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President's report

Proposed grant under the global/regional window to

Development Gateway for

Digital Advisory Support Services for Accelerated Rural Transformation

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. Smallholder farmers face several challenges, which hinder their productivity and resilience. They absorb greater financial risk due to poor infrastructure, lack of markets, low availability of localized information systems, inefficient input and service markets, weak institutions and regulatory frameworks. Smallholder farmers are also disproportionately impacted by climate change and demographic changes from urbanization and conflict, which limits their ability to contribute to global food security or their own economic resilience.
2. Smart investments in rural smallholder agriculture have tremendous potential to generate solutions to these challenges, contributing not only to global food security, but also to equitable economic development outcomes. Information and communication technologies for development (ICT4D) in agriculture can improve poor rural people's productive capacities, increase the benefits they receive from market participation, expand financial inclusion and strengthen their environmental sustainability and resilience to climate change. The COVID-19 pandemic has underscored the need for greater digitalization. Digital financial services have been proven to increase smallholders' incomes by 18 per cent on average, and productivity by between 25 per cent and 50 per cent.¹ Digital tools have also proven effective in helping to increase producers' financial inclusion, particularly among financially excluded ("unbanked") women and other vulnerable groups.
3. Despite a willingness to pilot and scale up the use of ICT4D solutions, many governments are not fully leveraging ICT4D to support smallholder farmers. Rural institutions also need ICT tools and capacities that benefit smallholder farmers – especially women and youth – in order to close the growing rural-urban digital divide. Despite countless ICT4D solutions, there is a lack of understanding of how to choose the right solutions that address the challenges smallholder farmers face, including women and youth. To promote the equitable and ethical use of digital tools within agricultural development projects, and build the capacity of country partners for the digital transformation of agriculture, this grant for Digital Advisory Support Services for Accelerated Rural Transformation (DAS) will provide dedicated support in East and Southern Africa, West and Central Africa, and the Near East and North Africa. Despite the focus on the three regions, lessons learned from implementation will support the scaling up of solutions in the Asia and the Pacific, and Latin America and the Caribbean regions.
4. The grant is aligned with the Twelfth Replenishment of IFAD's Resources (IFAD12) (2022–2024), in which IFAD has committed to integrate ICT4D, digital agriculture and behavioural approaches into its programme of work. The grant also aligns with IFAD's mainstreaming commitments – addressing the digital divide by focusing on women and youth and last-mile adoption of frontier technologies and proven solutions. In alignment with the Rural Youth Action Plan (2019–2021), the project will facilitate the adoption of digital tools and approaches that emphasize youth. In addition, IFAD's first ICT4D Strategy (2020–2030) aims to leverage ICT to increase development impact and improve the economic and social conditions of rural people through enhanced agricultural productivity, greater benefits from market participation and strengthened household resilience.

¹ United States Agency for International Development impact database; Bill & Melinda Gates Foundation impact analysis.

5. The grant is in line with the IFAD Policy for Grant Financing (2015)² and adheres to the grant financing procedures (2018)³ and Regular Grants Policy.⁴ It is also aligned with the IFAD Strategic Framework (2016–2025) and will contribute to the achievement of corporate goals, objectives and outcomes – especially those aimed at strengthening rural people’s productive capacities, market participation and sustainability. The project will specifically contribute to: implementation of the ICT4D strategic action plan; (i) scaling up of ICT4D solutions; (ii) strengthening ICT4D partnerships; (iii) enhancing ICT4D knowledge management and sharing; and (iv) building internal ICT4D awareness, capacity and leadership. In addition, the grant will support the acceleration of ICT4D implementation, with a focus on access to markets and inclusive financial services.
6. The grant recipient and lead agency, Development Gateway, was identified through a competitive open call for proposals, which adhered to IFAD’s process for competitive selection of grant recipients

II. The proposed project

7. The overall goal of the proposed project is to improve the living standards of poor rural people, especially women and youth. The overall objective is to increase the incomes of smallholder farming households and strengthen their resilience through improved access to information, markets and inclusive financial services. This will be achieved through: (i) providing support to IFAD Member States towards ecosystem assessment and mapping for country strategies and development plans in order to support the integration of digital solutions into new and ongoing projects; (ii) building capacity and awareness of ICT4D within IFAD Member States and projects; and (iii) strengthening learning and knowledge management among IFAD Member States and projects through demand-driven support with deploying expertise.
8. Incorporating digital priorities into new country strategies, development plans and programmes, and scaling up existing activities are critical components of this grant. The grant will leverage Development Gateway’s Custom Assessment and Landscaping Methodology (CALM)⁵ to understand digital ecosystems and end-user needs. Through the project, priorities for targeted digital investment (such as strengthening government analytical capacity, piloting and scaling e-marketing platforms, precision agriculture techniques and enabling mobile payments) will be coupled with the use of ICT4D to maximize efficiencies in IFAD’s core programming (including through mobile data collection and geographic targeting using remote sensing data).
9. The project will provide advice to Member States on scalability and exit strategies. This will ensure the sustainable application of ICT4D and assist country teams in country-level collaboration and policy engagement to identify barriers and opportunities for integrating digital agriculture.
10. Direct target groups include: project management units of IFAD-supported projects and other international organizations; staff of implementing agencies such as ministries of agriculture and environment; and other stakeholders supporting or overseeing ICT4D activities focused on agricultural production and rural development. Men and women – particularly young professionals – within these institutions will be targeted to ensure inclusive access.

² <https://webapps.ifad.org/members/eb/114/docs/EB-2015-114-R-2-Rev-1.pdf>.

³ <https://xdesk.ifad.org/sites/gag/corpgrantsec/2015%20Templates/Grant%20Financing%20Procedures%202019.pdf>.

⁴ [EB-2021-132-R-3.pdf](https://webapps.ifad.org/members/eb/2021/docs/EB-2021-132-R-3.pdf).

⁵ The CALM methodology focuses on accountability and maximizing learning priorities for government and development agencies, and on understanding the processes, stakeholders and data needed to make those decisions. For more information, see: <https://developmentgateway.org/casestudy/custom-assessment-landscaping-methodology-calm>.

11. A list of ongoing projects, projects in the design stage and country strategies has been compiled based on initial consultations in the three targeted regions and a review of ongoing operations. These projects were prioritized based on: their potential for increased uptake and scaled implementation of digital solutions; and the needs of governments, as identified through regional engagement. The aim is to ensure a strategic alignment and integration of ICT4D into country strategies and projects in order to draw lessons from these countries to support replication. The project will include other countries and projects based on evolving needs.

Table 1

Focus and target countries

<i>Type of Intervention</i>	<i>East and Southern Africa</i>	<i>West and Central Africa</i>	<i>Near East and North Africa</i>
Total projects	22 countries; 42 ongoing projects	24 countries; 45 ongoing projects	22 countries; 33 ongoing projects
Ongoing projects	Financial Access for Rural Markets, Smallholders and Enterprise Programme, Malawi Transforming Agriculture Through Diversification and Entrepreneurship Programme, Malawi	Joint Programme for the Sahel in Response to the Challenges of COVID-19, Conflict and Climate Change Youth Integrated Agriculture Incubation and Digital Rural Finance Services, Rwanda and Nigeria Agri Fin Project – Climate Mitigation and Adaptation and Digital Services, Nigeria	Atlas Mountains Rural Development Project, Morocco Taza Mountain Integrated Rural Development Project for the pre-Rif Region, Morocco Rural Economic Growth and Employment Project, Jordan Uplands Rural Development Programme, Turkey Talent Retention for Rural Transformation Project, Republic of Moldova
New projects	Uganda and one country to be determined	Mali and Niger; others to be determined based on need	Bosnia and Herzegovina; Egypt; Kyrgyzstan; Lebanon; Morocco; Republic of Moldova; Tajikistan; Turkey Uzbekistan; Yemen
Country strategies and development plans	Botswana; Eswatini; Malawi; Namibia	To be determined based on need	Turkey; others to be determined based on need

12. The project will support a minimum of nine ongoing and nine new projects by providing expertise in integrating digital technologies into ongoing projects, and leveraging the ICT4D ecosystem to create resources that will help governments to design and select viable solutions.
13. Indirectly, the project will assist smallholder farmers, including youth and women, in accessing digital solutions for improved access to markets and financial services. The grant aims to support activities that will collectively reach approximately 650,000 smallholder farmers.
14. Through capacity-building activities, the project will directly reach nearly 500 individuals through a training-of-trainers approach that includes in-person and virtual training for three years. The training will target the staff of project management units, implementing partners, farmers' organizations and other rural institutions in selected Member States. This approach is expected to achieve a fourfold scale up to an additional 2,000 participants, who will access the training using virtual tools to be developed through the project. There will be a focus on ensuring the direct participation of women and youth in capacity-building and digital literacy training through rural institutions.

III. Expected outcomes/outputs

Key outcomes:

- Sustainable adoption and use of digital solutions for increased access to information, markets, and inclusive financial services;
- Strengthened capacities of target institutions to integrate digital solutions into their programmes for improved access to markets and inclusive financial services; and
- Enhanced knowledge and evidence for the sustainability of digital solutions.

Key outputs:

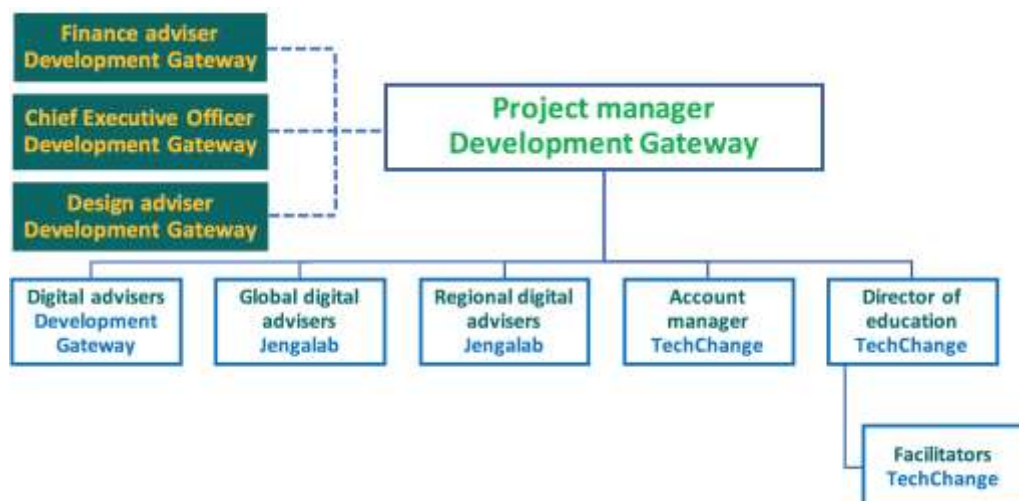
- New or existing IT approaches adopted and rolled out for improved market access, inclusive financial services and rural transformation;
- Capacity-building of IFAD's stakeholders, including project teams and government partners, through customized training and e-learning opportunities;
- Engagement in IFAD projects by local ICT4D innovators is strengthened;
- Knowledge management capacity is assessed and developed, including through training to address learning needs;
- Knowledge of industry best practices and lessons learned from the field are captured and disseminated through various channels, including at least two events per year focused on targeted stakeholders;
- Successful pilot initiatives scale up implementation of ICT4D interventions through knowledge-sharing, capacity-building and other activities, including South-South and Triangular Cooperation; and
- A microsite is designed and launched.

IV. Implementation arrangements

15. The grant recipient, Development Gateway, will sign a grant agreement with IFAD for project implementation. The recipient will act as the sole counterpart to IFAD, bearing all contractual and operational liabilities as defined in the grant agreement. The project manager will be IFAD's primary point of contact for all coordination, planning and administration. Development Gateway will enter into sub-agreements with its business partners, having already agreed with IFAD on the operational details. The DAS team will cover all priority geographic regions and three priority languages: English, French and Arabic.

Figure 1

Project operational structure



16. There are no deviations from the standard procedures for financial reporting and audit.

V. Indicative project costs and financing

17. The total project cost is US\$2,209,000, of which IFAD will contribute US\$1,997,000 and Development Gateway will contribute US\$212,000 as an in-kind contribution. A detailed budget breakdown by component and financier is included below.

Table 2
Costs by component and financier
(United States dollars)

<i>Component</i>	<i>IFAD</i>	<i>In-kind contribution</i>	<i>Total</i>
1. Ecosystem assessment and mapping for country strategies and development plans	1 062 000	113 000	1 175 000
2. Building capacity and awareness of ICT4D	603 000	44 000	647 000
3. Strengthening learning and knowledge management	184 000	39 000	223 000
4. Indirect costs	148 000	16 000	164 000
Total	1 997 000	212 000	2 209 000

Table 3
Costs by expenditure category and financier
(United States dollars)

<i>Component</i>	<i>IFAD</i>	<i>In-kind contribution</i>	<i>Total</i>
1. Salaries and allowances	289 000	83 000	372 000
2. Sub-grants	910 000	40 000	950 000
3. Consultancies	344 000	-	344 000
4. Travel and allowances	132 000	29 000	161 000
5. Workshop expenses	30 000	-	30 000
6. Goods, services, and inputs	12 000	44 000	56 000
7. Project management (including indirect costs)	280 000	16 000	296 000
Total	1 997 000	212 000	2 209 000

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, Digital Advisory Support Services for Accelerated Rural Transformation, shall provide a grant of one million nine hundred and ninety-seven thousand United States dollars (US\$1,997,000) to Development Gateway for a three-year project 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	Targets	Means of verification	Assumptions
Goal	Improved living standards of poor rural people, especially women and youth	Number of smallholder farmers reached with improved income and resilience	Increased income and asset distribution	<ul style="list-style-type: none"> - Baseline surveys - End line survey - End of project report - Technology admin data (number of users, types of users, benefits/information access) 	Enough beneficiaries interested and eligible to receive services promoted or supported by the grant
Objective	Improved income of smallholder families through improved access to markets and inclusive financial services	Number of smallholder farmers reached with improved access to markets and inclusive financial services	Indirectly, the grant will reach ~650,000 number of smallholder farmers, of whom at least 30% are (women and youth), through its direct support to projects that reach those smallholders	<ul style="list-style-type: none"> - Project mid-term review - Annual progress reports, workplans - Completion survey 	<p>High commitment and sense of ownership from relevant rural institutions, as well as individual officers, particularly, those in strategic positions, to engage in the process.</p> <p>International development partners are supportive and acknowledge the progress and updates.</p>

<p>Component 1: Outputs and Outcomes</p>	<p>1. Outcome. Sustainable adoption and use of digital solutions for Increased access to markets and inclusive financial services</p> <p>Outputs:</p> <p>1.1 New or existing IT applications/approaches adapted and rolled out targeting market access, inclusive financial services, rural transformation</p>	<p>1. (Number) Percentage of stakeholders reporting adoption of new/improved digital support packages</p> <p>1. 1 Number of solutions/approaches adapted and rolled out that can be used to targeting market access, inclusive financial services, rural transformation. Examples could include tools that register eligible farmers, seek approval for input support, and access digital payment systems.</p>	<p>160,000 persons in rural areas accessing financial services of whom at least 30% are (women and youth)</p> <p>50% of all projects supported report sustainable adoption of digital solutions</p> <p>Support 9 Country Strategies, 9 new designs, 9 ongoing projects</p>	<ul style="list-style-type: none"> - Project M&E records - Annual workplans - Quarterly Reports 	<p>Commitment and participation of target group and effective collaboration with strategic partners.</p>
<p>Key Activities by Component 1</p>	<ol style="list-style-type: none"> 1. Perform country diagnostic assessments identifying most promising opportunities for digitization 2. Macro assessments of digital capacities and strategies for country programmes in alignment with the key strategic objectives of the new COSOPs/CSNs 3. Review and advise country strategy documents and project design documents 4. Consultations with government counterparts, CSOs, donors, IFIs, and agriculture organizations 5. Support the development of ICT4D M&E and impact assessment frameworks across countries and programs 	<ol style="list-style-type: none"> 1. Number of country diagnostics developed 2. Number of macro assessments of digital capacities and strategies conducted 3. Number of country strategy documents/project design reviewed and supported 4. Number of consultations with government counterparts, relevant civil society and donor organizations, other agriculture, and smallholder farmer organizations, and IFIs, RBAs. 5. Number of ICT4D M&E and impact assessments frameworks across countries and programs supported 6. Number of agencies and PMU receiving 		<ul style="list-style-type: none"> - Project M&E records - Annual progress – reports workplans - Quarterly Reporting 	<p>Target Countries as well as government counterparts, CSOs, donors, IFIs, and agriculture organizations have time and buy-in to support DAS assessments and activities.</p>

	6. Provide on-demand expertise to support implementing agencies and PMUs for piloting and scaling up ICT4D related innovations/activities	on-demand expertise			
Component 2: Outputs and Outcomes	<p>1. Outcome. Strengthened capacities of target institutions to integrate digital solutions in their programmes for improved access to markets and inclusive financial services</p> <p>Outputs:</p> <p>1.1 Capacity building of IFAD stakeholders including project teams, relevant government partners etc. are built through customised training/e-learning opportunities.</p> <p>1.2 Increased engagement of IFAD programs with local innovators in ICT4D</p>	<p>1. % of stakeholder report increased capabilities to identify and implement digital solutions integrated with IFAD supported programmes</p> <p>2. % of stakeholders report increased Digital Capabilities solutions in targeted regions to integrate digital agriculture into Country Strategies and Programme designs</p> <p>1.1 Number of ICT4D capacity & learning needs assessments (gap analysis) conducted (Target :)</p> <p>Number of ICT4D remote training sessions organized</p> <p>1.2. Number of persons provided with remote training in ICT4D practices/ technologies on production or in other income-generating activities - Percentage of users with comprehension of digital advisory content</p>	<p>50% of participants have increased capacities</p> <p>18 trainings sessions</p> <p>500 direct participants</p> <p>>80% participants report effective engagement</p>	<ul style="list-style-type: none"> - Project M&E records - Annual progress reports workplans - post training surveys - Quarterly reporting 	<p>There are sufficient budget and procurement mechanisms within IFAD to integrate digital components in-country strategies and programmatic approaches.</p> <p>There is significant buy-in among IFAD senior leadership to integrate ICT4D into their country and program strategies.</p> <p>There is a healthy, competitive market of innovative partners and suppliers in each targeted locality.</p>

<p>Key Activities by Component 2</p>	<ol style="list-style-type: none"> 1. Review and build evidence on what ICT4D interventions are working 2. Provide 6+ trainings per year, reaching approximately 180 individuals annually 3. Interactive trainings, workshops to: PMUs, relevant implementation agencies (targeting at least 15-18) 4. Facilitate and coordinate partnerships with local experts 	<ol style="list-style-type: none"> 1. Stock take of what ICT4D interventions are working 2. Approach plan developed 3. Number of trainings provided, and individuals trained 4. Number of interactive training workshops delivered, with clear tracking of target PMU/projects 5. Number of programs receiving technical advice 6. Number of country program strategies supported 7. Number of project designs supported 		<ul style="list-style-type: none"> - Project M&E records - Annual workplans - Quarterly reporting - post training surveys - Other methods to TBD 	<p>Commitment and participation of target group and effective collaboration with strategic partners</p>
<p>Component 3: Outputs and Outcomes</p>	<p>Outcomes</p> <ol style="list-style-type: none"> 1. Enhanced knowledge and evidence base for effective uptake of digital solutions <p>Outputs.</p> <ol style="list-style-type: none"> 1.1 KM capacity assessment developed, including relevant training to address the learning needs 1.2 Relevant knowledge products building on industry best practices and lessons learned from the field are captured and disseminated through various channels, including at least 2 dissemination events organized per year focusing on relevant stakeholders. 1.2 Key results from pilots and scaled-up implementation of ICT4D interventions are effectively captured and integrated through knowledge, capacity building and implementation activities, including through SSTC. 2.1 Design and launch microsite 	<ol style="list-style-type: none"> 1. Number of participants adopting improved KM approaches and practices in their function 2. Frequency of use of knowledge products 3. Number of innovation platforms, learning alliances, CoPs or other multi-stakeholder platforms established (target = 3) <p>Outputs:</p> <ol style="list-style-type: none"> 1. Number of KM capacity & learning needs assessments (gap analysis) conducted 2. Approach plan developed 3. Number of KM training courses organized (satisfaction/effectiveness rate) 4. Number of events rolled-out at country level 5. Number of knowledge products generated (target = minimum of Online interoperable repository/microsite and portal established) 	<p>60% of participants adopt improved approaches</p> <p>600 downloads per year and 3,000 visits per year</p> <p>at least 5 pre-selected institutions per country included in the assessments</p> <p>at least 8 KM trainings; at least 160 participants; >=80% satisfaction</p> <p>At least 30 KPs produced and disseminated to 5,000 people</p> <p>6 dissemination events</p>	<ul style="list-style-type: none"> - Citations of IFAD knowledge products - Project M&E records - Annual workplans - Project KM assessments (method: systems analysis disaggregated by sub-theme, and country/region) - Project reports and evaluations - Online tracking tools - Survey on adaptation patterns/behavioural changes among target groups 	<p>Availability and dissemination of KPs, together with trainings and other activities, will lead to uptake and adoption of KPs</p> <p>DAS team will be able to determine the most relevant KPs to meet IFAD needs, through preliminary discussions at the start of the grant and ongoing engagement with IFAD country teams and ICT4D Team.</p>

<p>Key Activities by Sub-component</p>	<ol style="list-style-type: none"> 1. Develop KPs on: business models, ICT4D design & implementation guidelines, solution references 2. Development of a microsite where KPs and other digital content can be posted and freely accessed 3. Organize knowledge product dissemination events 4. Develop of M&E framework to monitor the implementation of DAS advisory services, in alignment with existing COSOP/CSN project results frameworks where applicable 	<ol style="list-style-type: none"> 1. number of KPs developed disaggregated by topic 2. number of visits to microsite per year 3. Number of dissemination events organized. <ol style="list-style-type: none"> 3.1 Number of participants at dissemination events 4. Develop M&E framework and plan 		<ul style="list-style-type: none"> - Project M&E records - Annual progress reports and workplans - Event registration trackers - Availability of microsite - Google Analytics on the microsite - Quarterly reports 	
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