



Investing in rural people

Executive Board

President's report on a proposed grant under the regional window to the International Food Policy Research Institute for Ensuring Inclusiveness, Sustainability and Efficiency of Food Systems Transformation – Phase II (ATMI II)

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Action: The Executive Board is invited to approve the recommendation contained in paragraph 17.

Technical questions:

Reehana Raza
Regional Director
Asia and the Pacific Division
e-mail: r.raza@ifad.org

Abdelkarim Sma
Lead Regional Economist
Asia and the Pacific Division
e-mail: a.sma@ifad.org

President's report on a proposed grant under the regional window to the International Food Policy Research Institute for Ensuring Inclusiveness, Sustainability and Efficiency of Food System Transformation - Phase II (ATMI II)

I. Background and compliance with the IFAD Regular Grants Policy

1. The Asia and the Pacific region is characterized by rapid agrifood systems transformation and economic evolution and faces significant development challenges. Climate change, transboundary animal health problems and a lack of regional coordination in agricultural trade and investment policies are major constraints to achieving resilient and inclusive food systems. These challenges are regional and cannot be addressed by IFAD's single-country operations alone. Multi-country organizations such as the Association of Southeast Asian Nations (ASEAN) and the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), supported by catalytic regional grants, are better suited to tackling these issues through cross-country coordination and policy coherence.
2. The proposed programme is in line with the goal and objectives of the IFAD Regular Grants Policy.¹ Ensuring Inclusiveness, Sustainability and Efficiency of Food System Transformation - Phase II (ATMI II) will aid in developing national and regional roadmaps for key agricultural value chains and improve coordination between national and regional food and agricultural policies. This supports strategic objective 2 of the grants policy by fostering a conducive policy and investment environment for smallholder agriculture and rural development. Additionally, ATMI II will support high-level policy formulation for the inclusive and sustainable transformation of rural areas and food systems, enhancing the investment environment for smallholder agriculture.
3. The recipient was identified through direct selection. The direct selection was approved by the Chair of the Operational Strategy and Policy Guidance Committee on 6 December 2023.

II. The proposed programme

4. The overall goal of the programme is to strengthen the institutional capacity of the selected ASEAN and BIMSTEC countries, thereby strengthening ASEAN and BIMSTEC themselves, to develop and implement policies and subregional programmes in support of the integration of smallholders into subregional agricultural and food markets. The objectives are to: (i) strengthen the capacity of the targeted countries to develop policies and programmes to support the adjustment of the smallholder farming sector to changes in subregional agricultural and food markets; (ii) enhance the integration of environmental and climate considerations into policy decisions, while refining tools for fostering cooperation among the selected Member States; and (iii) examine the possible effects of new and expanding market integration arrangements for the agrifood sector.

¹ See EB 2021/132/R.3.

5. The proposed grant aims to build on the first phase² by preparing national and regional roadmaps for key agricultural value chains and enhancing coordination between national and regional policies for food and agriculture.
6. At the end of phase I, the Network of Policy Advisors and Analysts (NePAA) was launched to sustain the programme's learning in research, capacity-building and policy engagement. With new engagements emerging, phase II will use NePAA for research, capacity-building and policy dissemination, identifying focal areas within a dynamic environment. Phase II will also establish connections with networks from selected countries.
7. The target group includes ASEAN and BIMSTEC governments and secretariats. Smallholder farmers and rural households will be indirect beneficiaries. Phase II will prioritize women, youth, smallholder farmers and marginalized groups in line with IFAD's targeting guidelines.
8. The programme will be implemented over three years and will have the following components:
 - (i) **Consolidate the Network of Policy Advisors and Analysts created under ATMI I.** NePAA was not initially part of the programme under phase I, but implementers saw the need for a network to sustain ATMI's work and policy engagement. This component aims to strengthen NePAA by enhancing analytical capabilities in national entities focused on agriculture and rural development. The goal is to foster integrated policy responses to regional issues hindering food systems transformation through targeted, demand-driven capacity development. The focus will be on helping governments understand food system transformation and apply "systems-thinking" to economic, climatic and inclusiveness aspects. Additionally, the programme will collaborate with policy think tanks, civil society organizations and stakeholders from BIMSTEC countries.
 - (ii) **Collaborative policy studies on food systems transformation.** Agricultural value chains in ASEAN and BIMSTEC countries are rapidly transforming, affecting equity, efficiency and inclusiveness. The policy analysis will focus on these issues, targeting chains that integrate economic, environmental and inclusiveness factors. Scoping studies will identify regional and domestic chains from these perspectives. This component will analyse food systems transformation, especially agricultural value chains for selected commodities, based on IFAD's prioritization. The emphasis will be on enhancing smallholders' competitiveness, empowering women and assessing green economy impacts. Under this component, the programme will review regional cooperation, technology and institutional initiatives, as well as national and regional strategies and policies related to food systems transformation. Technical assistance will be provided to governments for policy formulation, investment analysis, programme evaluation and progress monitoring. Key issues will be presented at high-level policy forums and the proceedings will be shared with key stakeholders, including BIMSTEC and ASEAN.
 - (iii) **Communications and outreach.** The programme will feature high-level policy forums, seminars, webinars, newsletters and social media updates. Research findings will be shared via in-house publications and academic journals. These efforts will support IFAD's knowledge management and impact-reporting initiatives.

² Despite the severe limitations encountered during implementation of phase I due to the COVID-19 pandemic, the programme reached many stakeholders across countries in Southeast Asia throughout its six-year implementation period, achieving several milestones. Many studies were produced about ASEAN at both the regional and the country levels, capacity-building programmes were organized, and technical assistance was provided to the targeted countries and regional organizations.

III. Expected outcomes/outputs

9. The programme is expected to have the following outcomes/outputs:
 - (i) Increased engagement and competitiveness of smallholders, including women and youth, in food systems transformation.
 - (ii) Enhanced understanding of opportunities and challenges for inclusive and sustainable food systems at regional and country levels through informed policy processes.
 - (iii) Reduced exposure to climate and economic/political shocks via regional value chains; and
 - (iv) Increased regional engagement among policymakers, private firms, farmers' organizations and researchers, fostering understanding of interlinkages and spillover effects.
10. Additionally, ATMI II will ensure the sustainability of a collaborative network for research, capacity-building and policy engagement, expanding its scope to address climate change, gender and youth issues.

IV. Implementation arrangements

11. The International Food Policy Research Institute (IFPRI) will be the main implementing agency. In phase II, IFPRI will continue its partnership with the Southeast Asian Regional Center for Graduate Study and Research in Agriculture (SEARCA) and add the BIMSTEC Secretariat. NePAA will consist of a network of regional and national stakeholders, with its Secretariat housed at the IFPRI South Asia Regional Office in New Delhi.
12. A policy facilitator will be hired to oversee and coordinate activities in the targeted ASEAN countries, supported by IFPRI researchers from various locations. IFPRI will provide technical, administrative and coordination assistance, enhancing NePAA's sustainability and scalability through collaboration with the BIMSTEC and ASEAN Secretariats. A programme coordination unit at IFPRI's New Delhi office will manage the programme's activities, including studies, knowledge management, monitoring and evaluation, and financial management.
13. IFPRI, SEARCA and the BIMSTEC Secretariat will jointly organize high-level policy dialogue and capacity-building programmes.
14. The grant programme shall be implemented in compliance with IFAD financial management procedures and guidelines on procurement, financial reporting and fund flow requirements.
15. There are no deviations from the standard procedures for financial reporting and audits.

V. Indicative programme costs and financing

16. The total IFAD grant amount will be US\$1 million. Cofinancing from IFPRI will total US\$219,000, of which US\$51,000 will be in cash and US\$168,000 in kind. The cost breakdown is provided below.

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

<i>Components</i>	<i>IFAD</i>	<i>IFPRI (in kind plus cash)</i>	<i>Total</i>
1. Consolidate the Network of Policy Advisors and Analysts created under ATMI I	468 000	102 000	570 000
2. Collaborative policy studies on food systems transformation	300 000	66 000	366 000
3. Communications and outreach	232 000	51 000	283 000
Total	1 000 000	219 000	1 219 000

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

<i>Expenditure category</i>	<i>IFAD</i>	<i>IFPRI (in kind plus cash)</i>	<i>Total</i>
1. Salaries, allowances and operating costs	289 000	118 000	407 000
2. Consultancies	466 000	21 000	487 000
3. Studies, workshops and travel	171 000	29 000	200 000
4. Overheads/management fees	54 000	51 000	105 000
5. Cost sharing percentage of 2% - CGIAR Trust Fund	20 000	-	20 000
Total	1 000 000	219 000	1 219 000

VI. Recommendation

17. 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 Ensuring Inclusiveness, Sustainability and Efficiency of Food Systems Transformation - Phase II, shall provide a grant of one million United States dollars (US\$1,000,000) to the International Food Policy Research Institute for three years upon such terms and conditions as shall be substantially in accordance with the terms and conditions 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	Ensuring Inclusiveness, Sustainability, and Efficiency of Food System Transformation in the ASEAN and BIMSTEC countries (ATMI II)	<p>Transitioning Food system, Climate vulnerability, inclusiveness concern, dynamic market integration, existing knowledge base and network from ATMI-I</p> <p>SMART Indicator(s)</p> <p>-Develop a conceptual framework for the program to achieve the goal in an integrated approach (qualitative).</p> <p>-Two policy papers examining environment effect on trade and market integration and outcomes related to poverty and food security.</p> <p>-prepare landscape and situation analysis report for selected countries from both ASEAN and BIMSTEC</p>	<p>(i) Strengthened capacity of the targeted countries to develop policies and programmes to support the adjustment of the smallholder farming sector to changes in sub-regional agricultural and food markets; and</p> <p>SMART Indicator (s):</p> <p>-Demand driven road mapping report for select countries and commodities.</p> <p>-Environment and climate focus internalized in policy decisions and tools developed for cooperation among the selected member states. Situation analysis report prepared.</p> <p>-Knowledge management survey to assess use of knowledge products towards adoption of sustainable agricultural practices, ethnicity, and economic and job status.</p> <p>-Analytical and measurement report on increased access to food market (qualitative/interaction with the keystakeholders)</p>	<p>HLPFs. Data Analyses, Policy Dialogues. Research Product, Output and Reports</p>	<p>Twice Annual Annual Annual</p>	<p>HLPF Proceedings, data analytics, reports on policy dialogue, meeting minutes of various interactions, webinars/seminars. Evaluation and progress reports, Interactions and reporting for supervision missions</p>	<p>Institutional capacity change, buy-in of countries, policy off-sets under control, stable political environment</p>

Results hierarchy	Indicators			Means of verification			Assumptions
	Name	Baseline	End target	Source	Freq.	Response.	
Development objective	<p>1. Addressing the growing effects of climate change, transforming, and integrating value chains transboundary health issues (including zoonotic), integration in obesogenic products and environmental spill over</p> <p>2. Improved regional coordination, in terms of agricultural trade at different levels and scale and investment policies.</p> <p>3. Inclusive food system transformation incorporating small holder farmers, youth, and women empowerment.</p>	<p>Food system transformation, transboundary health effects and spill overs, insufficient knowledge base for policy formulation and coordination at national and regional level.</p> <p>-a report on measurement of value chain integration effects on environment and developmental outcomes.</p> <p>-Inclusiveness report on market integration for gender and youth based on established indicators for select cases.</p> <p>-Organize two forums (virtual) at national and regional level on food system transformation.</p>	<p>Informed policy formulation, internalizing dynamic changes and spillovers. Analytical capacity and assistance where needed for policy analysis and formulation.</p> <p>[SMART Indicator(s)-</p> <p>Two policy papers outlining the policy formulation and integration of food system transformation across region and its efficacy.</p> <p>-Policy report highlighting the interaction between domestic, international, and regional policy in providing the conditioning food environment</p>	<p>Stakeholder consultation, inputs from steering committee at national and regional level, dissemination workshops and demand driven capacity-building.</p>	Annual	<p>Reports, proceedings, policy briefs, and evaluation products.</p>	<p>Stability of external environment, geopolitical continuity, sufficiency in resources, ability to adjust to dynamic situation and shocks.</p>
<p>Outcomes Component 1:</p> <p>Consolidate the Network of Policy Advisors and Analysts (NePAA)</p>	<p>Greater engagement and competitiveness of small holders and empowerment of women in transforming food systems in focus countries, work routines implemented and</p>	<p>Significant food system transformation and market integration, insufficient knowledge in policy analysis and implementation. Existing network of policy advisors and analysts in ASEAN and BIMSTEC.</p>	<p>1. Assistance to the governments in understanding the facets of food system transformation in the region.</p> <p>2. Understanding and applying systems-thinking through an integrated approach</p> <p>3. Technical assistance to governments in formulating</p>	<p>Policy analysis, Situation analysis, validation reports.</p>	Annual Twice	<p>Reports, proceedings, policy briefs, and evaluation products.</p>	<p>Availability of data and resources needed at adequate frequency and detail.</p>

Results hierarchy	Indicators			Means of verification			Assumptions
	Name	Baseline	End target	Source	Freq.	Response.	
created under ATMI-I:	expanded through networks.	<p>[SMART Indicator(s)-</p> <p>-Three (combination of in-persona and virtual) meetings with smallholders and women led expert groups and working groups for national and regional chapters.</p> <p>-Training modules on food system transformation</p>	<p>policies and regulations, conducting related investment analysis, and evaluating programmes and tracking progress.</p> <p>4. Facilitate sustainability of Network over time.</p> <p>5. effective storing and processing of data not only at national but regional level as well.</p> <p>[SMART Indicator(s)-</p> <p>-One network meeting with the stakeholders on food systems in the region.</p> <p>-One report/survey based on needs assessment in understanding the facets of food system transformation in the region</p> <p>-One report on the dynamic and long run research needs of the NePAA network.</p>				Buy-in of stakeholders.
Outputs Component 1	Disaggregated trade datasets with high frequency to be utilized for policy analysis.	<p>Current state of market integration and relationship among and across the nations.</p> <p>[SMART Indicator(s)-</p> <p>-Diagnostic report on food system and market</p>	<p>Analytical and empirical capacity comprising toolkit with data and method for market integration analysis.</p> <p>[SMART Indicator(s)-</p> <p>-About 50 researchers, stakeholders and practitioners</p>	Research output, policy briefs and other knowledge products.	Annual	Cross validation through different data sources and stakeholder consultation, and policy engagement.	Availability of data and resources.

Results hierarchy	Indicators			Means of verification			Assumptions
	Name	Baseline	End target	Source	Freq.	Response.	
		<p>integration to understand the relationship across national and region level.</p> <p>-Policy note on assessing the outcomes and roles of market integration in case of shocks – effects assessed using aggregate and disaggregated data</p>	<p>trained in market integration analysis.</p> <p>-Two training sessions conducted on the use of the toolkit. Contingent on demand prepare trade policy and pattern monitor in 1 country each from ASEAN and BIMSTEC</p>				
<p>Outcomes Component 2: Collaborative Policy Studies on Food System Transformation:</p>	<p>1. Better understanding of common opportunities and challenges for inclusive and sustainable food systems transformation at the regional and country level through better informed policy process.</p> <p>2. Reduced exposure to shocks (mitigation and adaptation) from climate and economic-political factors through regional value chains</p> <p>3. Increased regional level engagement among policymakers, private firms, farmer organization and researchers with understanding of the interlinkages and spillovers</p>	<p>BIMSTEC and ASEAN secretariat.</p> <p>[SMART Indicator(s)-</p> <p>Participation in conferences, workshops, and seminars related to inclusive and sustainable food systems by the BIMSTEC and ASEAN secretariat among policymakers, private firms, farmer organization.</p> <p>-Series of dissemination seminars for policy, research and academia in collaboration with the secretariat (both in person and online)</p>	<p>Creation of dynamic research stream on inclusive and sustainable food system transformation in the countries and region.</p> <p>[SMART Indicator(s)-</p> <p>-Increase in collaboration and coordination among stakeholders along regional value chains to address shared challenges related to climate and economic-political factors across various stakeholders.</p> <p>-Dissemination of findings (policy briefs/policy note/) related to adaptation measures within regional value chains to mitigate the impacts of climate change.</p>	<p>Proceedings of high-level forums, roundtables, and workshops, Published reports, and studies.</p>	<p>Annual</p>	<p>Research papers and other outputs like briefs, notes, discussion papers</p>	<p>Efficient use of programme financial and other resources</p> <p>Regular convening of Project Steering Committee</p> <p>Adherence to approved annual work plan and budget,</p> <p>Cooperation from governments, BIMSTEC Secretariat, ASEAN, and other stakeholders</p>

Results hierarchy	Indicators			Means of verification			Assumptions
	Name	Baseline	End target	Source	Freq.	Response.	
Outputs Component 2	1. Create capacity in national institutions (NePAA members) to respond to the dynamic external environment 2. Diagnostic studies of policies and regulations; toolkits on data sources and empirical trade analysis 3. Create capacity in national institutions to integrate social, economic, and environmental issues.	Limited information on policy and regulations related to integration of market, environment, and social linkages. [SMART Indicator(s)- -One diagnostic study on information on existing policies and regulations related to market integration, environmental sustainability, and social inclusion and make them available and accessible across national and regional chapters. -Validation report from data sources and methods in select cases	Enhance capacity of institutions for policy analysis in a dynamic environment. [SMART Indicator(s)- -A significant percentage increase in the number of policy analysts trained in dynamic environment analysis. -Frequency of engagement increases by 30 percent with policymakers by trained analysts after diagnostic study.	Collaboratively develop training materials and its application and validation.	Annual	Joint research and capacity development work executed through NePAA	Cooperation from governments, BIMSTEC Secretariat, ASEAN, and other stakeholders.
Outcomes Component 3: Communications and outreach	High-level policy forums, seminars/webinars, newsletters, as well as regular contributions on social media.	Base of ATMI – I and initial stage of NePAA, outreach activities in BIMSTEC and policy communication. [SMART Indicator(s)- -Existing number of stakeholders engaged in ATMI-I and NePAA initiatives. -Feedback from stakeholders on the	1. Research outputs under the programme will be published through publications in house, as well as in academic journals. 2. Delivery of outputs in a usable form of policy. [SMART Indicator(s)- -Publish three research outputs produced, including blogs, policy briefs, and proceedings.	Knowledge product disseminated through networks and linkages.	Half Yearly	Knowledge products and their validation, Basis for workplan development two-way communication.	Usability of products, credibility and uptake.

Results hierarchy	Indicators			Means of verification			Assumptions
	Name	Baseline	End target	Source	Freq.	Response.	
		effectiveness and relevance of outreach activities using knowledge management survey.	-Uptake of outputs utilized by NepAA goes up by 20 percent. - Increase in number of policy changes by 10-15 stakeholders (captured through knowledge management survey) or interventions directly influenced by findings.				
Outputs Component 3	Contribute to the Knowledge Management (KM) and impact documentation endeavours of IFAD.	IFAD framework applied in different settings of market integration in other outcomes for inclusiveness (gender, youth, smallholder). [SMART Indicator(s)- -Generate evidence (case studies, policy briefs, policy notes, blogs, seminar/workshop) of positive changes or improvements in gender equality, youth participation, and smallholder livelihoods resulting from the application of the IFAD framework.	Mainstream knowledge product in the portfolio to deliver in continuity. Identify impact pathways. [SMART Indicator(s)- -Two case studies or success stories highlighting the impacts of mainstreamed knowledge products. -About 10 knowledge products developed and mainstreamed into the knowledge management portfolio.	Knowledge management products and stakeholder analysis. Feedback systems for improvement.	Annual	Dynamized products for policy communication and dialogues.	User friendly interface, credibility, intime revisions as needed.