programme M&E systems and prepare annual progress reports. Under component 4 (and with a contribution for dedicated staff under indirect costs) with EC financing and with a complementary annual allocation from the budget of IFAD's Sustainable Production, Markets and Institutions Division, IFAD will ensure the overall coordination, monitoring and day-to-day management of the programme including the flow of funding to the RFOs and PAFO. IFAD will supervise the programme through annual supervision missions in all regions; provide technical support to address implementation issues; and ensure effective implementation and transparent management of resources. The midterm review, led by IFAD, will be crucial in assessing programme performance and making the necessary adjustments to ensure better impact. IFAD will also ensure programme visibility and communication and facilitate knowledge management through the organization of learning routes, workshops and events, as well as other activities, for cross-learning and replication purposes.

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

V. Indicative programme costs and financing

16. As per the delegation agreement with the co-founding partner (EC) signed for the overall FO4ACP programme, IFAD will provide a grant of US\$3 million (approximately EUR 2.5 million) while the EC will provide cofinancing of EUR 40 million. The overall IFAD grant will have a duration of five years and will be used to fund programme components as shown in table 2.

Table 2

Costs by component and financier as per delegation agreement
(Thousands of euros)

<i>Components</i>	<i>IFAD</i>	<i>EC contribution</i>	<i>Total</i>
1. Delivery of economic services along priority value chains	1 250 000	20 160 000	21 410 000
2. Enabling the business environment	500 000	5 760 000	6 260 000
3. Institutional development of FOs	750 000	8 580 000	9 330 000
4. Communication and visibility	-	1 500 000	1 500 000
5. IFAD programme management and M&E	-	1 383 000	1 383 000
Remuneration or indirect cost (7 per cent of direct costs of EC financing)	-	2 617 000	2 617 000
Total	2 500 000	40 000 000	42 500 000

17. The recipients of the overall IFAD grant for FO4ACP will be exclusively RFOs in Africa. The IFAD resources will be distributed as follows: 17 per cent of the total amount will be allocated for each sub-Saharan RFO (the Eastern Africa Farmers Federation [EAFF], Plateforme Régionale des organisations paysannes d'Afrique Centrale [PROPAC], Réseau des organisations paysannes et de producteurs de l'Afrique de l'Ouest (ROPPA) and Southern African Confederation of Agricultural Unions [SACAU]), 30 per cent to UMNAGRI (as it is not supported by the EC funding) and the remaining 4 per cent to PAFO.

Table 3

Costs by expenditure/component and financing plan for the IFAD grant to UMNAGRI
(Thousands of United States dollars and euros)

<i>Expenditure/component</i>	<i>IFAD US\$</i>	<i>IFAD EUR equivalent *</i>
1. Delivery of economic services along priority value chains	496 899	442 240
2. Enabling the business environment	151 191	134 560
3. Institutional development of FOs	250 787	223 200
Total	898 876	800 000

* For consolidation and monitoring purposes, the costs are also provided in euros because they are part of the overall FO4ACP programme.

VI. Recommendation

18. 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 Farmers' Organizations for Africa, Caribbean and Pacific Countries (FO4ACP) programme, shall provide a grant of eight hundred and ninety-eight thousand eight hundred and seventy-six United States dollars (US\$898,876) to Union Maghrébine et de l'Afrique du Nord des Agriculteurs for a maximum period of 60 months, from 2019 to 2023, 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	The overall objective is to increase income and to improve livelihood, food and nutrition security and safety of the ACP's family farmers.	# and % of smallholder rural producers (M/F/Y) in participating countries with improved income, food security and livelihoods.	What are the sources of information for measuring progress against these indicators?	There is continuing political, social and macroeconomic stability favouring rural economic growth
Objectives	SO # 1: FOs and farmer-led enterprises improve technical and economic services along the value chains; SO # 2: FOs influence policies and business environments for the transformation of family farming and the development of sustainable, adaptive economic initiatives and farmer-led enterprises; SO # 3: FOs are accountable organizations able to effectively perform their institutional functions.	SO.1: # of individual producers benefiting from FOs/FLEs economic initiatives (M/F/Y) (per value chain) SO2: # of sector policies and programmes influenced by FOs SO3: FOs membership increase (M/F/Y)	What are the sources of information for measuring progress against these indicators?	Extreme effects of natural, climatic and other phyto/zoo-related hazards will not occur or can be rapidly rectified
Outcomes/ Outputs	O1: Improved capacity of FOs to deliver technical and economic services and connect their members to markets; O2: Improved access of FOs to financial services; O3: Improved business environment and smallholder competitiveness; O4: Strengthened institutional capacities and professionalism of FOs; O5: Enhanced knowledge and dissemination among peers for replication and scaling-up.	SO1: # of FOs/FLEs providing at least 2 economic services to their members (N, L)(disaggregating # of supported economically matured FOs/FLEs that have increased business volume in a viable way and # of emerging FOs/FLEs having activated approved business plans); volume in tons of marketed products (by value chain) by FOs/FLEs members SO2: Amount in EUR of private sector/other sources investments mobilized through bankable business plans (total amount) SO3: # of policy consultation frameworks / committees / task forces / processes in which FOs are participating in including the gender and youth perspective SO4: FOs membership increase (M/F/Y) SO5: # of good practices, lessons learned and experiences documented and shared; # of peer-to-peer visits/exchanges/events (region, global)	What are the sources of information for measuring progress against these indicators?	Involvement and commitments of the EU FOs to collaborate with FOs in developing countries, and to respond to their needs and priorities, remains high and AgriCord and its members are able to mobilize longer-term funding and cooperation between farmers in the long term.
Key activities by component	COMPONENT 1: Delivery of economic services along priority value chains. COMPONENT 2: Enabling the business environment. COMPONENT 3: Institutional development of FOs.	TBD		Political and economic interest in agriculture and the recognition of its centrality to development remain strong and allow a larger policy and economic space and opportunities for FOs to participate in policymaking at all levels.