

Document: EB 2020/LOT/G.3  
Date: 3 July 2020  
Distribution: Public  
Original: English

**E**



Investing in rural people

## **President's report on a proposed grant under the global/regional grant to World Vision New Zealand for the Melanesia Rural Market and Innovation-driven Development Programme**

### **Note to Executive Board representatives**

Focal points:

Technical questions:

**Nigel Brett**  
Asia and the Pacific Division  
Regional Director  
Tel.: +39 06 5459 2516  
e-mail: n.brett@ifad.org

**Tawfiq El-Zabri**  
Country Director  
Tel.: +62 811 1844 471  
email: t.elzabri@ifad.org

Dispatch of documentation:

**Deirdre Mc Grenra**  
Chief  
Institutional Governance and  
Member Relations  
Tel.: +39 06 5459 2374  
e-mail: gb@ifad.org

**For: Approval**

## Recommendation for approval

The Executive Board is invited to approve the recommendation for the proposed grant as contained in paragraph 19.

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

1. Small island development states (SIDS) in the Pacific exhibit poor nutrition levels and are among the highest ranked countries in terms of vulnerability to climate risks. Five Pacific SIDS have been classified as fragile states in view of their vulnerability to extreme events and limited capability to respond to the social, economic and climatic challenges facing dispersed rural communities and growing urban populations.
2. To a large degree, poor nutrition levels in the Pacific are a result of increased consumption of cheap food imports of low nutritional value. In the Pacific today, even rural and farming communities struggle with obesity, micronutrient deficiencies and other diet-related diseases. Moreover, the heavy reliance on imported foods has depressed incomes and economic opportunities for rural people, particularly women and youth.
3. Climate change projections warn of increasing frequency of cyclones and intensity of rainy and dry seasons in Pacific SIDS. Coastal degradation and higher salinity of water sources and soils in coastal areas compound the increase in extreme events, making local production of nutritious foods even more difficult.
4. The novel coronavirus (COVID-19) pandemic poses an additional threat, given limitations in the scale and outreach of medical support, and the high incidence of non-communicable diseases (which appear to increase COVID-19 morbidity) in the Pacific. To mitigate this threat, SIDS governments have implemented protective, non-therapeutic measures – such as the cessation of commercial flights, strict border controls, and different degrees of school closures, curfews and social distancing. Although these measures appear to have been successful in protecting Pacific SIDS from significant outbreaks, their economic consequences are stark. The World Bank estimates that, combined with current drops in tourism and remittances and the projected effects of global economic disruptions, these measures could lead to contractions of 10 to 30 per cent of GDP in six of the larger Pacific SIDS.
5. The proposed programme seeks to replicate models effectively trialled elsewhere in the Pacific, for implementation in Solomon Islands and Vanuatu. These are two of the region's poorest countries and have among the largest agriculture sectors in the region. The combined impact of Tropical Cyclone Harold in April 2020 and the COVID-19 pandemic has amplified the already significant need for livelihood and nutrition support in the rural areas of the two countries. The Melanesia Rural Market and Innovation-driven Development Programme (MERMAID) aims to address these needs at a time when both Governments are looking to increase food self-reliance in response to the pandemic; and prioritize recovery programmes focused on improving rural income generation, employment, and the nutritional health of its citizens. The programme approach combines local capacity strengthening, community-based practices, active evidence-based policy advocacy, and a learning and knowledge management strategy to maximize impact.
6. The programme is aligned with the goal and objectives of the IFAD Policy for Grant Financing (2015)<sup>1</sup> and also includes all five actions stipulated in IFAD's Action Plan

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

for Mainstreaming Nutrition. It invests in nutrition-sensitive programming; builds the capacity of governments and civil society in nutrition; supports policymaking by governments and engages CGIAR partners, drawing on their demonstrated competencies in nutrition; prioritizes evidence capture and knowledge-sharing; and deploys resources towards nutrition mainstreaming, with a view to scaling up activities by building a coalition of supporters and a foundation for future resource mobilization.

## II. The proposed programme

7. IFAD has built considerable comparative advantages in supporting smallholder food systems in the Pacific. Grant- and loan-supported projects in Fiji, Kiribati, Papua New Guinea and Tonga have shown how communities in remote rural areas, outside the cash economy, are fully capable of finding new solutions to their problems when supported with appropriate tools and provided with guidance and support. IFAD's experience has shown that traditional knowledge and community social capital are essential ingredients for strengthening the competitiveness of local food products in domestic and international markets. Along these lines, MERMAID will use participatory action-research methods to understand the priorities of community members, particularly youth and women, and work with them in applying local solutions that match local resources and capabilities with opportunities for improving nutrition and inclusive participation in markets.
8. The overall programme goal is to reduce rural poverty, improve nutrition, promote sustainable agriculture, and empower women and youth. The goal will be supported by piloting and documenting an integrated approach to address the twin challenges of poor nutrition and low incomes in rural communities of Solomon Islands and Vanuatu, and developing a toolkit and strong business case that can be used to scale up the approach in other contexts across Melanesia, and Pacific-wide. The programme objective is to establish scalable pathways for increased consumption of local and nutritious foods, and improved local incomes.
9. This objective is aligned with the Solomon Islands National Development Strategy 2016-2035, aimed at achieving sustained and inclusive economic growth, and the Vanuatu National Sustainable Development Plan 2016-2030 (The People's Plan 2030), aimed at contributing to economic and environmental goals.
10. MERMAID will be implemented in selected provinces of Solomon Islands and Vanuatu and will also focus on regional information and knowledge-sharing, including with other IFAD projects in the Pacific. Provinces will be selected based on: (i) accessibility of markets/potential for income generation through agribusiness; (ii) need for programme interventions, as evidenced by government statistics; (iii) buy-in from government and other extension actors; and (iv) potential linkages with existing and planned initiatives of the Government, the private sector and development partners.
11. Programme activities will directly reach 3,600 households in 18 rural communities, including through savings groups, training and small grants. The primary target groups are women and youth, with secondary target groups being community members generally, with a view to creating an enabling environment for women's and young people's success in agribusiness. The primary national and regional target group will be extension providers, market actors, government decision makers, and regional and international agencies.
12. The programme is composed of the following components:
  - (i) **Component 1: Demonstrating responsive service delivery for rural communities** will focus on tailoring nutrition-focused service delivery to be more responsive to the scientific evidence generated through community-level research and to the needs and priorities identified by target communities.

- (ii) **Component 2: Innovations for investing in women and youth** will focus on providing women and youth with the business and technical skills, access to productive resources, market relationships, and enabling community environment they need to engage successfully in agribusiness.
- (iii) **Component 3: Knowledge-sharing, policy and advocacy** will scale out World Vision's evidence-based package of approaches, which will be communicated via knowledge-sharing, policy, and advocacy pathways. World Vision will work closely with stakeholders to shape the approaches and interventions according to their contextual realities; with a view to gradually increasing buy-in, adjusting for feasibility, and increasing the likelihood of future scale up.

### III. Expected outcomes/outputs

13. MERMAID aims to produce the following outcomes and outputs:

- (i) **Outcome 1:** Key community influencers shift personal and societal preferences to favour healthy food options, and households have consistent access to affordable, culturally appropriate food.

Outputs: Information on potential local nutritious food options to increase food availability throughout the year is made available to stakeholders and communities in a format suited to their needs; behaviour change strategies to improve nutrition are developed by community members, including community influencers, women and youth; and through responsive nutrition- and agriculture-related service delivery, community members have the skills and resources needed to produce, process and consume a variety of nutrient-dense local foods.

- (ii) **Outcome 2:** Women and youth are empowered through an enabling environment, which encourages their participation in income generation, decision-making and agribusiness.

Outputs: Households and communities are aware of the importance of women and young people's roles in agriculture, income generation and decision-making; women and youth have the business skills and market linkages needed to plan and run a profitable agribusiness; and women and youth have the skills and access to services needed to more effectively manage their finances and save for short- and long-term goals.

- (iii) **Outcome 3:** Decision makers and key stakeholders play active roles in shaping a package of scalable, evidence-based approaches for improving rural incomes and nutrition.

Outputs: Decision makers, key stakeholders and communities are actively engaged in regular learning and knowledge exchanges about scalable approaches to improving local incomes and nutrition.

### IV. Implementation arrangements

- 14. Selected through an open, competitive call completed in October 2019, World Vision New Zealand (WVNZ) will provide high-level budget management, and financial and progress reporting. An implementation agreement will be instituted between WVNZ and the Alliance of Bioversity International and the International Center for Tropical Agriculture (CIAT) (Alliance). Alliance will be the subrecipient responsible for the provision of scientific expertise, the design and oversight of the baseline, and monitoring, and endline evaluation. WVNZ will ensure procedures are in place for results-based, responsive and adaptive management through monitoring, evaluation, accountability and learning, and for detailed implementation planning.

15. MERMAID will have a duration of 36 months. The design of implementation arrangements takes into account the current and likely ongoing restrictions resulting from COVID-19 pandemic. World Vision Vanuatu and World Vision Solomon Islands will be responsible for local implementation within their respective countries in adherence to COVID-19 protocols. Technical assistance from Alliance will be provided remotely, while the WVNZ's chief technical adviser will be based in Vanuatu. A programme steering committee (comprised of representatives from each partner and Government) will provide oversight and manage any challenges with stakeholders and partners, ensuring that all relevant voices are considered throughout implementation.
16. Key knowledge products (including a nutrition assessment, gender-sensitive market analysis, and baseline and endline studies) will be disseminated widely. To best position programme results for scaling and sustainability, MERMAID will use a multi-stakeholder, participatory approach that ensures that the development and refinement of interventions involve communities, key decision makers and influential stakeholders, including women and youth.
17. There are no deviations from standard IFAD procedures for financial reporting and audits.

## V. Indicative programme costs and financing

18. IFAD's grant support to MERMAID amounts to US\$2.5 million, with cofinancing of US\$310,000 in cash and US\$10,000 in-kind contribution from WVNZ. The budget takes in consideration the value-for-money drivers: cost, efficiency and quality. The cofinancing will support staffing costs, ensuring that the highest level of technical expertise and programme management is provided. In-kind contributions will include 10 tablets for data collection costing US\$10,000. The programme will leverage existing resources that have been developed and tested in a Melanesian context such as the "Ademap Kala Kits" and media campaign, the Pacific Timor-Leste – Resilient and Inclusive Social Enterprises Model, and Savings for Transformation and will build on existing research done by Bioversity and CIAT. Table 1 presents the costs by component financier and table 2 shows costs by expenditure category and financier

Table 1

### Costs by component and financier

(United States dollars)

<i>Components</i>	<i>IFAD</i>	<i>WVNZ &amp; Bioversity/CIAT Alliance</i>	<i>Total</i>
1. Demonstrating responsive service delivery for rural communities	470 408	36 500	506 908
2. Innovations for investing in women and youth	888 275	36 500	924 775
3. Knowledge-sharing, policy and advocacy	747 626	46 500	794 126
4. Programme management	393 691	190 500	584 191
<b>Total</b>	<b>2 500 000</b>	<b>310 000</b>	<b>2 810 000</b>

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

<i>Expenditure category</i>	<i>IFAD</i>	<i>WVNZ &amp; Biodiversity/CIAT Alliance</i>	<i>Total</i>
Consultancies	335	146	481
Goods, services and inputs (including equipment and materials)	121	10	131
Training	128	-	128
Travel and allowances	421	32	453
Workshops	123	-	123
Subgrants	250	-	250
Operating costs	226	32	258
Salaries and allowances	711	90	801
Overheads/management fees/indirect cost recovery	185	-	185
<b>Total</b>	<b>2 500</b>	<b>310</b>	<b>2 810</b>

## VI. Recommendation

19. 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 Melanesia Rural Market and Innovation-driven Development Programme, shall provide a grant of two million five hundred thousand United States dollars (US\$2,500,000) to the World Vision New Zealand 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

	Objectives hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
<b>Goal</b>	Reduced rural poverty, improved nutrition, sustainable agriculture, and empowered women and youth	<ul style="list-style-type: none"> <li>• SDG 1, 2, and 5.</li> <li>• Proportion of women (15-49 years) meeting minimum diet diversity for women (target: 50%)</li> </ul>	<ul style="list-style-type: none"> <li>• National SDG reporting</li> <li>• Surveys (baseline, monitoring, evaluation and endline)</li> </ul>	Successful approaches for increasing consumption of local/nutritious foods and improved rural incomes can be scaled to other communities & contexts.
<b>Objectives</b>	Establish scalable models for increased consumption of local and nutritious foods, and improved rural incomes in 18 targeted communities	<ul style="list-style-type: none"> <li>• Decrease in proportion of women ages 15-49 regularly consuming ultra-processed sentinel food groups (target: 40% reduction from baseline figure)</li> <li>• % of children aged 6-23 months who received food from at least 4 out of 7 food groups during the previous day (target: 50%)</li> <li>• Proportion of women and youth-led agribusinesses meeting revenue targets (target: 50%)</li> </ul>	<ul style="list-style-type: none"> <li>• Surveys (baseline, monitoring, evaluation and endline)</li> <li>• UNICEF MICS surveys</li> <li>• Direct testimony at meetings, events, public remarks</li> <li>• Focus group discussions</li> </ul>	<ul style="list-style-type: none"> <li>• Women and youth are fulfilling their potential as income earners,</li> <li>• There is support for scalable, evidence-based approaches to sustainable agricultural development.</li> </ul>
<b>Outcomes/ Outputs</b>	<ul style="list-style-type: none"> <li>• Shift in personal and societal preferences towards healthy food options.</li> <li>• Greater and more consistent access to and consumption of affordable, appropriate, nutritious foods</li> <li>• Women and youth are participating in income generation, decision-making and agribusiness</li> <li>• Women and youth have increased access to resources needed for agribusiness, including land, seeds, machinery, equipment, financial services and technical expertise.</li> <li>• Decision-makers and key stakeholders actively working to improve rural incomes and nutrition</li> </ul>	<ul style="list-style-type: none"> <li>• &gt;50% of parents and caregivers applying knowledge of nutritional practices at home</li> <li>• 90 community members participate in the design and delivery of nutrition trainings</li> <li>• Number of nutritious fruit and vegetable species available in communities</li> <li>• &gt;50% of women and youth who report participating in income generation decisions</li> <li>• &gt;50% of small business owners who report applying new competencies in developing or managing business activities</li> <li>• &gt;50% of women and youth with the means to save money</li> <li>• 18 communities receiving information on ways to improve seasonal food availability</li> </ul>	<ul style="list-style-type: none"> <li>• Surveys (baseline, monitoring, evaluation and endline)</li> <li>• Community reports</li> <li>• Nutrition monitoring studies</li> <li>• Seasonal food availability assessment reports</li> <li>• Seasonal food availability calendars developed</li> </ul>	<ul style="list-style-type: none"> <li>• There is a preference for convenient, cheaper, unhealthy food options.</li> <li>• There is limited and inconsistent access to affordable, culturally appropriate, nutritious foods.</li> <li>• There is limited or no access to information on nutritious food options that could increase food availability throughout the year.</li> <li>• Community-led strategies will be a more effective than external interventions to promote necessary behaviour change</li> </ul>
<b>Key activities Component 1: Demonstrating responsive service delivery</b>	<ul style="list-style-type: none"> <li>• Activity 1.1: Community agreements reached</li> <li>• Activity 1.2 Mapping locally available nutritious foods by season,</li> <li>• Activity 1.3 Develop nutrition behaviour change strategies</li> </ul>	<ul style="list-style-type: none"> <li>• 18 community agreements articulating support for programme activities.</li> <li>• Seasonal food availability documented</li> <li>• Up to 10 foods high in nutritional value (superfoods) identified and promoted</li> </ul>	<ul style="list-style-type: none"> <li>• Confirmation of endorsement of community plan or agreement</li> <li>• Study reports :</li> </ul>	<ul style="list-style-type: none"> <li>• Community agreements are important for long-term engagement.</li> <li>• Community groups will be receptive to leading nutrition-related behaviour change activities.</li> </ul>

	Objectives hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
<b>for rural communities</b>	<ul style="list-style-type: none"> <li>• Activity 1.4: Improve farming practices</li> <li>• Activity 1.5 Link to complementary activities</li> </ul>	<ul style="list-style-type: none"> <li>• 18 community seasonal food calendars designed</li> <li>• 18 community plans incorporating nutrition behaviour-change messaging</li> </ul>	<ul style="list-style-type: none"> <li>• Programme publications including food calendar and information on superfoods</li> <li>• Community reports</li> </ul>	
<b>Component 2: Innovations for investing in rural women and youth</b>	<ul style="list-style-type: none"> <li>• Activity 2.1: Market analysis to identify agribusiness opportunities</li> <li>• Activity 2.2 Empower women &amp; youth with appropriate agribusiness skills</li> <li>• Activity 2.3 Strengthen household support for women and youth in agribusiness</li> <li>• Activity 2.4 Facilitate agricultural competitions, cultural activities and exposure visits</li> <li>• Activity 2.5 Financial literacy, savings and leadership training.</li> <li>• Activity 2.6 Agribusiness management and technical skills training.</li> <li>• Activity 2.7 Market linkages and business relationship training</li> <li>• Activity 2.8 Grants for productive assets</li> </ul>	<ul style="list-style-type: none"> <li>• &gt;9 agribusiness opportunities documented</li> <li>• Agribusiness skills training materials, including facilitator manual and participant worksheets.</li> <li>• 90 training sessions conducted.</li> <li>• 540 participants at capacity-building sessions, market linkage events, competitions, and exposure visits.</li> <li>• 18 savings and loan groups established and/or strengthened</li> <li>• 36 groups provided with training.</li> <li>• &gt;50% of women and youth meeting the eligibility requirements for small grants for agribusiness.</li> </ul>	<ul style="list-style-type: none"> <li>• Market analysis report</li> <li>• Training attendance records</li> <li>• Training reports</li> <li>• Training materials</li> <li>• Event records and attendance sheets</li> <li>• Savings and loan group constitution and documents</li> <li>• Small grants scheme eligibility criteria and applications</li> </ul>	<ul style="list-style-type: none"> <li>• There are untapped opportunities for agribusiness-related income generation in target communities.</li> <li>• The training, capacity building, market linkages, and events will be effective tools to empower women and youth and improve agriculture and nutrition.</li> </ul>
<b>Component 3: Knowledge sharing and policy advocacy</b>	<ul style="list-style-type: none"> <li>• Activity 3.1 Conduct baseline, midline, endline and ongoing monitoring activities.</li> <li>• Activity 3.2 Execute policy and strategy</li> <li>• Activity 3.3 Regional information and knowledge sharing</li> </ul>	<ul style="list-style-type: none"> <li>• Impact reports completed.</li> <li>• 2 country policy and advocacy strategies</li> <li>• No. of remote learning partnerships/ networks.</li> <li>• No. of advocacy and engagement activities.</li> <li>• Scalable, evidence-based approaches for improving rural incomes and nutrition documented and shared through innovative and cost effective platforms.</li> </ul>	<ul style="list-style-type: none"> <li>• Impact study reports.</li> <li>• Partnership mapping lists</li> <li>• Stakeholder reports</li> <li>• Activity event reports.</li> <li>• Policy briefs</li> <li>• Business case for scale up of activities.</li> </ul>	<ul style="list-style-type: none"> <li>• Regional partners will see the value of linkages with MERMAID.</li> <li>• Robust learning partnerships and regional exchange of information will lead to long-term sustainability of programme approaches.</li> </ul>