



Investing in rural people

Executive Board

President's report on a proposed global grant to VentureWell for the Moonshots for Development (M4D) Open Innovation Challenge and Financing Facility Grant

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Action: The Executive Board is invited to approve the recommendation contained in paragraph 21.

Technical questions:

Gladys Herminia Morales Guevara
Senior Officer, Global Head of Innovation
Innovation Unit
e-mail: g.moralesguevara@ifad.org

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President's report on a proposed global grant to VentureWell for the Moonshots for Development (M4D) Open Innovation Challenge and Financing Facility Grant

I. Background and compliance with the IFAD Regular Grants Policy

1. The Moonshots for Development (M4D) Open Innovation Challenge and Financing Facility Grant, sponsored by IFAD's Office of Development Effectiveness (ODE) and managed by VentureWell, addresses critical rural development challenges by fostering transformative innovations. The grant, valued at US\$2,000,000, will receive additional in-kind contributions and parallel financing totalling US\$3.025 million, as detailed in tables 1 and 2 below.
2. The core purpose this grant aims to address is long-standing fragmentation and inefficiency in innovation efforts within the rural development sector. Institutions often operate in silos, leading to missed opportunities for collaboration and scaling transformative solutions. The M4D initiative leverages open innovation to address this issue by pooling knowledge, technical expertise and resources from multiple partners. Through collaboration, the aim is to develop, pilot and scale solutions that respond directly to the needs of rural communities, with a focus on pro-poor innovations. The grant will have a strong focus on low- and middle-income countries as well as small island developing states. Special emphasis will be placed on to regions facing fragile circumstances.¹
3. The proposed programme is in line with the goal and objectives of the IFAD Regular Grants Policy (2021), particularly strategic objective 1 (SO1), which emphasizes scaling impactful innovations through the programme of loans and grants (PoLG) to achieve sustainable rural transformation. This alignment extends to IFAD's country strategic opportunities programmes, ensuring that the innovations developed under the M4D challenge are responsive to key priorities identified in collaboration with national governments.
4. VentureWell, the recipient of the grant, was selected through a competitive procurement process, ensuring that the most capable partner was identified to deliver on the programme's objectives. VentureWell's extensive experience in scaling innovative solutions and its capacity to manage such large-scale programmes make it a suitable recipient for this grant.
5. Building on the success of phase 1 of the [M4D challenge \(2023/2024\)](#), where four innovations were successfully incubated, this second phase integrates lessons learned, particularly the need for better alignment between innovations and IFAD's PoLG. By embedding innovations directly within IFAD's operational projects, this programme ensures a stronger connection to real-world challenges, improving scalability and sustainability. This new phase strengthens cross-partner collaboration, knowledge-sharing and coordination, positioning IFAD and its partners to deliver impactful, scalable solutions to rural communities globally.

II. The proposed programme

6. The overall goal of the Moonshots for Development (M4D) Open Innovation Challenge and Financing Facility Grant is to identify, pilot and scale transformative innovations that enhance rural resilience and promote sustainable rural

¹ Fragility refers to climate change-related fragility, as well as institutional and sociopolitical fragility. Geographic targeting of fragile situations in component 1 will prioritize the West and Central Africa Division, as a co-sponsoring division. Divisional representatives will be closely engaged in the identification, testing and piloting of relevant innovations targeting areas affected by fragility.

development. The programme leverages an open innovation model to promote cross-partner collaboration to address challenges faced by smallholder farmers. Through collaboration and innovation, the initiative aims to improve livelihoods, agricultural productivity and climate resilience in vulnerable rural areas.

7. The target group for this programme will consist primarily of private sector innovators developing pro-poor solutions that can enhance rural resilience and promote rural development. The programme seeks to promote inclusivity by ensuring that 55 per cent of beneficiaries are women and 40 per cent are youth, in alignment with IFAD's priorities of gender equality and youth empowerment.
8. The programme will be implemented over two years and is structured as follows:
 - (a) **Component 1: M4D Open Innovation Challenge (phase II) implementation.** This component focuses on organizing and running the M4D Open Innovation Challenge, building on lessons from phase I (2023/2024), through the M4D Alliance, leveraging the multiplier effects of open innovation collaboration.
 - (b) **Component 2: M4D Open Innovation Financing Facility design.** While the innovation challenge (component 1) supports emerging solutions, the M4D Open Innovation Financing Facility systematically pilots and prepares both early start-ups and more mature solutions for integration into IFAD and M4D partner portfolios. By bridging this gap, the M4D Open Innovation Financing Facility prepares these innovations for full-scale implementation within the IFAD PoLG, M4D partners' programmes PoLGs and non-sovereign operations.
9. This structure ensures that the M4D grant not only identifies transformative innovations but also provides the necessary support for scaling and long-term sustainability, aligning with IFAD's strategic goals of rural transformation, inclusivity and resilience.

III. Expected outcomes/outputs

10. The programme is expected to produce the following outcomes/outputs:
 - (a) **Component 1:**
 - (i) **Outcomes.** This component will result in enhanced collaboration between M4D partners, innovators and country teams, ensuring that innovative solutions are identified, incubated, piloted and scaled to address rural challenges. This will effectively translate private sector innovations into scalable and sustainable solutions that address the needs of rural communities.
 - (ii) **Outputs include** the implementation of at least two global calls for innovations that engage a wide pool of innovators across IFAD-supported regions, resulting in the selection and piloting of up to 10 innovations. Moreover, select innovations focusing on agricultural productivity, climate resilience and gender inclusivity will be piloted in IFAD and M4D partner portfolios successfully, providing tangible solutions that can be scaled.
 - (b) **Component 2:**
 - (i) **Outcomes.** This component will address the critical gap between the incubation of early-stage ideas in the M4D Open Innovation Challenge and the need for their broader replication and scaling. This will establish a streamlined pathway for open innovation financing between development partners in the long term, enabling impact across diverse regions and contexts.

- (ii) **Outputs include** a comprehensive proposal for the design of a financing facility with clear governance structures, operational procedures and sustainability plans.

IV. Implementation arrangements

11. The IFAD sponsoring division will provide routine supervision, implementation support and oversight throughout the programme as needed. This will include playing a key role in setting strategic objectives, monitoring progress and ensuring that all activities are aligned with IFAD's policies and priorities. The sponsoring division will facilitate collaboration between IFAD, VentureWell and M4D partners, ensuring synergies during country-level pilots and potential integration into IFAD and M4D partner portfolios.
12. It is envisaged that a grant agreement will be signed between IFAD and VentureWell, which will act as the recipient of IFAD's funding and will serve as the sole and primary counterpart vis-à-vis IFAD, bearing full responsibility for the implementation of the M4D grant. Parallel financing (cash contributions) will be provided by the Asian Development Bank (ADB) and the innovation lab of the Inter-American Development Bank (IDB Lab) through bilateral agreements with the grant recipient(s).²
13. VentureWell will oversee implementation, coordinating with its internal financial and technical teams for routine monitoring and technical advice. Semi-annual reporting will take place, with VentureWell collecting and transmitting necessary information for planning, implementation and disbursement to IFAD. VentureWell will submit regular technical reports outlining key activities, fund usage and any issues encountered during implementation.
14. A detailed workplan, aligned with IFAD's recommendations for implementation, including dates of activities, sequencing and key milestones, will be prepared by VentureWell following contract signing. The workplan will be shared with relevant IFAD country offices to ensure alignment with country priorities and activities. VentureWell, as the sole implementer, will manage any fund reallocation and will consult with IFAD to finalize the programme budget and yearly budget allocations. The work programme will include activity costing, fund commitments, contracting and any budget revisions based on actual expenditure and progress.
15. The proposed grant will be implemented in full compliance with IFAD's financial management procedures and guidelines, including procurement, financial reporting and fund flow requirements.
16. There are no deviations from the standard procedures for financial reporting and audits. All processes will comply with IFAD's established financial guidelines and regulations to ensure transparency and accountability throughout the grant's lifecycle.

V. Indicative programme costs and financing

17. The overall budget for the M4D Grant is structured to ensure the efficient allocation of resources across various components and expense types. The total funding from IFAD's regular grant financing is US\$2,000,000, which is complemented by in-kind cofinancing from VentureWell (US\$400,000). Parallel financing (cash) by the ADB and IDB Lab amounting to US\$1,000,000 and US\$1,250,000, respectively. The European Institute of Innovation for Sustainability (EIIS) has confirmed parallel financing (in-kind contributions) of US\$374,722. This brings the total financing to US\$5,024,722.

² Due to the nature of internal procurement processes of ADB and IDB Lab, more than one grant recipient may be appointed to manage each entity's parallel financing.

18. The programme's direct beneficiaries are private sector innovators whose services and products are pro-poor innovations that can benefit rural development, while the indirect beneficiaries are rural smallholder farmers.
19. Salaries and allowances amount to US\$708,592 financed by IFAD, and in-kind contributions from VentureWell of US\$145,000. Consultant services amount to US\$110,000 from IFAD, with additional contributions from VentureWell totalling US\$60,000. Travel expenses are covered exclusively by IFAD, amounting to US\$39,600. Participant support costs, which include costs for capacity-building and stakeholder engagement activities total US\$175,000 and will be financed through VentureWell cofinancing. A significant portion of the budget is allocated to subgrants (component 1 challenge awards; item 5 in table 2 below), totalling US\$1,000,000 of IFAD financing and US\$20,000 in-kind contributions from VentureWell.
20. The main portion of parallel financing (cash contributions) from ADB and IDB Lab will also be allocated to finance subgrants (see table 2). The subgrants will finance selected start-ups supporting them to work on product development, which will include the design and development of proofs of concept (stage 1), minimum viable products (stage 2), the assessment of integration with programmes of loans and grants (stage 3) and broader scalability (stage 4).³ Parallel financing from the EIIS amounting to US\$374,722 (in-kind contributions), will finance consultant services and participant support costs.

Table 1

Costs by component and financier

(Thousands of United States dollars)

<i>Components</i>	<i>IFAD</i>	<i>VentureWell</i>	<i>EIIS*</i>	<i>ADB*</i>	<i>IDB Lab*</i>	<i>Total</i>
1. Component 1	1 530	295	364	900	1 125	4 214
2. Component 2	470	105	11	100	125	811
Total	2 000	400	375	1 000	1 250	5 025

* Parallel financing.

Table 2

Costs by expenditure category and financier

(Thousands of United States dollars)

<i>Expenditure category</i>	<i>IFAD</i>	<i>VentureWell</i>	<i>EIIS*</i>	<i>ADB*</i>	<i>IDB Lab*</i>	<i>Total</i>
1. Salaries and allowances	709	145	33	50	62	1 000
2. Consultant services	110	60	146			316
3. International travel	40	-				40
4. Participant support costs	-	175	111	180	226	691
5. Subgrants	1 000	20	85	690	862	2 657
6. Indirect costs (including administration fee)	141	-		80	100	321
Total	2 000	400	375	1 000	1 250	5 025

* Parallel financing.

³ Please note that this information is indicative as the design of the challenge in collaboration with the co-sponsoring agencies will be dependent on the approval of this grant by IFAD.

VI. Recommendation

21. I recommend that the Executive Board approve the proposed grant in terms of the following resolution:

RESOLVED: that the Fund, in order to partially finance the Moonshots for Development (M4D) Open Innovation Challenge and Financing Facility Grant, shall provide a grant of two million United States dollars (US\$2,000,000) to VentureWell for a period of two years, upon such terms and conditions as shall be substantially in accordance with those presented to the Executive Board herein.

Alvaro Lario
President

Results-based logical framework

Results hierarchy	Indicators			Means of verification			Assumptions
	Name	Baseline	End target	Source	Freq.	Response	
Goal	To transform rural development by leveraging a proven open innovation collaboration model, breaking down silos, and enabling the piloting and scaling of innovations. The goal is to scale transformative, pro-poor solutions addressing rural poverty, food insecurity, and climate vulnerability.	No structured mechanism within IFAD or peer IFIs to systematically collaborate in the long-term in piloting and scaling accelerated innovations across rural development contexts.	A collaborative mechanism established, enabling innovations piloted in 3-5 regions, scaled across IFAD programmes	Final impact assessments, government reports, IFAD country reports, M4D evaluations.	Mid-term and end-of-project.	Successful coordination between IFAD, M4D partners, and innovators ensures scalable, impactful outcomes.	Continued commitment from IFAD and M4D partners to open innovation entailing expertise and resource-sharing.
Development objective	To scale transformative innovations that address rural resilience, productivity, and sustainability through joint collaboration between IFAD and partner IFIs using an open innovation model. This approach will ensure innovations are embedded in real-world country projects and scaled collaboratively across rural development initiatives.	Independent short-term innovation accelerators exist within UN and IFIs, but they operate in silos without a joint, long-term collaboration framework for scaling rural innovations.	05-10 scalable innovations integrated into IFAD and M4D partner programmes, collaboratively piloted and scaled across multiple regions across the grant implementation period.	Pilot implementation reports, project evaluations, M4D partner reviews	Annually	Strong partnerships between IFAD and M4D partners enable real-world testing and scaling of innovations in rural contexts	Stakeholders actively contribute to scaling efforts, and projects maintain flexibility for contextual adaptation.
Outcomes: Component 1							
Outcome 1A: Challenges in rural development	Number of rural challenges identified via	No formal system to collaboratively identify and prioritize	5-10 rural challenges identified and consolidated	Stakeholder consultation reports, country team feedback.	Quarterly	Continuous engagement with local stakeholders and rural	Adequate participation and engagement from stakeholders in

Results hierarchy	Indicators			Means of verification			Assumptions
	Name	Baseline	End target	Source	Freq.	Response	
identified through open innovation model	stakeholder consultations.	rural development challenges.	into 01-02 key priorities for component 1, as well as for the action plan up to 2026 for Component 2.			communities ensures the relevance of challenges identified for the innovation process.	identifying relevant rural challenges.
Outcome 1B: High-potential innovators identified and supported through open innovation	Number of innovators selected for bootcamp and awarded seed funding	0	20-40	Innovation challenge application records,	Annually	Broad participation from diverse sectors with a high-quality pool of innovations ready for scaling.	The innovation call reaches a diverse and capable group of innovators from relevant sectors.
Outcome 1C: Scalable innovations developed and refined through mentorship and support	Number of prototypes refined; business models improved	0	15-20 prototypes refined and business models strengthened	Bootcamp session and evaluation reports, mentoring feedback, prototype development reviews	Post-Bootcamp	Effective mentoring and financial support contribute to successful prototype development, ensuring readiness for pilot implementation.	Innovators receive adequate mentorship, and innovations show potential for scalability in rural contexts.
Outputs: Component 1							
Output 1A.1: Key rural challenges identified for open innovation calls	Number of rural development challenges identified through stakeholder consultations	0	5-10 challenges consolidated and formalized	Stakeholder consultation reports, challenge documentation	Quarterly	Key rural development challenges align with the needs of smallholder farmers and rural communities, informing innovation calls.	Sufficient engagement from country teams and local stakeholders in the identification process.
Output 1A.2: Consolidation of rural development challenges from stakeholders	Number of rural challenges consolidated and mapped for innovation themes	No consolidated list of challenges	Challenges consolidated and mapped for thematic focus	Challenge mapping documents, stakeholder feedback	Quarterly	Consolidated challenges ensure relevant themes for innovation are aligned with the reality on the ground.	Sufficient diversity of input and consensus from stakeholders on rural challenges.

Results hierarchy	Indicators			Means of verification			Assumptions
	Name	Baseline	End target	Source	Freq.	Response	
Output 1B.1: Global open innovation call launched and promoted	Number of applications submitted globally from diverse sectors	0 applications	100-200 applications submitted globally from diverse innovators	Innovation challenge application reports, outreach campaign materials	Annually	Effective promotion of the innovation challenge ensures a broad and diverse range of applicants.	Global reach of promotional efforts results in sufficient high-quality applications.
Output 1B.2: Submission of innovative solutions aligned with rural challenges	Number of innovative solutions submitted that address identified rural challenges	0 solutions submitted	100-200 innovative solutions submitted globally	Innovation challenge application records, rural challenge alignment reports	Annually	Alignment between submitted solutions and real-world rural development challenges.	Effective outreach, ensuring that innovators understand and target rural challenges accurately.
Output 1C.1: Shortlist of innovators selected for bootcamp	Number of innovators shortlisted and awarded seed funding	0 innovators selected yet	20-40 innovators selected, 10-15 awarded seed funding, including at least 55% women- led enterprises, and at least 40% youth- led enterprises, for implementation in low and middle income countries	Bootcamp selection reports, innovation review panels	Annually	Sufficient diversity and innovation potential in shortlisted candidates ensures a robust pipeline of impactful solutions	Strong outreach and application review mechanisms ensure the best candidates are selected.
Output 1C.2: Development of prototypes and business models	Number of prototypes developed; number of business models refined during the bootcamp	0 prototypes developed	15-20 prototypes developed, business models refined	Bootcamp session reports, mentoring feedback, prototype development logs	End of Bootcamp	Prototype development and business model refinement ensures innovations are scalable.	Innovators have sufficient resources and mentorship to refine their prototypes and business models.
Output 1C.3: Promotional materials and informational webinars	Number of media kits and webinars conducted for the bootcamp	0 promotional materials or webinars	1 comprehensive media kit with a variety of	Media kit development reports, webinar attendance logs	Annually	Effective promotional materials ensure innovators are well-prepared for	Promotional efforts reach the right audience and provide clear guidance on bootcamp expectations.

Results hierarchy	Indicators			Means of verification			Assumptions
	Name	Baseline	End target	Source	Freq.	Response	
developed for bootcamp			communication options			bootcamp participation.	
Output 1D.1: Tailored mentorship and training programmes provided during the bootcamp	Number of mentoring sessions conducted, prototypes refined, business models improved	0 mentorship or business development support provided	10-15 mentorship and training sessions conducted	Mentorship session reports, training program feedback	Post-Bootcamp	Mentorship and business development training ensure innovations are scalable and adapted for rural environments.	Adequate resources and expertise provided by mentors to innovators.
Output 1D.2: Ongoing mentorship relationships between innovators and industry experts	Number of mentorship relationships established	0 formal mentorship provided	10-15 mentorship relationships established during bootcamp	Mentorship feedback forms, coaching reports	Post-Bootcamp	Continued mentorship after the bootcamp ensures long-term support for innovators.	Mentors and experts are available and capable of providing continued guidance to innovators.
Output 1E.1: Selection of top innovators for pilot implementation	Number of top innovators selected for pilot implementation	0 innovators selected for pilot implementation	50% of top innovators selected for pilot, including at least 55% women- led enterprises, and at least 40% youth- led enterprises, in low- middle; 100% for implementation in low and middle income countries, including at least 30% of pilots within SIDS and/or	Pilot selection reports, innovation evaluation panels	Post-Bootcamp	Selected innovators have high potential for real-world piloting	Strong alignment between innovators and IFAD/M4D partner projects for pilot testing

Results hierarchy	Indicators			Means of verification			Assumptions
	Name	Baseline	End target	Source	Freq.	Response	
			fragile situations ⁴ .				
Output 1E.2: Pilot implementation plans co-created with IFAD and local stakeholders	Number of pilot implementation plans developed	0 pilot plans developed	Detailed pilot plans co-created with local stakeholders and IFAD	Pilot plan documentation, stakeholder feedback reports	Post-selection	Pilot plans reflect local realities and align with IFAD's broader rural development strategies.	Local stakeholders are engaged and contribute meaningfully to the pilot planning process.
Output 1E.3: Funding awarded to top innovators for pilot implementation	Amount of funding awarded to top innovators for piloting	0 funding awarded for piloting	USD 50,000–100,000 awarded to top innovators for pilot implementation, including at least 55% women-led enterprises, and at least 40% youth-led enterprises, in low- middle	Funding allocation reports, financial disbursement logs	Post-selection	Sufficient funding supports effective pilot testing and implementation of innovations.	IFAD and partners allocate resources in a timely manner for pilot implementation.
Output 1F.1: Innovations piloted within IFAD and M4D partner portfolios	Number of pilots successfully implemented to develop lessons learnt for scaling in IFAD and partner PoLG	0 pilots implemented	50% of selected innovations piloted in IFAD/M4D partner portfolios	Pilot implementation reports, project evaluations	Annually	Pilots demonstrate the effectiveness and scalability of innovations in rural contexts.	Local context supports successful pilot implementation, and innovations are adapted to regional needs.
Output 1F.2: Assessments and adjustments made through	Number of stage-gate evaluations conducted	0 stage- gate evaluations conducted	Stage-gate evaluations conducted for 50% of pilots	Stage-gate evaluation reports, innovation feedback sessions	Annually	Stage-gate evaluations provide feedback for optimizing innovations during piloting.	Sufficient resources and expertise available for conducting stage-gate evaluations.

⁴ Fragility refers to both climate change related and sociopolitical fragility.

Results hierarchy	Indicators			Means of verification			Assumptions
	Name	Baseline	End target	Source	Freq.	Response	
stage-gate evaluations							
Output 1F.3: Knowledge management system developed to track pilot progress	Knowledge management system established for tracking pilot progress	0 knowledge management system in place	Comprehensive knowledge management system established	Knowledge management reports, system development documentation	Annually	Systematic knowledge capture ensures continuous learning from pilots and sharing of best practices.	Knowledge systems are effectively utilized, and stakeholders contribute to data capture and analysis.
Output 1F.4: Cross-partner collaboration and feedback loops established	Number of cross-partner collaboration networks and feedback loops developed	0 formal collaboration networks or feedback loops	Cross-partner collaboration networks established for pilot innovations	Feedback reports, collaboration session logs	Annually	Collaboration between partners ensures co-creation and scaling of successful innovations.	Partners remain engaged and provide timely feedback throughout the pilot implementation.
Output 1G.1: Life-cycle analysis conducted for piloted innovations	Number of life-cycle analyses completed for piloted innovations	0 life-cycle analysis conducted	Comprehensive life-cycle analyses completed for 100% of pilots	Life-cycle analysis reports, environmental/social impact assessments	End of project	Life-cycle analysis informs scaling decisions and ensures sustainability of innovations.	Adequate data is available to assess the long-term sustainability of piloted innovations.
Output 1G.2: Scaling strategies developed for successful innovations	Number of scaling strategies developed based on pilot outcomes	0 scaling strategies developed	Scaling strategies developed for successful pilots	Scaling strategy reports, innovation roadmap documentation	End of Component t-t 1 implementation	Successful innovations have clear pathways for scaling across regions	Partners and stakeholders support the scaling
Outcomes: Component 2							
Outcome 2A: Stakeholder consultations and policy reviews for financing facility completed	Number of stakeholders consulted, and policy reviews completed	0 structured mechanism to gather stakeholder input on financing needs for rural innovations	Minimum of 100 stakeholders consulted from each partner organization (i.e., minimum IFAD), minimum of 1 comprehensive	Consultation reports, policy review documents	Mid-term	Engagement of relevant stakeholders and alignment of financing facility design with rural development goals.	Stakeholders provide meaningful and relevant input, and policies are adaptable to new innovation needs.

Results hierarchy	Indicators			Means of verification			Assumptions
	Name	Baseline	End target	Source	Freq.	Response	
			organizational policy review completed (i.e., minimum IFAD)				
Outcome 2B: Financing models and risk management framework established	Number of financing models developed and tested, risk management strategies in place.	0 long- term innovation financing models or innovation risk management available for rural innovation scaling through cross-partner collaboration at IFAD	2-3 financing models and at least 1 comprehensive risk management framework proposed	Financial models, risk management documentation, M4D partner evaluations	End of project	Financing models successfully address innovation scaling needs and mitigate financial risks for rural innovators.	Financing models are accepted by stakeholders and prove adaptable to the diverse needs of rural innovation projects.
Outcome 2C: Governance and operational structure for M4D Financing Facility established	Governance framework and operational procedures finalized	No confirmed governance structure for the M4D Financing Facility	Governance structure and operational procedures proposed	Governance framework, operational guidelines, M4D facility reports	Mid-term	Transparent and accountable governance structure ensures efficient operation of the financing facility and sustained innovation support.	Governance structure is supported by IFAD and partners, and operational processes align with the project goals.
Outputs: Component 2							
Output 2A.1: Stakeholder mapping for financing facility completed	Number of stakeholders mapped and identified for consultation	0 stakeholders mapped for the financing facility	Comprehensive Stakeholder and Ecosystem Analysis presented	Stakeholder mapping reports, consultation feedback	Mid-term	Comprehensive stakeholder mapping ensures all relevant actors are engaged.	Stakeholders are willing to participate in consultations and contribute effectively to the facility design.
Output 2A.2: Stakeholder consultations conducted	Number of consultations conducted	No consultations held	100 stakeholder consultations completed per (minimum 100 for IFAD, and other stakeholders across M4D partner organizations)	Stakeholder consultation reports	Mid-term	Consultations gather meaningful input for the design of the financing facility.	Stakeholders provide relevant insights on rural financing needs.

Results hierarchy	Indicators			Means of verification			Assumptions
	Name	Baseline	End target	Source	Freq.	Response	
Output 2A.3: Policy and benchmarking analysis completed	Number of policy reviews and benchmarking studies completed	0 policy review or benchmarking conducted	Minimum 3 policy and benchmarking reports completed (i.e., inter-organizational, private sector, governments)	Comprehensive Policy Review Exercise and benchmarking reports	Mid-term	Policy reviews ensure alignment with rural innovation goals and market conditions.	Policies remain adaptable to the evolving needs of rural innovation ecosystems.
Output 2B.1: Financing models developed for rural innovations	Number of financing models created and tested	0 financing models proposed	2-3 financing models developed	Financing model documents, pilot testing reports	Mid-term	Financing models successfully address innovation scaling needs and support innovators in rural contexts.	Financing models are adaptable to diverse regional needs.
Output 2B.2: Risk management framework developed	Number of risk management strategies established for financing rural innovations	No risk management framework in place	At least 1 comprehensive risk management framework proposed	Risk management documentation, M4D facility evaluations	Mid-term	Risk management strategies mitigate financial, operational, and market risks for rural innovators.	Risk management plans are well-received and implemented effectively.
Output 2B.3: Inclusivity mechanisms integrated into financing models	Number of inclusivity guidelines and procedures developed	0 inclusivity guidelines in place for rural innovation financing	Inclusivity mechanisms integrated into all financing models proposed	Financing model documentation, inclusivity assessment reports	Mid-term	Inclusivity mechanisms ensure equitable access to financing for marginalized groups such as women and youth.	Inclusivity guidelines are aligned with rural development priorities and reach targeted direct (private sector stakeholders) and indirect beneficiaries (rural smallholders).
Output 2C.1: Governance framework for M4D Financing Facility finalized	Number of governance frameworks established	0 governance framework for the financing facility	Governance structure proposed	Governance framework documentation	Mid-term	Transparent and accountable governance structure ensures efficient operation of the financing facility.	Governance structure is supported by IFAD and M4D partners and aligned with project goals.

Results hierarchy	Indicators			Means of verification			Assumptions
	Name	Baseline	End target	Source	Freq.	Response	
Output 2C.2: Operational procedures for fund management established	Number of operational guidelines and fund management procedures developed	No operational procedures established	Operational procedures recommended for fund allocation, disbursement, and monitoring	Operational guidelines, fund management reports	Mid-term	Operational procedures ensure efficient and transparent management of the financing facility.	Operational processes are aligned with IFAD standards and ensure accountability.
Output 2C.3: Sustainability plan developed for long-term operation of the M4D Financing Facility	Number of sustainability plans created	No sustainability plan for the financing facility	1 sustainability plan developed	Sustainability plan documentation, resource mobilization reports	End of project	Sustainability plan ensures long-term operation and financial viability of the financing facility.	Resource mobilization efforts are successful in securing long-term funding for the facility.
Output 2D.1: Alignment consultations with IFAD and M4D partners conducted	Number of alignment consultations completed	No consultations held for alignment with IFAD and M4D partner initiatives	3-5 alignment consultations conducted with IFAD and M4D partner focal points (Innovation Units)	Alignment consultation reports	Mid-term	Alignment consultations ensure the financing facility complements existing IFAD and M4D initiatives	Partners provide relevant insights and support alignment with existing programs
Output 2D.2: Partnership agreements established with M4D partners	Number of partnership agreements formalized	No formal partnership agreements established	Formal partnership agreements among M4D partners proposed	Partnership agreements, collaboration agreements	End of project	Formalized partnerships enhance collaboration and resource-sharing for scaling rural innovations.	Partners remain committed to supporting the M4D initiative and formalize agreements for collaboration.
Output 2D.3: Communication strategy for the M4D Financing Facility developed	Number of communication materials and strategies implemented	No communication strategy developed for the financing facility	1 comprehensive communication strategy and action plan proposed	Communication materials, outreach reports	End of project	Communication strategy ensures visibility of the financing facility and engagement with stakeholders.	Communication efforts reach relevant audiences and enhance visibility for the M4D initiative.