
President's report on a proposed grant under the regional grant envelope to Local Initiatives for Biodiversity, Research and Development (LI-BIRD) for the Transitioning to Agroecological Production (TAP) Programme

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Action: The Executive Board is invited to approve the recommendation contained in paragraph 26.

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I. Background and compliance with the IFAD Regular Grants Policy

1. Agriculture remains the primary source of livelihood for most rural households in Bhutan, Nepal and Pakistan. Yet, escalating climate, ecological and structural pressures, including soil degradation, biodiversity loss and heavy reliance on external inputs, have locked many smallholders into cycles of declining productivity and limited adaptive capacity. While national policies increasingly recognize agroecology's potential, critical gaps in extension capacity, certification pathways and market linkages persist.
2. TAP interventions respond to these challenges by accelerating on-farm agroecological transitioning and strengthening the market, knowledge and institutional systems needed to sustain and scale these practices. Anchored in three ongoing IFAD investments – the Resilient High-Value Agriculture Programme (R-HVAP) in Nepal ([EB 2024/141/R.4/Rev.1](#)), Building Resilient Commercial Smallholder Agriculture (BRECSA) in Bhutan ([EB 2022/LOT/P.10/Rev.1](#)) and the Economic Transformation Initiative in Gilgit-Baltistan (ETI-GB) in Pakistan ([EB 2015/114/R.14/Rev.1](#)) – TAP adopts a farmer-centred model: establishing demonstration farms as learning hubs, building the capacity of extension workers and lead farmers and creating market incentives through participatory certification and inclusive market participation. As a regional initiative, TAP leverages shared Himalayan ecosystems and transboundary dynamics to foster coordinated responses, cross-country learning and South–South cooperation.
3. The proposed programme is fully aligned with the goal and objectives of the IFAD Regular Grants Policy (2021).¹ This grant directly advances IFAD's strategic objective 1 (SO1) – leverage better impact on the ground for IFAD's programme of work – by translating agroecological principles into practical, scalable solutions tailored to smallholder farmers. It strengthens productivity, climate resilience, soil health and agrobiodiversity while reducing external input dependency and expanding market opportunities.
4. Aligned with SO1's focus on in-country capacity, the programme equips farmers, extension agents, cooperatives and local governments through demonstration sites, farmer-to-farmer learning and digital advisory tools. These efforts enable national institutions to integrate and scale proven approaches in IFAD-supported programmes.
5. To sustain impact, the grant links agroecological production to markets via certification, strengthened marketing and buyer linkages. It further reinforces IFAD's country programmes and knowledge base through regional learning and exchange, boosting both coherence and lasting impact under SO1.
6. The recipient was identified through competitive selection.

¹ See [EB 2021/132/R.3](#).

II. The proposed programme

7. The overall goal of the programme is to support IFAD programmes in Nepal, Bhutan and Pakistan to accelerate the transition from conventional to commercially viable agroecological systems, enhancing smallholder resilience and incomes while restoring ecosystem health. The development objective is to enhance uptake and adoption of agroecological production systems and inclusive market participation in IFAD long-term investment programmes in Nepal, Bhutan and Pakistan.
8. The target group will be rural youth (especially returning migrants), women, Indigenous Peoples, smallholder farmers, producers' organizations, market actors and extension workers engaged in three IFAD-funded projects. Secondary participants include local governments, training institutions, small and medium-sized enterprises and agribusiness service providers.
9. Over three years, the grant will directly reach approximately 4,500 farmers (60 per cent women, 40 per cent youth, 20 per cent Indigenous Peoples and marginalized groups), across three countries. Indirectly, it will reach an estimated 60,000 households, including about 80 local governments (Nepal), 137 Chiwogs (Bhutan), 161 union councils (Pakistan), and additional market actors. The indirect outreach will be achieved by embedding TAP-supported agroecological packages, demonstration models, digital advisory tools and certification systems in R-HVAP, BRECSA and ETI-GB, and linking these to local government planning and budgeting through Palika Agroecology Plans and national agroecology roadmap processes. Trained extension workers and lead farmers will support farmer-to-farmer replication beyond the directly supported sites.
10. The programme will be implemented over three years and have the following components:
 - (i) **Component 1: Enhanced capacities for agroecological transition.**
 - **Subcomponent 1.1:** Training of farmers, youth and extension workers in agroecological farming systems and practices.
 - **Subcomponent 1.2:** Establishment of a knowledge management system for scaling agroecological practices.
 - **Subcomponent 1.3:** Strengthening of national and regional learning and knowledge sharing on agroecology.
 - (ii) **Component 2: Strengthened market systems for agroecological products.**
 - **Subcomponent 2.1:** Design and piloting of a certification and traceability system for agroecological products.
 - **Subcomponent 2.2:** Training of value chain actors and strengthening of market linkages.

III. Expected outcomes/outputs

11. The programme is expected to have the following outcomes/outputs:
 - (i) **Outcome 1:** Capacities of farmers and extension workers for transitioning to agroecological production systems enhanced.
 - **Output 1.1:** Farmers, youth and extension workers trained in agroecological farming systems and practices.
 - **Output 1.2:** Knowledge management system for scaling agroecological practices established.
 - **Output 1.3:** National and regional learning and knowledge sharing on agroecology strengthened.

- (ii) **Outcome 2:** Income of smallholder farmers increased through improved market system for agroecological products.
- **Output 2.1:** Agroecological certification and traceability system designed and piloted.
 - **Output 2.2:** Value chain actors and market linkages strengthened.

IV. Implementation arrangements

12. Local Initiatives for Biodiversity, Research and Development (LI-BIRD), the grant recipient, will be responsible for overall coordination, financial management, strategic oversight, cross-country coordination and monitoring and reporting, as well as implementation, in Nepal. In Bhutan and Pakistan, implementation will be carried out by subrecipients – the Tarayana Foundation and the National Integrated Development Association, respectively, through direct payments, in close collaboration with relevant government counterparts. Implementation will be supported by IFAD country offices in Nepal and Pakistan to ensure alignment with country programmes, quality assurance and effective supervision.
13. The recipient will bear full fiduciary responsibility for all grant funds under the terms of the grant agreement, including expenditures incurred by the subrecipients. This implies that LI-BIRD will be liable to IFAD for failure to reimburse ineligible expenditures, missing supporting documents or unspent advances at the subrecipient level, regardless of recovery from the subrecipient concerned.
14. The following paragraphs will be included in schedule 2 of the grant agreement to define disbursement, financial reporting and audit requirements specific to the programme:

Disbursement

15. From the effective date, the recipient may request withdrawals from the grant through submission to IFAD of the required documentation listed at www.ifad.org/grantforms.
16. The Fund may disburse advances directly to the subrecipients, provided that the recipient submits separate (i) bank account certification forms, (ii) letter of authority to sign withdrawal applications and statements of expenditure, and (iii) withdrawal applications.
17. Amounts disbursed in advance shall not exceed 90 per cent of the expenditures included in the relevant annual workplan and budget that has received IFAD's no objection. For the second and subsequent withdrawal applications, the recipient shall also submit four (4) separate statements of expenditure (SOEs) to IFAD (one for each subrecipient's expenditures, one for the recipient's expenditures, and a consolidated one), demonstrating the use of at least 75 per cent of the immediately preceding instalment (and 100 per cent of previous instalments, if any). The final payment shall be made after IFAD's receipt of a satisfactory final completion report, the final audit of the programme and the final SOE from the recipient and subrecipients. IFAD will accept no withdrawal application after the grant closing date, unless it has agreed in writing to an extension.
18. IFAD may request additional information and supporting documentation, as required.

Reallocation

19. The recipient may reallocate funds among expenditure categories, provided that: (i) the reallocation does not affect the basic purpose of the programme operations; and (ii) the changes in allocation do not exceed 10 per cent of the total amount indicated in schedule 2, paragraph 2.1 for each expenditure category, except for salaries and allowances.

Accounts and financial reporting

20. The recipient shall maintain separate financial records in respect of the grant and prepare financial statements in accordance with international accounting standards or other accounting standards acceptable to IFAD, as agreed with IFAD in advance, and in line with the IFAD Handbook for Financial Reporting and Auditing of IFAD-Financed Projects. The recipient shall submit four SOEs: one for the recipient's expenditures, one for each of the two subrecipients and one consolidating the expenditures of the recipient and subrecipients. The SOEs shall be in IFAD's format, signed by authorized signatories and submitted on a semi-annual basis within forty-five (45) days of the end of the six- (6) month period. The final SOEs for all eligible expenditures incurred by the programme shall be submitted by the grant closing date, segregating the winding-up expenditures incurred between the programme completion date and grant closing date.
21. SOEs shall disclose the sources and use of funds spent to finance the grant activities, specifying whether the expenditures were funded in cash or through in-kind contributions. Income generated from advance withdrawals of the grant (if any) will be disclosed in the SOEs and audit reports submitted to IFAD. SOEs submitted to IFAD shall be in the currency of the agreement. IFAD shall not accept SOEs submitted in any other currency.

Audit

22. The recipient shall have its institutional financial statements audited on a yearly basis in accordance with international auditing standards or other auditing standards acceptable to IFAD. In accordance with the IFAD Handbook for Financial Reporting and Auditing of IFAD-Financed Projects, the recipient shall ensure that the audit covers the entire programme implementation period.
23. The recipient shall provide a separate audit opinion on the four SOEs submitted to IFAD. The audit's scope shall cover all programme expenditures, including those incurred by the subrecipients. Both the audited institutional financial statements and the audit opinion on SOEs must be submitted to IFAD within six (6) months of the end of the recipient's fiscal year. A programme-specific audit opinion on the final SOEs must be submitted to IFAD by the grant closing date.
24. IFAD may engage independent auditors of its choice to audit the accounts relating to the grant. IFAD may finance the cost of such audits by withdrawal from the grant proceeds.

V. Indicative programme costs and financing

25. The total indicative cost of the programme is US\$1.83 million, comprising an IFAD grant of US\$1.50 million and the recipient's in-kind contributions, estimated at US\$0.33 million. The IFAD grant will finance programme implementation costs, including personnel, training, travel, consultancies, programme management and operational support, while the recipient's in-kind contribution will primarily cover staff time, use of facilities and institutional resources at the regional and country levels.

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

<i>Components</i>	<i>IFAD</i>	<i>LI-BIRD</i>	<i>Total</i>	<i>% of total</i>
1. Enhanced capacities for agroecological transition	788	202	990	54
2. Strengthened market systems for agroecological products	309	73	382	21
3. Programme management cost	403	60	463	25
Total	1 500	335	1 835	100

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

<i>Expenditure category</i>	<i>IFAD</i>	<i>LI-BIRD</i>	<i>Total</i>	<i>% of total</i>
Good, services and inputs	515	190	705	38
Training and workshop	262	48	310	17
Travel and allowances	149	13	159	9
Equipment and materials	19	6	27	1
Salaries and allowances	444	80	523	29
Overhead	111	-	111	6
Total	1 500	335	1 835	100

VI. Recommendation

26. 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 Transitioning to Agroecological Production (TAP) Programme, shall provide a grant in an amount of one million five hundred thousand United States dollars (US\$1,500,000) to Local Initiatives for Biodiversity, Research and Development (LI-BIRD) for a period of 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	Frequency	Responsibility	
			Total	Nepal	Bhutan	Pakistan				
Outreach	1. Persons receiving service promoted or supported by the programme						Annual progress report, project completion report	Yearly	Project team	
	Males - Males		1800	1400	200	200				
	Females - Females		2700	2100	300	300				
	Young - Young people		1800	1400	200	200				
	Indigenous people - Indigenous people		900	700	100	100				
	Total number of persons receiving services - Number of people		4500	3500	500	500				
	Male - Percentage (%)		40							
	Female - Percentage (%)		60							
	Indigenous - Percentage (%)		20							
	Youth - Percentage (%)		40							
	1a. Corresponding number of households reached						Annual progress report, project completion report	Yearly	Project team	
	Women-headed households - Households		900	700	100	100				
	Non-women-headed households - Households		3600	2800	400	400				
	Households - Households		4500	3500	500	500				
	1b. Estimated corresponding total number of households members						Annual progress report, project completion report	Yearly	Project team	
	Household members - Number of people		20750	15050	1950	3750				
Project Goal Support transition to commercially viable agroecological systems, enhancing	Smallholder households reported improvement in climate and economic resilience						Baseline of R-HVAP, IFAD Project Missions reports and	End of the project	Project team	1) The social, political and economic situation will remain stable, providing a conducive environment for the
	Women-headed households - Households		630	490	70	70				

Results Hierarchy	Indicators						Means of Verification			Assumptions
	Name	Baseline	End Target				Source	Frequency	Responsibility	
			Total	Nepal	Bhutan	Pakistan				
smallholder resilience and incomes while restoring ecosystem health in targeted communities across Nepal, Bhutan and Pakistan.	Indigenous households - Households		630	490	70	70	TAP completion report			smooth project delivery. 2) The three IFAD funded projects in Nepal, Bhutan and Pakistan will collaborate for the smooth delivery of the project interventions. 3) No major environmental or climate hazard events are expected during the project implementation period.
	Households - Households		3150	2450	350	350				
	Households - Percentage (%)		70	70	70	70				
	Area of Land brought under agroecological farming practices (Adopted by Farmers)						Annual progress report, IFAD Project Missions reports, TAP completion report	Yearly	Project team	
	Area of land – Hectare (ha)		122	102	10	10				
Development Objective: Enhance uptake and adoption of agroecological production system and promote inclusive market participation in R-HVAP, BRECSA and ETIGB projects	Households satisfied with project-supported services						Annual progress report, IFAD Project Annual Outcome/Mid term Survey,	Third year	Project team	1) Farmers and producer organizations demonstrate willingness to engage in and adopt agroecological farming practices. 2) Provincial and local governments are willing to colaborate and invest in promotion of agroecological production sytem practices.
	Household members - Number of people		14525	10535	1365	2625				
	Indigenous households - Households		900	700	100	100				
	Women-headed households - Households		900	700	100	100				
	Households (%) - Percentage (%)		70	70	70	70				
	Households (number) - Households		3150	2450	350	350				
	Households reporting adoption of agroecological farming practices and technologies						Project annual and completion reports	Year	Project team	
	Total number of household members - Number of people		14525	10535	1365	2625				
	Households		3150	2450	350	350				
	Women-headed households - Households		630	490	70	70				
	Households - Percentage (%)		70	70	70	70				
Outcome 1: Enhanced capacities	Trained extension service providers/lead farmers disseminating knowledge through training and advisory services						Training Records,	Yearly	Project team	1) Farmers and producer organizations will apply

Results Hierarchy	Indicators						Means of Verification			Assumptions
	Name	Baseline	End Target				Source	Frequency	Responsibility	
			Total	Nepal	Bhutan	Pakistan				
for agroecological transition	Extension workers-Number		120		60	60	progress reports			skills in adoption of agroecological production system. 2) Youth are motivated and willing to take part in youth apprenticeships and apply skills to establish agroecological farms as business enterprises.
	Lead farmers-Number		210	90	60	60				
	lead farmers women - Number		126	54	36	36				
	Youth-Number		84	36	24	24				
	Percentage of Youth apprentices engaged in agroecological production after completion						Progress reports	Continuous	Project team	
	Youth -Number		60	60						
Output 1.1: Farmer, youth and extension workers capacitated on agroecological farming system and practices	Persons trained on market oriented agroecological production system						Training reports, progress reports	Continuous	Knowledge management officer	
	Total		3330	2330	500	500				
	Female		1998	1398	300	300				
	Indigenous and ethnic minority		666	466	100	100				
	Youth		1332	932	200	200				
	Number of agroecological demonstration farms established and strengthened for learning						progress reports	Annually	Project team	
	Farms-Number		30	10	10	10				
Output 1.2: Knowledge management system established for scaling agroecological practices	Number of Farm level agroecological technical packages and instructional videos developed and disseminated						Knowledge product documents, videos, progress reports	Continuous and year 3	Project team, particularly knowledge management officer	
	Package of practices - number		30	10	10	10				
	Training manual - number		3	1	1	1				
	Video documentation - number		21	7	7	7				
	Number of farmers using digital agroecological advisory services and digital farmer’s diary for farm-level record keeping						Project data base, digital app analytics, and progress reports	Continuous	Project team	
	Total		3360	3000	200	160				
	Female		2016	1800	120	96				
	Indigenous and ethnic minority		672	600	40	32				
	Youth		1344	1200	80	64				

Results Hierarchy	Indicators						Means of Verification			Assumptions
	Name	Baseline	End Target				Source	Frequency	Responsibility	
			Total	Nepal	Bhutan	Pakistan				
Output 1.3: National and regional learning and knowledge sharing on agroecology strengthened	No of Persons participating in knowledge sharing events						Event reports,	Continuous	Project team	
	Events – Number		9	6	2	1				
	Person -Total		260	130	70	60				
	Female - Number		78	39	21	18				
	Youth - Number		104	52	28	24				
Outcome 2: Strengthened market systems for agroecological products	Number of households reporting increased income due to Premium market of agroecological produce						RHVAP Baseline, Annual Outcome/Mid term survey Report, TAP annual Progress reports,	Annually	Project team	1) Value chain actors are willing to adopt agroecological certification and marketing system to meet domestic and export market standards. 2) Strong linkage between producer organizations and markets will be established to facilitate the effective marketing of agroecological produce. 3) Demand for Nepali agroecologically produced and safe products will be increased at local, national and international markets.
	Total		2450	2450						
	Female		1470	1470						
	Indigenous and ethnic minority		490	490						
	Youth		980	980						
	Percentage		70	70						
	Number of value chain actors (POs and market actors) adopting agroecological products certification and traceability system						Project reports	Annually	Project team	
	Total		420	420						
	Female		252	252						
	Youth		168	168						
	Producer organisations engaged in formal partnership and agreements with Public and Private entities						Agreement documents, project reports	Continuous	Project team	
	Number of agreements		10	10						
	Number of POs		15	15						
	Total number of POs members		375	375						
	- Women PO members		225	225						
-Men PO members		150	150							
Output 2.1: Certification and traceability system designed and piloted for agroecological products	Number of Participatory Guarantee System (PGS)/traceability system guidelines developed						Project reports	Continuous	Project team	
	Number of guidelines		1	1						
	POs supported on Agroecological Participation Guarantee system						Project reports			
	Number of POs	-	10	10						

Results Hierarchy	Indicators						Means of Verification			Assumptions
	Name	Baseline	End Target				Source	Frequency	Responsibility	
			Total	Nepal	Bhutan	Pakistan				
	Number of POs members		300	300						
	- Females -No of People		180	180						
	- Males -No of People		120	120						
Output 2.2: Value chain actors capacitated and market linkages strengthened	No of exchange visit organised among VC actors (POs and High-end market players)						Training reports, MoUs, project reports	Continuous	Project team	
	Total visits		7	7						
	Person - total		210	210						
	Female - number		105	105						
	Youth - number		84	84						
	Number of smallholders linked with buyers through B2B network									
	Total		660	660						
	Female		396	396						
	Youth		264	264						