
President's report on a proposed grant under the IFAD13 grants envelope to the PROCASUR Corporation for the FO4IMPACT programme: Farmers' organizations for Institutional Strengthening, Market Access, Policy Engagement, Advocacy, Community and Transformation (NEN)

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Action: The Executive Board is invited to approve the recommendation contained in paragraph 18.

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I. Background and compliance with the IFAD Regular Grants Policy

1. Farmers' organizations (FOs) play a critical role in strengthening the resilience, productivity, market participation and representation of smallholder farmers. Across the Near East, North Africa and Europe (NEN) region, smallholder producers continue to face constraints connected with access to markets, value addition, climate and water-related pressures, limited bargaining power and insufficient access to quality services. Strong representative FOs are essential to address these challenges by providing services to members, facilitating market integration and acting as interlocutors in policy dialogue processes.
2. IFAD has a longstanding partnership with FOs through the Farmers' Forum, its permanent mechanism for dialogue with farmers' and rural producers' organizations. Through successive initiatives to support FOs, IFAD has contributed to strengthening their institutional capacity, promoting peer learning and increasing their participation in policy processes. FO4IMPACT, the European Commission's supplementary-funded initiative, builds on these experiences and lessons learned while responding to emerging challenges that affect rural organizations.
3. FO4IMPACT NEN is the regional expression of the FO4IMPACT umbrella programme in the Near East, North Africa and Europe. The programme seeks to strengthen FO-led service delivery, promote inclusive market access and reinforce the role of FOs as strategic partners in rural transformation. It responds directly to priorities identified through subregional Farmers' Forum processes and reflects the stated demand of FOs for greater institutional capacity, improved service delivery mechanisms and enhanced participation in policy dialogue.
4. The proposed programme is fully aligned with the goal and objectives of the IFAD Regular Grants Policy (2021).¹ It contributes primarily to strategic objective 1 by strengthening the capacity of FOs to deliver services, improve market integration and promote sustainable institutional development through FO-led innovation and service hubs. The programme also contributes to strategic objective 2 through advocacy and evidence-based policy engagement linked to national and subregional Farmers' Forum processes. Furthermore, it supports the Thirteenth Replenishment of IFAD's Resources (IFAD13) priority commitment area 6 on enhancing the sustainability and scalability of investments by strengthening FOs as strategic partners capable of sustaining and scaling development results. Gender, youth, environment and climate considerations are integrated across all programme components.
5. Regular grant financing is the most appropriate instrument to support regional knowledge generation, institutional strengthening, innovation and peer-to-peer learning among FOs. The programme complements IFAD-financed investments by reinforcing the organizational capacities required to sustain and scale development results.

¹ [EB 2021/132/R.3.](#)

6. The recipient was identified through a competitive selection process.

II. The proposed programme

7. The overall goal of the programme is to increase smallholder farmers' income, market access and resilience in targeted countries of the NEN region by strengthening the capacity of FOs to deliver quality services to their members within inclusive, sustainable and climate-resilient agricultural value chains linked to IFAD's country investment portfolios. The programme has two objectives: (i) strengthen the capacity of first-level and national farmers' organizations to deliver technical, economic and commercial services to their members through FO-led innovation and service hubs; and (ii) enhance the institutional capacity of FOs to participate effectively in national and subregional policy dialogue processes.
8. The target group will comprise approximately 3,000 smallholder producers, 75 FOs and 75 local champions across Egypt, Bosnia and Herzegovina, Morocco, Tunisia and Türkiye. The programme will place particular emphasis on women, youth and vulnerable groups through inclusive participation mechanisms and targeted capacity-building activities. Approximately 40 per cent of participants are expected to be women and 30 per cent youth.
9. The programme will be implemented over two years and will have the following components: (i) FO services to members; (ii) advocacy and evidence-based policy engagement; and (iii) monitoring and evaluation and learning.
10. Under component 1, the programme will establish three FO-led innovation and service hubs in selected pilot countries. The hubs will function as platforms for delivering technical, commercial and organizational services to members, promoting market access, strengthening governance and supporting business development. Activities will include FO mapping and profiling, the development of service portfolios, the training of local champions, the delivery of services to smallholder members, peer-to-peer learning and support for business plans.
11. Component 2 will strengthen the capacity of FOs to participate in policy dialogue processes through hybrid policy training, the development of national policy briefs and engagement with Farmers' Forum structures. Programme-generated evidence and lessons will be translated into actionable policy recommendations to improve the enabling environment for smallholder agriculture and FO-led service delivery.
12. Component 3 will ensure effective programme coordination, monitoring and evaluation, knowledge management and reporting. It will support programme governance mechanisms, the documentation of lessons learned, the dissemination of knowledge products and alignment with the broader FO4IMPACT programme architecture. The component will also facilitate coordination with IFAD country teams, programme management units (PMUs) and relevant stakeholders.

III. Expected outcomes/outputs

13. The programme is expected to obtain three principal outcomes: (i) participating FOs adopt and implement sustainable service delivery models that improve market access, generate income opportunities and strengthen member resilience; (ii) FOs use programme-generated evidence to participate effectively in national and subregional policy dialogue processes and contribute to policy reforms that support smallholder agriculture; and (iii) targeted FOs strengthen governance, accountability and coordination mechanisms, increasing their effectiveness as service providers and development partners.
14. Key outputs will include: (i) three operational FO-led innovation and service hubs; (ii) strengthened capacity of approximately 75 FOs; (iii) training and the mobilization of approximately 75 local champions acting as peer learning facilitators; (iv) the development of business plans and service delivery models; (v) the production of policy briefs and knowledge products; and (vi) the

implementation of regional and subregional learning exchanges and peer-to-peer learning activities.

IV. Implementation arrangements

15. The PROCASUR Corporation (PROCASUR) will be responsible for overall programme implementation and coordination. The programme will be delivered in close collaboration with participating FOs, the IFAD rural institutions team, IFAD country teams, PMUs and relevant national stakeholders. Three country focal points will support implementation in selected hub countries and facilitate coordination with local partners.
16. Programme governance will include strategic oversight and operational coordination mechanisms. A programme steering committee composed of IFAD and PROCASUR representatives will provide guidance on implementation and review annual workplans. Coordination will also be maintained with Farmers' Forum structures in the region, including the Middle East and North Africa, and Eastern Europe and Central Asia subregional processes. Monitoring and evaluation, knowledge management and reporting systems will be aligned, insofar as possible, while tailoring them to the specific context of this 24-month programme, compared with the overall five-year FO4IMPACT initiative. The programme will build on the umbrella logframe but use a programme-specific logframe that differs partially from the overall one to reflect the specific objectives and indicators of FO4IMPACT in NEN. There are no deviations from the standard procedures for financial reporting and audits.

V. Indicative programme costs and financing

17. The total programme cost is estimated at US\$1.51 million, comprising an IFAD grant of US\$1.25 million and cofinancing from PROCASUR of US\$260,000. Detailed costs by component and expenditure category are presented in tables 1 and 2, respectively.

Table 1

Costs by component and financier
(United States dollars)

<i>Components</i>	<i>IFAD</i>	<i>PROCASUR</i>	<i>Total</i>
1. FO services to members	752 540	168 460	921 000
2. Advocacy and evidence-based policy engagement	142 920	38 280	181 200
3. Monitoring and evaluation and learning	103 550	27 250	130 800
4. Programme management and administration	250 990	26 010	277 000
Total	1 250 000	260 000	1 510 000

Table 2

Costs by expenditure category and financier
(United States dollars)

<i>Expenditure category</i>	<i>IFAD</i>	<i>PROCASUR</i>	<i>Total</i>
1. Consultancies	243 350	20 000	263 350
2. Goods, services and inputs	82 900	24 000	106 900
3. Salaries and allowances	191 700	20 700	212 400
4. Travel and allowances	192 200	15 800	208 000
5. Workshops and training	539 850	179 500	719 350
Total	1 250 000	260 000	1 510 000

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, the FO4IMPACT programme: Farmers' organizations for Institutional Strengthening, Market Access, Policy Engagement, Advocacy, Community and Transformation, shall provide a grant in an amount of one million two hundred fifty thousand United States dollars (US\$1,250,000) to the PROCASUR Corporation for a period of two years and 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

Objectives hierarchy		Objectively verifiable indicators	Means of verification	Assumptions
Outreach		Number of NFOs, LFOs and FO members participating in project implementation and/or receiving direct funding from the programme	Programme records	Beneficiaries are trackable over programme duration
Goal	<i>Promote inclusive, sustainable and climate-resilient agricultural value chains and improve smallholder farmers' income in targeted NEN countries</i>	Number of FOs reporting improvements in market access, services to members, and governance	FO internal reports; satisfaction surveys; IFAD project reports	Macroeconomic and political stability conducive to family farming; climate shocks within mitigation capacity
Development Objective	<i>Strengthen services, market linkages, policy engagement and empowerment of NEN Farmers' Organisations and their members</i>	Number of smallholder producers benefiting from improved services through Hubs (disaggregated by sex, age, vulnerability)	Member registries; satisfaction surveys at Months 12 and 22	Selected Hub FOs have functioning legal status and basic administrative capacity; IFAD Country Directors and PMUs authorise Programme access
Outcomes (SO1)	<i>FOs deliver enhanced technical and economic services to FO-led enterprises and smallholder farmers</i>	% of involved FOs integrating innovative solutions in market access, business models, or agroecological practices	Case studies; FO assessments; Hub reports	Agribusiness actors willing to engage with FOs; mobility and assembly conditions permit field activities
R1	<i>Increased market access, agribusiness linkages and value addition through strategic value chains</i>	Three pilot Hubs operational; ten FO Business Plans co-financed; two Sub-Regional Learning Routes delivered	Hub Operational Plans; Business Plans registry; LR reports	Selected Hub countries remain operationally accessible; FOs develop administrative capacity to manage co-financed Business Plans
R2	<i>Improved participation of FO-led enterprises run by women and young people in market and value chain development</i>	NEN Local Champions Catalogue with at least 75 profiles (≥30% women, ≥30% youth) and Reasonable Accommodation Fund operational	Published catalogue; Fund disbursement reports	Women and youth innovators willing to be profiled and act as P2P trainers; cultural context permits visibility
Outcomes (SO2)	<i>FOs influence policy changes to support sustainable food systems and an enabling business environment</i>	% of FOs confirming increased participation in policy dialogue spaces, including the FAFO; % of involved IFAD-funded projects integrating FO-led Hub approaches in their strategies	National policy reports; FAFO session minutes; integration assessments	Policy dialogue spaces remain accessible; IFAD-funded projects continue with management bandwidth to consider FO-led approaches
R3	<i>Implementation of policy analysis and advocacy tools</i>	At least five National Policy Briefs produced and presented in national or sub-regional policy dialogue spaces	Published Policy Briefs; validation workshop reports	Civic space for FO advocacy preserved; national authorities engage with FO-generated evidence
R4	<i>Enhanced FOs' representation to advocate for policies on strategic value chains and agrifood system transformation</i>	FO participation in FAFO national, sub-regional and global consultations	Participation records; Steering Committee minutes	FAFO NEN Steering Committee remains constituted and resourced
R5	<i>Increased participation of women and youth in policy advocacy on strategic value chains</i>	Women and youth participation in policy capacity-building and FAFO delegations	Disaggregated participation records	Cultural and security conditions permit women and youth participation in advocacy roles

Objectives hierarchy			Objectively verifiable indicators	Means of verification	Assumptions
Outcomes (SO4)	3	<i>FOs operate with strengthened governance, accountability and coordination mechanisms</i>	% of involved FOs reporting improved governance, membership inclusion, and women/youth participation in decision-making	FO assessments; member registries	FOs accept governance reform processes; national legislation permits proposed changes
R6		<i>Improved multilevel coordination among Programme partners</i>	Meetings with IFAD NEN, Multi-Country Offices, PMUs, and FO leaders	Meeting minutes	IFAD NEN, MCOs, and PMUs designate focal points and engage
R7		<i>Improved accountability through institutional strengthening, capacity development, transparency mechanisms, and inclusive integration of new FOs</i>	At least 50 FO representatives trained as Hub sechanisms established in Hub FOs participating in the progressive resource transfer pilot	Certification records; oversight committee minutes	FO leadership commits time to certification; eligible women, youth, and PWD willing to take oversight roles
R8		<i>Strengthened management functions and performance monitoring systems within FOs</i>	At least 5 FOs adopting digital management tools (member registries, service tracking, financial reporting)	Digital adoption assessments	Connectivity sufficient; FO leadership commits to digital transition
R9		<i>Increased partnerships and funding secured by participating FOs</i>	Between 40% and 60% of participating FOs linked to ongoing IFAD-funded projects; progressive resource transfer pilot operational under Component 1	FO linkage records; resource transfer records; verified output reports	IFAD-funded projects available with resources to (co-)finance FO Business Plans; national regulations permit transfers to FOs
R10		<i>FO assessment tool results</i>	Overall institutional capacity score of FOs (%) classified by level Average score for each of the 5 performance areas (%), by country	Excel version of the tools with automatic scoring	FO undertake the self-assessments as per the FEAT tool methodology, including third party verification of the results