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Investing in rural people

President's report

Proposed grant under the global/regional window to

ICCO Cooperation for the

Rural4YoungPeople Programme

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.

I. Background and compliance with IFAD Policy for Grant Financing

1. Rural youth face greater inequalities and situations of exclusion than their urban counterparts. These challenges are especially pronounced for Afro-descendant and indigenous communities and young people. The informality of the labour market and the lack of opportunities drive their migration to large cities, which seldom offer better opportunities due to a lack of skills and training on the part of rural youth, and rising unemployment in Latin America in general. The proposed programme is designed to connect rural youth with local food producers and the gastronomy and hospitality industries, opening up employment and entrepreneurship opportunities in different contexts.
2. The programme is in line with the goal and objectives of the IFAD Policy for Grant Financing (2015)¹ and with the strategic guidance note for IFAD grants 2019-2021 (priority area: opportunities for youth). The grant is aimed at promoting economic opportunities for rural youth by developing their capacities to generate income and obtain decent jobs.
3. The recipient was identified through a competitive selection at the design stage. The selection criteria were: technical content, value for money and institutional capacity. ICCO Cooperation is an international NGO operating in 36 countries with wide experience in the promotion of sustainable agricultural systems.

II. The proposed programme

4. The overall goal of the programme is to promote employment for youth and improve the nutrition levels of this social group and their environments by strengthening rural-urban links with the gastronomy and hospitality sectors. The objective is to support the economic empowerment of youth and rural-urban integration by developing technical and social skills to promote good nutrition; creating decent jobs; and establishing sustainable companies in the gastronomy and hospitality sectors.
5. The programme is based on the "Manq'a model" – a complementary intervention with cookery schools as the core activity – which is designed to support poor farmers and excluded rural youth, and to address obesity issues among poor young people.
6. The programme has four secondary objectives:
 - (i) To promote the management and development of nutritional knowledge and local production through the strengthening of information and communication technologies and their use as key tools for linking young people in rural and semi-urban areas.
 - (ii) To enhance rural and semi-urban young people's training and skills in the fields of gastronomy, hospitality and tourism to promote the reconstruction of the social fabric in their areas, as well as employability and self-employment opportunities.

¹ See document EB 2015/114/R.2/Rev.1.

- (iii) To promote opportunities and initiatives with added value in nutrition, agriculture, agritourism and gastronomy to create a socio-economic nexus and positive interaction between rural, semi-urban and urban areas.
 - (iv) To influence the public agenda and generate public policies by showcasing the benefits of involving urban and rural youth in a sustainable territorial development model linked to nutrition, production, local agrifood processing and tourism and hospitality.
7. The target group will be composed of 4,800 young people in the Plurinational State of Bolivia, Colombia and Honduras, of Afro-descent or indigenous origin, who have low incomes and live in rural and semi-urban areas. Of these 4,800 young people, 70 per cent are women and all of them are in the 16-35 age range.
 8. The programme will be implemented over 26 months and will have the following components: (i) increased knowledge of the use of gastronomy for rural development; (ii) tourism, food and gastronomy with identity; (iii) rural entrepreneurs for young people: business models and financial services; (iv) development of the Rural4YoungPeople model: learning, innovation and communication; and (v) programme management.
 9. The main activities per component are:

Component 1

- 1.1 Training in networks, platforms, applications and service technologies
- 1.2 Design and launch of online systems linked to the demand for services and products
- 1.3 Development and/or strengthening of technological ventures or start-ups initiated by young people
- 1.4 Information dissemination, training and knowledge exchange between young people

Component 2

- 2.1 Training based on the Manq'a model for use in the gastronomy, tourism and hospitality sectors
- 2.2 Strengthening of the Manq'a schools that already exist in the Plurinational State of Bolivia and Colombia and the creation of new schools

Component 3

- 3.1 Entrepreneurship and business mentoring of young people in developing and implementing business plans
- 3.2 Development and implementation of a rural-urban integration strategy for enterprises
- 3.3 Seed capital competitions for entrepreneurs
- 3.4 Promotion of alliances with the private sector (banks) for specific low-interest loans

Component 4

- 4.1 Systematization and monitoring of lessons learned and innovations
- 4.2 Development of a communication strategy to publicize the Manq'a model
- 4.3 Publication and dissemination of lessons learned, good practices and achievements
- 4.4 Organization of seminars

III. Expected outcomes

10. The main expected outcomes per component are:
 - (i) **Outcome 1:** 1,050 direct programme beneficiaries trained in knowledge-sharing and in the use and development of technological resources that allow them to access data and information on healthy nutrition, territorial productivity, commercialization and policy dialogue.
 - (ii) **Outcome 2:** 2,230 direct programme beneficiaries have better livelihood opportunities after participating in a comprehensive training programme and obtaining soft skills in the following sectors: gastronomy, with a focus on the valorization of local production and nutritious, healthy and sustainable diets; and hospitality, with a focus on urban-rural integration for entering the labour market.
 - (iii) **Outcome 3:** 446 young direct beneficiaries of the programme increase their income by 20 per cent through the offer of their services in their territories, improving their link with other rural-urban public and private actors to join a model of comprehensive entrepreneurship training.
 - (iv) **Outcome 4:** The intervention models and their applied methodologies have been systematized for replication and scaling up at a broader level by IFAD and through public and private sector initiatives.

IV. Implementation arrangements

11. The programme will be implemented by ICCO Cooperation from its office in the Plurinational State of Bolivia under the provisions set forth in the grant financing agreement. ICCO Cooperation will sign subsidiary agreements with implementing partners, namely: the Mennonite Social Action Committee in Honduras; El Lab and the Fundación Pequeño Trabajador in Colombia; and the Gastronomic Integration Movement and MANQ'A SOS in the Plurinational State of Bolivia. Subsidiary agreements for an amount exceeding US\$100,000 or equivalent will be subject to IFAD's prior no objection.
12. A management committee – in which IFAD will participate as observer – will be set up with the implementing partners and will meet twice yearly. ICCO Cooperation will have sole responsibility for ensuring adequate accounting of programme finance, internal controls, effective implementation and reporting, as well as any other responsibilities stipulated in the financing agreement.
13. ICCO Cooperation will prepare annual workplans and budgets (AWP/Bs) to be approved by the management committee and cleared by IFAD. Disbursement requests will be based on these AWP/Bs.
14. The programme entails no deviations from the standard procedures for financial reporting and audit. ICCO Cooperation will follow IFAD's Project Procurement Guidelines.

V. Indicative programme costs and financing

15. The programme will be financed by: (i) an IFAD grant of US\$1.5 million (63.3 per cent); and (ii) cofinancing from ICCO Cooperation and implementing partners, of which US\$0.64 million (27.2 per cent) is provided in cash and approximately US\$0.22 million (9.5 per cent) is provided in kind.

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

<i>Component</i>	<i>IFAD grant</i>		<i>Cofinancing in cash*</i>		<i>Cofinancing in kind**</i>		<i>Total</i>
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>
1. Increased knowledge of the use of gastronomy for rural development	168	11	20	3	1	0	189
2. Tourism, food and gastronomy with identity	814	54	457	71	170	76	1 440
3. Rural entrepreneurship for young people: business models and financial services	159	11	90	14	2	1	251
4. Development of the Rural4YoungPeople model: learning, innovation and communication	60	4	35	6	2	1	96
5. Programme management	300	20	44	6	50	22	394
Total	1 500	63	645	27	224	9	2 369

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

<i>Expenditure category</i>	<i>IFAD grant</i>		<i>Cofinancing In cash*</i>		<i>Cofinancing in kind**</i>		<i>Total</i>
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>
1. Salaries and allowances	283	19	86	13	50	22	419
2. Consultancies	268	18	111	18	3	1	382
3. Travel and allowances	28	2	2	0	-	-	30
4. Goods, services and inputs	148	10	36	6	5	2	189
5. Training	605	40	383	59	162	72	1 150
6. Workshops	41	3	9	1	5	2	55
7. Operating costs	15	1	18	3	-	-	34
8. Management fees	111	7	-	-	-	-	111
Total	1 500	63	645	27	224	9	2 369

* The in-cash cofinancing is composed of the contributions of ICCO (US\$473,682) and MANQ'A SOS (US\$171,551).

** The in-kind cofinancing is composed of the contributions of ICCO (US\$55,920), MANQ'A SOS (US\$159,500) and the Mennonite Social Action Committee (US\$8,800).

VI. Recommendation

16. 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 Rural4YoungPeople Programme, shall provide a grant of one million five hundred thousand United States dollars (US\$1,500,000) to ICCO Cooperation for a twenty-six month programme 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
Goal	Promote the youth economic empowerment and the rural-urban integration by developing technical and social skills aimed at good nutrition, creating jobs with favorable working conditions and creating sustainable businesses in the gastronomy and hospitality sectors	4,800 young people (3,360 women and 1,440 men) from Bolivia, Colombia and Honduras have greater capacities and opportunities for access to the labour market, self-employment and adequate nutrition, taking advantage of territorial productive resources and the development of rural-urban links	Grant Completion Report	
Objectives	<p>O1: Promote the management and development of nutritional knowledge and local production for employability and self-employment</p> <p>O2: Strengthen the training and skills of young people in the fields of gastronomy, hospitality and tourism</p> <p>O3: Promote, implement and strengthen opportunities and initiatives in the territories with added value in nutrition, agriculture, agrotourism and gastronomy</p> <p>O4: Influence the public agenda.</p>	<p>2,230 young people trained in the gastronomy and tourism sectors (1,900 in the first field and 330 in the second)</p> <p>1,520 of direct beneficiaries trained in healthy and sustainable nutrition valuing local production</p> <p>2,230 young people trained in entrepreneurship, business management, marketing and soft skills.</p> <p>300 young people start their gastronomic or hospital business and receive mentoring or coaching in entrepreneurship development.</p> <p>4,800 people change their perception of the development potential of the rural area and the negative association of this area with poverty and its limitations.</p>	<p>Lists of assistance to training spaces</p> <p>Documents of agreements reached with the public and private sector to promote the replication of the Model.</p> <p>Labor contracts or commitments with trained human resources related to their labor insertion.</p>	<p>There is a favorable regulatory framework in the three countries to promote programs and models of social and labor inclusion of young people linked to entrepreneurship.</p> <p>There is a regulatory framework that promotes the right to food security.</p> <p>There is a previous work accumulated from MANQ 'A to promote integral models of training, capacity building and labor insertion of young people.</p>
Outcomes/ Outputs	Outcome 1: Young people that are direct beneficiaries of the Project trained in knowledge, use and development of technological resources	1,050 young people show the advantages of a nutritional diet and use technology to know their territory and the resources it offers to link to rural and urban markets.	<p>Constitution documents of new entrepreneurships.</p> <p>Bi-annual and annual reports of ICCO and its partners on</p>	Opening and commitment of public and private sector instances that promote enterprises to include young people in their employment programs.

	Objectives hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
	<p>Outcome 2: Young people have better life opportunities after participating in a comprehensive training program.</p> <p>Outcome 3: Young people increase their income by 20% through the offer of their services in their territories.</p> <p>Outcome 4: The intervention model has been systematized for their socialization and replication comprehensive entrepreneurship training</p>	<p>2,230 young people trained in gastronomy (1,900), hospitality and tourism (330)</p> <p>446 young people inserted in the labor market in fair conditions</p> <p>2.000 people informed about the progress in the implementation of the model and their achievements.</p>	<p>management progress, monitoring and follow-up to the process</p>	<p>Local and national authorities interested in promoting the replica of the Model.</p> <p>Easy access to the internet in the towns where the Project will be developed to facilitate the development of technological training.</p>
2	Key activities by component	<p>10 improved and/or implemented gastronomic schools.</p> <p>50 alliances established with private and public sectors.</p> <p>2.230 young people trained and/or strengthened in entrepreneurship and business management, marketing and soft skills development.</p> <p>At least 300 young people start their gastronomic or hospitality business and receive mentoring or coaching in entrepreneurship development.</p> <p>5 socialization seminars with public and private institutions to mobilize the conditions of replication of the model in other geographical spaces.</p>	<p>Lists of attendance at exchange meetings between young people.</p> <p>Semiannual and annual reports of ICCO and its partners on management progress, monitoring and follow-up to the process.</p> <p>Articles and news published and disseminated regarding the dissemination of the Model and its promotion from young people</p> <p>Documents of agreements reached to encourage the replication of models</p>	