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Enabling poor rural people
to overcome poverty

President's report on proposed grants under the global/regional grants window to non- CGIAR-supported international centres

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For: Approval

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Abbreviations and acronyms

AA	administrative assistant
ABR	action-based research
AFRACA	African Rural and Agricultural Credit Association
AGRA	Alliance for a Green Revolution in Africa
BiH	Bosnia and Herzegovina
CARP	Community Action Research Programme
CEO	chief executive officer
CIDR	Centre International de Développement et de Recherche
CLAEH	Centro Latinoamericano de Economía Humana (Latin American Center for Human Economy)
CMG	Grupo Mercado Común (Common Market Group of MERCOSUR)
CoP	community of practice
EAFF	Eastern Africa Farmers' Federation
ESA	East and Southern Africa Division
FAF	Fondo para la Agricultura Familiar (Family Farming Fund)
FAO	Food and Agriculture Organization of the United Nations
FOS	farmers' organizations
HHS	households
KIC	knowledge and information centre
KM	knowledge management
KM&L	knowledge management and learning
KMP	Knowledge Management Partnership
LoA	letters of agreement
M&E	monitoring and evaluation
OIT	Oxfam Italia
PMT	programme management team
REAF	Reunión Especializada de Agricultura Familiar (Commission on Family Farming)
RF	rural finance
RFS	rural finance specialist
RSA	Republic of South Africa
RUFORUM	Regional Universities Forum for Capacity Building in Agriculture
SFOAP	Support to Farmers Organizations in Africa Programme
SMEs	small and medium-sized enterprises

Recommendation for approval

The Executive Board is invited to approve the recommendation for grants under the global/regional grants window to non-CGIAR-supported international centres as contained in paragraph 7.

President's report on proposed grants under the global/regional grants window to non-CGIAR-supported international centres

I submit the following report and recommendation on six proposed grants for agricultural research and training to non-Consultative Group on International Agricultural Research (CGIAR)-supported international centres in the amount of US\$9.1 million.

Part I – Introduction

1. This report recommends the provision of IFAD support to the research and training programmes of the following non-CGIAR-supported international centres: Centro Latinoamericano de Economía Humana (CLAEH) [Latin American Center for Human Economy]; Oxfam Italia; Food and Agriculture Organization of the United Nations (FAO); Eastern Africa Farmers' Federation (EAFF); African Rural and Agricultural Credit Association (AFRACA); and PICO Knowledge Net Ltd.
2. The documents of the grants for approval by the Executive Board are contained in the annexes to this report:
 - (i) Centro Latinoamericano de Economía Humana: Public policy dialogue on family farming and food security in the Southern Cone of Latin America;
 - (ii) Oxfam Italia: Renewable energy technologies in Albania and Bosnia and Herzegovina;
 - (iii) Food and Agriculture Organization of the United Nations: Drought recovery and smallholder adaptation programme in Djibouti and Somalia;
 - (iv) Eastern Africa Farmers' Federation: Strengthening capacity of East African farmers' organizations through knowledge management and institutional development;
 - (v) African Rural and Agricultural Credit Association: Rural finance knowledge management partnership (KMP) - Phase III; and
 - (vi) PICO Knowledge Net Ltd.: IFADAfrica Regional Knowledge Network - Phase II.
3. The objectives and content of these applied research programmes are in line with the evolving strategic objectives of IFAD and the Fund's policy for grant financing.
4. The overarching strategic goal that drives the Revised IFAD Policy for Grant Financing, which was approved by the Executive Board in December 2009, is to promote successful and/or innovative approaches and technologies, together with enabling policies and institutions, that will support agricultural and rural development, empowering poor rural women and men in developing countries to achieve higher incomes and improved food security.
5. The policy aims to achieve the following outputs: (a) innovative activities promoted and innovative technologies and approaches developed in support of IFAD's target group; (b) awareness, advocacy and policy dialogue on issues of importance to poor rural people promoted by, and on behalf of, this target group; (c) capacity of partner institutions strengthened to deliver a range of services in support of poor

rural people; and (d) lesson learning, knowledge management and dissemination of information on issues related to rural poverty reduction promoted among stakeholders within and across regions.

6. The proposed programmes are in line with the goal and outputs of the revised IFAD grant policy.
- (i) The grant activities and expected outputs of the proposed programme on Public policy dialogue on family farming and food security in the Southern Cone of Latin America support output (b) of the grant policy (awareness, advocacy and policy dialogue on issues of importance to poor rural people).
 - (ii) The proposed programme on Renewable energy technologies in Albania and Bosnia and Herzegovina is in line with the aforementioned goal and outputs (a), (b) and (c) of the revised IFAD grant policy.
 - (iii) The proposed programme on Drought recovery and smallholder adaptation programme in Djibouti and Somalia is in line with outputs (c) and (d) of the revised policy. It is also in line with the IFAD Policy on Crisis Prevention and Recovery in the Horn of Africa, and with the recently published Disaster Early Recovery Guidelines. In view of the current drought and humanitarian crisis, the proposed programme will also pilot a new model of post-harvest storage facility to address substantial post-harvest losses. The grant is aligned with the Consolidated Appeal Processes 2011 for Somalia and the United Nations Assistance Strategy for Djibouti and Somalia.
 - (iv) The programme on Strengthening capacity of East African farmers' organizations through knowledge management and institutional development is directly related to outputs (c) and (d) of the revised policy. The programme will build buy-in, capacity and enabling systems for knowledge management and learning at farmer organizations. It will also stimulate, consolidate and scale up local knowledge to eventually inform country programmes.
 - (v) The programme on the Rural finance knowledge management partnership (KMP) - Phase III is in line with outputs (a), (c) and (d) of the revised grant policy. KMP-Phase III will develop new strategic partnerships with like-minded organizations to respond to the rapidly growing demand in Africa by commercial, formal financial institutions and informal service providers for information on agricultural finance, so as to increase lending to the agriculture sector or to improve the design and implementation of projects.
 - (vi) The IFADAfrica Regional Knowledge Network has already contributed concretely to output (d) of the grant policy by generating a number of relevant knowledge products. During phase II it will contribute more substantively by helping develop the capacity, processes and systems that will enable projects, and ideally also governments and IFAD itself, to manage knowledge more effectively to achieve results and impact. It is anticipated that lessons and experience from IFADAfrica-Phase II will be useful as IFAD develops an integrated innovation, learning and scaling up strategy. Given its strong focus on building capacity to integrate knowledge management (KM) and learning into government systems in order to improve performance, results and impact, the project also supports output (c).

Part II – Recommendation

7. I recommend that the Executive Board approve the proposed grants in terms of the following resolutions:

RESOLVED: that the Fund, in order to finance, in part, Public policy dialogue on family farming and food security in the Southern Cone of Latin America, shall make a grant not exceeding one million eight hundred thousand United States dollars (US\$1,800,000) to the *Centro Latinoamericano de Economía Humana* for a three-year programme upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board herein.

FURTHER RESOLVED: that the Fund, in order to finance, in part, Renewable energy technologies in Albania and Bosnia and Herzegovina, shall make a grant not exceeding one million two hundred thousand United States dollars (US\$1,200,000) to Oxfam Italia for a three-year programme upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board herein.

FURTHER RESOLVED: that the Fund, in order to finance, in part, the Drought recovery and smallholder adaptation programme in Djibouti and Somalia, shall make a grant not exceeding one million three hundred thousand United States dollars (US\$1,300,000) to the Food and Agriculture Organization of the United Nations for an 18-month programme upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board herein.

FURTHER RESOLVED: that the Fund, in order to finance, in part, Strengthening capacity of East African farmers' organizations through knowledge management and institutional development, shall make a grant not exceeding one million five hundred thousand United States dollars (US\$1,500,000) to the Eastern Africa Farmers' Federation for a three-year programme upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board herein.

FURTHER RESOLVED: that the Fund, in order to finance, in part, the Rural finance knowledge management partnership (KMP) - Phase III, shall make a grant not exceeding one million five hundred thousand United States dollars (US\$1,500,000) to the African Rural and Agricultural Credit Association for a three-year programme upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board herein.

FURTHER RESOLVED: that the Fund, in order to finance, in part, the IFADAfrica Regional Knowledge Network - Phase II, shall make a grant not exceeding one million eight hundred thousand United States dollars (US\$1,800,000) to the PICO Knowledge Net Ltd. for a three-year programme upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board herein.

Kanayo F. Nwanze
President

Centro Latinoamericano de Economía Humana: Public policy dialogue on family farming and food security in the Southern Cone of Latin America

I. Background

1. During the past decade IFAD has supported the establishment and implementation of a regional programme to further the concept and approaches of family farming, based at the headquarters of the secretariat of the Common Market of the South (MERCOSUR) in Montevideo, Uruguay. The programme supports the Commission on Family Farming (REAF) as an advisory body to the Common Market Group (CMG) of MERCOSUR. IFAD has contributed greatly to the functioning of REAF as an open body for addressing a broad range of important issues in the development and consolidation of the family farming approach and its organizational structures. A measure of success of all efforts to date is the creation of the MERCOSUR Fund for Family Farming (Fondo para la Agricultura Familiar – FAF) to finance REAF operations for at least five more years, starting in 2012. Contributions to FAF are made by participating member countries. FAF will ensure operation of REAF's basic activities, such as the regular sessions of the Commission and activities of its thematic groups and national sections.
2. The creation of FAF and the existing firm commitment of national governments augur well for addressing the many issues and concerns involved in family farming. Nevertheless, the evolving family farming agenda does require additional support. The proposed programme is in line with IFAD's interests and strategic objectives in the region, including: (i) development of substantive, supporting research to nourish analysis and debate on the results of family farming policies, while seeking to improve their efficiency and effectiveness; (ii) systematizing and disseminating the results of successful experiences with due technical rigour, using communication approaches and methods that address the knowledge needs of different target publics; and (iii) developing South-South cooperation between MERCOSUR member countries and subregional and extraregional players, promoting a two-way information exchange process.

II. Rationale and relevance to IFAD

3. The establishment of FAF ensures REAF's sustainability, as it will have the necessary resources to fund the basic activities that sustain the working methodology developed since its inception. However, member governments and MERCOSUR have indicated that they wish to deepen the analysis and exchange of experiences on family farming within and beyond MERCOSUR and the Latin America and the Caribbean region. The intent is to link small-scale agriculture, food security and the needs and aspirations of more vulnerable populations in the struggle against the roots of rural poverty, which is not within the scope and mandate of FAF. Thus, there is a need to provide further complementary support to improve and deepen implementation of agreements reached by REAF and to share experience gained and expand the concepts behind family farming and food security to other areas of Latin America and beyond, including Colombia, Ecuador, El Salvador, Peru and the Republic of South Africa (RSA).

III. The proposed programme

4. The overall goal of the programme is to improve the livelihoods of family farmers through the adoption of relevant, effective policy measures and instruments that take into account their particular conditions and aspirations, leading to increased levels of participation and well-being. The programme's objectives are to:

- (a) Support the formulation, within national contexts, of relevant public policies aimed at developing family farming, ensuring food security and alleviating rural poverty, seeking policy harmonization on a regional basis. Policies include those specifically related to the agriculture sector, as well as territorial public investment policies aimed at the provision of goods and services for rural populations. The long-term objective will be to scale up favourable and innovative experiences by increasing the allocation of public resources through differentiated policies in favour of family farming, as a result of REAF recommendations approved by the CMG.
- (b) Further South-South cooperation involving national governments, multilateral and bilateral agencies and organizations of family farmers, while creating mechanisms that will allow for systematizing what has been learned in the context of MERCOSUR. Such cooperation will aim to develop and institutionalize the required instruments for differentiated sector and non-sector public policies in favour of family farming – disseminating this information in other regions.
5. The programme's area of intervention includes all countries of Latin America's Southern Cone: Argentina, Brazil, Chile, Paraguay and Uruguay. Direct beneficiaries of programme activities will include: (i) government officials responsible for public investment for development, including those in charge of sector farming policies, targeted policies in favour of family farming and food security; (ii) leaders and members of small-scale farmers' social organizations; (iii) current and potential beneficiaries of IFAD-funded projects in the region; (iv) technical and management staff of IFAD-funded projects; and (v) government officials and representatives of small farmers' organizations in countries of the Andean and Central American region and in the RSA.
6. The three-year programme will comprise two main components:
- Public policy dialogue and institutionalization.** Implementation of this component will entail carrying out four main clusters of activities: (a) a policy scoping and screening process for adoption of pro-family farming policies in countries of the region as a basis for discussion and analysis during analytical workshops, which may lead to recommendations for adjusting pro-family farming policies; (b) assessment of rural-sector policies for family farming, including their effectiveness and potential, focused on: farmers' incorporation into value chains and access to markets; financial services; technologies and technology transfer mechanisms; gender dimensions and climate change through research and analysis, comparing current instruments and innovations introduced; (c) preparation and commissioning of research papers to further understanding of food security issues by gathering and systematizing information on experience gained in Latin American countries and, in addition, a study of activities related to public food procurement programmes assessing accessibility conditions for farmers and available mechanisms and instruments; and (d) capacity-building of government officials and leadership of family farming organizations through country workshops.
- South-South cooperation.** This component seeks to transfer knowledge of progress made in institutionalizing the family farming approach, as well as in the design and implementation of differentiated policies for family farming. Activities have been grouped according to geographical focus: (a) cooperation with countries of the Andean Community of Nations (Comunidad Andina de Naciones [CAN]) and of Central America. The programme will fund missions to Colombia, Ecuador, El Salvador and Peru to assess family farming developments in those countries. The findings will serve as the basis for organizing joint meetings between representatives of REAF, government officials and leaders of family farmers' organizations. The programme will provide advisory services and technical

assistance to governmental and family farming delegations; (b) cooperation with the RSA. The programme will fund the methodological and conceptual support required to hold interregional meetings to advance ongoing discussion of issues related to family farming and food security, and to prepare substantive papers to nourish the debate and serve as a basis for public policy development. The programme will support the organization of exchange missions between representatives of REAF, government officials and family farming representatives and the systematizing of the results of these exchanges.

IV. Expected outputs and benefits

7. The following outputs are expected:

Component 1. Public policy dialogue and institutionalization

- (a) Twelve regional and/or national studies on strategic public policies for Southern Cone governments and family farming organizations;
- (b) Nine reports supporting relevant issues for management of IFAD projects being implemented in the programme area and relevant to family farming development;
- (c) Fifteen workshops devoted to analysing policies and/or initiatives implemented in favour of the development of family agriculture, with the participation of representatives of social organizations and government officials;
- (d) Fifteen technical exchange missions in support of implementation of relevant policies and/or instruments of intervention;
- (e) design and maintenance of an updated website;
- (f) Three alliances and agreements with academic institutions;
- (g) Nine analytical papers on the main policy areas under discussion;
- (h) An inception strategic approach paper; and
- (i) A programme completion report.

Component 2. South-South cooperation

- (a) Eight exchange missions between representatives of the MERCOSUR governments and organizations and those of countries in other regions; and
- (b) Eight formal working meetings, following set agendas agreed to in advance, with the outputs systematized and published.

8. The following outcomes are expected:

- (a) National governments and authorities responsible for agriculture and rural development in the Southern Cone of Latin America will have a better understanding of issues related to family farming and will move forward in adopting sector policies that further the interests and aspirations of organizations of family farmers;
- (b) In defining public policies aimed to enhance food security, national and local authorities will take into account not only prioritized sector instruments, such as adaptation of family farming to climate change and public-sector procurement, but also policies related to public investment in goods and services that address rural needs in education, health, social security and infrastructure;
- (c) The concepts and approaches inherent in the family farming conceptual framework will be shared with similar bodies and family farmers in the above-mentioned countries; and

- (d) Wide dissemination of information will contribute to a better understanding of concepts and approaches to public policies and investments for family farming among politicians, national and local authorities, leaders and members of farmers' organizations, professionals and academic institutions, and the general public.

V. Implementation arrangements

9. The grant recipient is the Latin American Centre for Human Economy (CLAEH), an NGO founded in Uruguay in 1957. CLAEH is part of a participatory action/research/social promotion network in Latin America and has considerable experience in implementing programmes funded by international agencies.
10. Programme implementation will be the responsibility of a programme implementation unit (PIU) to be established within CLAEH. The PIU will be composed of a programme coordinator, technical advisor and administrative assistant. The PIU team will work closely with FAF, MERCOSUR and IFAD to ensure that family farming activities are coordinated with all relevant initiatives in the region and with IFAD projects. Appointment of the programme coordinator and technical advisor will be made in agreement with IFAD.
11. **Programme guidance.** In order to provide guidance to programme operations, a programme steering committee (PSC) will be established. The PSC will meet annually and will be composed of a representative of MERCOSUR as chair, two representatives of member states and the programme coordinator, who will act as secretary to the PSC. The IFAD officer in charge of the programme will also participate in the annual meetings as an observer. The PSC will be responsible for reviewing the annual work programme and budget for later submission to IFAD and will consider progress reports and monitoring and evaluation (M&E) insights.
12. **Programme administration.** Although the recipient of the grant is CLAEH, the United Nations Office for Project Services (UNOPS) will administer the grant resources to be provided by IFAD. Both IFAD and CLAEH will sign separate agreements with UNOPS, which will include operational and financial management arrangements and all matters related to accounts and auditing, disbursements and procurement.
13. **M&E.** Programme implementation will be monitored continuously by the PIU, revised at mid-term and evaluated upon completion. The main purpose of these exercises will be to assess changes in the policy environment based on the baseline study prepared during the inception phase and the corresponding inception paper. This study will summarize progress made by MERCOSUR countries in advancing the family farming agenda and approach, including progress in establishing national registries. The completion evaluation will determine the relevance, efficiency and effectiveness of the programme and consider its relevance to other member countries of CAN, in Central America, and to the RSA. Evaluation questionnaires will be completed by all participants in training events and visits; ongoing tracking of web traffic will also be considered.

VI. Indicative programme costs and financing

14. The programme will be funded by IFAD for a total of US\$1,800,000, representing 71 per cent of the total cost. CLAEH and participating countries will contribute US\$800,000, representing 29 per cent of the total cost.

Summary of budget and financing plan

(Thousands of United States dollars)

<i>Number</i>	<i>Type of expenditure</i>	<i>IFAD</i>	<i>Cofinancing</i>
1	Consulting services	302	300
2	Training/capacity-building	330	164
3	Technical assistance	382	175
4	Publications	175	81
5	Staff salaries	425	45
6	Operational costs	186	35
	Total	1 800	800

Results-based logical framework

	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Goal	Improve the livelihoods of family farmers through the adoption of relevant and effective policy measures and instruments	Increased income levels of family farmers in programme countries Reduced malnutrition (RIMS indicators)	National Living Standards Measurement Surveys RIMS surveys conducted by the IFAD projects in the participating countries	
Objectives	(a) Support the formulation, within national contexts, of relevant public policies aimed at developing family farming, ensuring food security and alleviating rural poverty (b) Further South-South cooperation involving national governments, multilateral and bilateral agencies and organizations of family farmers	40 policies adopted and legislative instruments enacted 30 per cent of public investments in agriculture in MERCOSUR go in support of family farmer groups 2.4 million family farmers participating in public procurement schemes 10 policies or projects adopted and or adapted in other non-MERCOSUR countries 10 innovative solutions scaled up within the MERCOSUR area and in participating countries	Official legislative records National budgets CMG approved resolutions - National Family Farming Registries National Agricultural Census Programme supervision and evaluation report	No significant policy changes within MERCOSUR countries and conducive policy environment in other participating countries outside of the MERCOSUR region Stable macroeconomic policies in MERCOSUR and other participating countries
Outputs	Scaled up policies and instruments in favour of family farming within an expanded MERCOSUR area Expanded exchanges of policies, instruments and existing institutional arrangements with other countries and regions in the context of South-South cooperation	12 regional and/or national studies on strategic public policies for governments and family farming organizations; 12 workshops analysing policies and/or initiatives implemented in favour of family agriculture with the participation of representatives of social organizations and government; 18 technical exchange missions in support of implementation of relevant policies; 3 agreements with academic institutions; 3 analytical papers on main policy areas. 8 exchange missions between representatives of MERCOSUR governments and organizations and those of countries in other participating countries/regions; 8 formal working meetings between officials responsible for family farming with outputs systematised and published	Programme supervision, evaluation reports; Programme annual reports Service contracts and reports - Mission reports Learning events and participant's self-evaluation questionnaires Learning event reports	Continued political commitment of participating countries in furthering family farming approaches
Key activities	(i) conduct country studies; (ii) carry out thematic workshops; (iii) undertake technical exchange missions; and exchange missions and (iv) disseminate knowledge and experiences	60 studies, workshops, exchange missions, analytical papers and 40 policies adopted and enacted upon	Legislative records, government publications, REAF summary records and programme annual progress reports	Existence of counterpart funding

Oxfam Italia: Renewable energy technologies in Albania and Bosnia and Herzegovina

I. Background

1. Economic development is closely linked to energy development. Most of the world's commercial energy supplies are provided by fossil fuels, which have emissions causing local, regional and global environmental pollution. Energy-use efficiency needs to be improved to moderate the growth of usage, while the contribution from clean energy sources needs to be increased to reduce adverse environmental impact. Renewable energy, as well, is considered a potential response to the challenges of ever-increasing energy use and related environmental concerns, as well as providing plentiful opportunities to poor rural people.
2. Diversification of renewable energies would give a significant added value to poor rural areas. Most of the population in rural areas is confined to agricultural and mountainous areas, where electric power for domestic and business needs is difficult to obtain. Moreover, it has been demonstrated in other countries in Eastern Europe that the introduction of alternative and renewable forms of energy helps reduce reliance on a single source, generates significant energy cost savings, creates jobs and reduces pressure on natural assets.
3. In various parts of South-eastern Europe, the current pattern of energy use is environmentally damaging and unsustainable, and existing environmental problems are closely linked to energy systems. Pockets of poverty exist in remote areas of Albania and Bosnia and Herzegovina (BiH) where there is a lack of infrastructure. These pockets often remain off the energy grid. Enabling these areas to access renewable energy technologies will help poor rural people in their efforts to manage run more efficiently their farms and/or small businesses.
4. Albania and BiH have substantial renewable energy sources that could be harnessed to meet the energy needs of various sectors, thus promoting efficient energy use in the region. Currently, a lack of consumer access to these sources means that the populations of these countries are faced with a shortage of energy, especially in the poor and most marginalized regions, despite an abundance of energy sources. Renewable energy can play an important role in helping meet basic energy needs in peri-urban and rural areas, especially marginalized rural areas. It can help provide alternative sources of energy for specific needs, such as hot water production using solar heaters or small-scale agroprocessing industries. Improved and more efficient use of natural resources, combined with renewable energy strategies at institutional levels, will help create local-level green economies and livelihood opportunities.
5. The proposed grant will be closely linked with the IFAD-financed programmes supporting rural economic development in Albania and BiH by testing new technologies in poor rural areas with high potential for renewable energy.

II. Rationale and relevance to IFAD

6. The proposed programme will help provide poor rural people with an asset base that is more resilient to climate change and market transformation. This will be achieved through the testing of various renewable energy technologies (environmentally and economically sustainable) that, if successful, will be replicated and scaled up in IFAD loan-financed programmes.
7. The programme will test renewable energy technologies for the following activities in which poor rural people are engaged: (i) agriculture-related activities (especially through producers' organizations and cooperatives); (ii) rural tourism-related activities to benefit selected municipalities; and (iii) individual households (based on a participatory and demand-driven approach in selected municipalities and communities in target areas).

8. The grant will help achieve the following:
 - (a) Provide sustainable access to a natural resource and economic asset base for poor rural women and men that is more resilient to climate change, environmental degradation and market transformation.
 - (b) Improve access for poor rural women and men to services to help reduce poverty, raise incomes and build resilience in a changing environment.
 - (c) Organize awareness campaigns to help sensitize communities and municipalities to renewable energy and energy efficiency issues, and to enhance the capabilities of poor rural women and men and their organizations to influence policies and institutions.
9. The grant programme will support and contribute to IFAD's ongoing operations in Albania and BiH and will be closely linked with the Mountain Business Competitiveness Programme in Albania and the Rural Business Development Project in BiH. Oxfam Italia (OIT) will work closely with the respective programme coordination units (PCUs) of each country. In Albania, it will work with the Mountain Areas Development Agency, and in BiH with the two PCU entities of the Ministry of Agriculture (MoA).
10. The grant is designed to enable IFAD to effectively learn and share knowledge on the use of renewable energy technologies for rural poverty reduction – in view of subsequent replication and scaling up of successful technologies in IFAD loan-financed programmes.
11. Moreover, the programme will contribute to policy dialogue relevant to Europe's view of energy efficiency in this region and to the introduction of alternative energy sources. The European Energy Strategy addresses the major energy challenges facing European countries today regarding climate change, increasing dependence on imports, the strain on energy resources and access for all users to affordable and secure energy. The European Union is putting in place an ambitious energy policy encouraging renewables (solar, wind, biomass, geothermal, hydroelectric and tidal), in a bid to spark a new industrial revolution that will deliver a low-energy economy, while making the energy consumed more secure, competitive and sustainable. The growth of renewable energy sources and the creation of new technologies are expected to stimulate employment in the region.

III. The proposed programme

12. The overall goal of the programme is to improve the livelihoods of rural communities in disadvantaged areas of Albania and BiH by increasing the use of renewable energy and making energy use more efficient.
13. The programme's objectives are to:
 - (a) Adopt renewable energy technologies in targeted poor rural communities in order to increase the efficiency of energy consumption at the household/community level, leading to increased competitiveness of small and medium enterprises (SMEs) operating in agribusiness and ecotourism; and
 - (b) Adopt and promote clean energy policies and programmes at the national and local level.
14. The target group consists of poor rural people in IFAD programme areas in Albania and BiH. The programme will especially target small farming households whose livelihoods depend on agriculture, collective agriculture and rural tourism SMEs, as well as local municipalities and communities.
15. The three-year programme comprises three main components:

Research, policy analysis and institution-building. By helping target countries become part of the Kyoto mechanism of carbon credits increasing

renewable kilowatt-hours, the programme will help sell credits while contributing to reducing greenhouse gases. Activities foreseen for this component include:

Inception phase

- Needs assessments, research and policy analysis: analysis of local consumption patterns and construction of medium-term plans for development of the renewable energy sector; analysis of national policies and programmes related to renewable energy (mainly strategies to support rural households, producers and SMEs involved in agribusiness);
- Definition of memoranda of understanding with national and local institutions in consultation with IFAD.

Institutional capacity-building

- Training of staff at local institutions and harmonization of local regulations according to international protocols;
- Creation of specialized know-how through training and establishment of subsidiaries with production lines and onsite sales of solar energy systems.

Implementation of pilot projects. Testing of renewable energy plants and local planning. At **household, smallholder and rural enterprise levels**, pilot actions are foreseen for the installation of:

- Small photovoltaic plants for rural households and domestic needs;
- Solar thermal systems for production needs in the dairy sector;
- Solar greenhouses for winter/spring crops in floriculture, fruit and vegetable sectors;
- Solar drying systems for fruits and vegetables for export;
- Solar pumping systems and irrigation pumps;
- Refrigeration/ventilation or solar-powered heat pumps for stables, fresh produce processing cellars, and dairy and wine production;
- Hydro-powered or solar microgenerators in mountain areas;
- Solar beeswax melters for beekeepers.

At **community and institutional levels**, pilot projects will be implemented to evaluate local potential for solar and wind power and to build new plants to reduce carbon dioxide emissions. They will include the following activities:

- Pilot projects to recover plant biomass from forests (currently with low efficiency and high loss of biodiversity); environmental restoration works to maintain recovery pastures under shrub encroachment; and initiatives in reforestation of arboricultural wood essences useful as a nectar resource;
- Create ecolabels for the sale of products in domestic and international markets (pellets and bricks recovered from plant biomass);
- Equip public buildings with boilers fuelled by woodchips from sawmill waste processing and recovery plant biomass – with the phasing out of fossil fuel boilers, giving power plants' greater autonomy;

- Explore the use of unused buildings for medium-scale photovoltaic plants – thus avoiding the use of agricultural land;
- Install solar water heaters in public buildings for the production of sanitary hot water while reducing power consumption.

Knowledge management and sharing, dissemination and scaling-up. Awareness campaigns on energy saving and the rational use of energy – based on pilot interventions to promote the sustainable use of domestic resources and the reduction of fuel consumption. These will be accomplished at the household, small agroenterprise, community and institutional levels.

IV. Expected outputs and benefits

16. Expected outputs and benefits of the programme include:
- Renewable energy technologies promoted in national programmes and policy frameworks;
 - National and local managerial staff familiarized with renewable energy promotion and usage;
 - Small-scale plants at household, community and SME levels built and tested to support the local rural economy of target areas;
 - Rural disadvantaged households and SMEs aware and convinced of the importance of renewable energy programmes and initiatives.

V. Implementation arrangements

17. OIT will be the grant recipient, and will be in charge of programme management, implementation and monitoring. OIT will ensure: timely execution of all tasks, effective use of financial resources, and transparent administrative and financial management of the programme.
18. The programme will be carried out in collaboration with a broad range of partners, including government institutions in both Albania and BiH, and in partnership with the respective Ministries of Food and Agriculture, Environment, Energy, Forestry and Tourism. OIT will also work in partnership with local municipalities, agricultural cooperatives and rural tourism associations.

VI. Indicative programme costs and financing

19. Total cost of the three-year programme is US\$1.2 million. OIT will provide in-kind contributions equivalent to US\$0.47 million.

Summary of budget and financing plan

(Thousands of United States dollars)

<i>Number</i>	<i>Type of expenditure</i>	<i>IFAD</i>	<i>Cofinancing^a</i>
1	Personnel	214	178
2	Professional services/consultancies	174	
3	Travel costs	26	
4	Equipment	550	182
5	Operational costs, reporting and publications	60	110
6	Training/capacity-building	107	
7	Overhead	69	
	Total	1 200	470

^a This will be provided by OIT, partners and stakeholders through ongoing and planned OIT project interventions in targeted areas. Moreover, in-kind contributions will also come from projects funded through a number of donors, including the European Union and the Italian Ministry of Foreign Affairs.

Results-based logical framework

	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Goal	Improved livelihoods of rural poor communities in disadvantaged areas of BiH and Albania by piloting the use of renewable energy technologies	<ul style="list-style-type: none"> - Reduction of energy costs of participating communities - Increase in revenues of SMEs operating in agribusiness and ecotourism using renewable energy technologies 	<ul style="list-style-type: none"> - Survey results - Programme data results 	
Objectives	<ul style="list-style-type: none"> -Renewable energy technologies adopted by rural poor communities for increasing efficiency in energy consumption at household/community level which will lead to increase competitiveness of SMEs operating in agribusiness and eco-tourism -Promotion at national and local levels the adoption of clean energy policies and programmes 	<ul style="list-style-type: none"> - Production of renewable energy at domestic level from identified technologies to reach at least 20 per cent of the targeted household annual consumption after three years - At least 80 per cent of piloted renewable energy programmes functioning after programme completion 	<ul style="list-style-type: none"> - Official documents on energy policy - Programme data and documents - Evaluation and survey results 	<ul style="list-style-type: none"> - International donor community promote increased investments in renewable energies - Increased national engagement to promote renewable energies
Outputs	<ul style="list-style-type: none"> - Renewable energy technologies in national programmes and policy frameworks promoted - National and local managerial staff familiarized in renewable energy promotion and usage - Small-scale plants at household, community and SME level constructed and tested to support the local rural economy of piloted target areas - Rural disadvantaged households and SMES aware and convinced on the importance of renewable energy programmes and initiatives 	<ul style="list-style-type: none"> - 70 managerial staff at national and local level has increased competencies in renewable energy promotion - New policies and programmes for promoting the use of renewable energies are designed and discussed at national and local level - 208 small plants designed, constructed and tested at household level and 4 plans at community level supporting local rural economy of programme target areas -At least 140 small plants at household level for heating system usage -At least 68 small plants installed for agribusiness and eco-tourism SMEs -At least 10 per cent of the local target population is aware of the opportunities of using renewable energies 	<ul style="list-style-type: none"> - Programme documents and reports - Baseline survey at local community and household level - Final M&E results 	<ul style="list-style-type: none"> - Active involvement of national and local institutions in programme activities - Cost of energy not decreasing, making the pilot initiatives economically inefficient
Key activities	<ul style="list-style-type: none"> - Analyse national policies/programmes frameworks and produce guidelines for promotion of renewable energies - Capacity-building programmes to increase competencies of national and local level managerial staff in renewable energy promotion - Test and use of renewable energy technologies in pilot rural areas - Conduct awareness raising campaigns on the importance of renewable energies programmes 	<ul style="list-style-type: none"> - 2 assessments on national policy framework on renewable energies and least 13 guidelines for promotion of renewable energies defined at local level - In consultation with IFAD, at least 13 MoU are signed with the local municipalities participating in the programme -2 trainings and technical assistance provided to 70 managerial staff of local and national institutions -2 awareness-raising campaigns on the importance of renewable energies programmes/initiatives carried out involving 3,000 students, 1,000 households, 500 agribusiness and eco-tourism SMEs and 100 staff of local institutions 	<ul style="list-style-type: none"> - Programme reports and documents - Baseline survey results - M&E data 	<ul style="list-style-type: none"> - National and local institutions endorse renewable energy programmes, and actively participate in programme activities

Food and Agriculture Organization of the United Nations: Drought recovery and smallholder adaptation programme in Djibouti and Somalia

I. Background

1. The Horn of Africa region is facing one of the driest years since 1950/51, causing a food crisis that has escalated into famine in parts of southern Somalia. Some 12.4 million people, of which nearly 4 million in Somalia and Djibouti, are in need of urgent assistance to save their lives in the immediate short term, to recover their livelihoods, to ensure their food security does not deteriorate further, and to start building their resilience to mitigate the impact of future crises of this nature. These objectives are a high priority for IFAD and for the Food and Agriculture Organization of the United Nations (FAO).
2. In southern Somalia, where the crisis is currently most acute, the drought is compounded by a protracted conflict and long-standing neglect of the agriculture sector. These factors have resulted in chronic staple food production deficits, which, combined with increasing food prices, have led to severely reduced food access – above emergency-threshold severe acute malnutrition rates¹ – and increased crude mortality rates. As of August 2011, most of southern Somalia is either famine-stricken or close to famine level.
3. Djibouti has an arid climate and has experienced limited rainfall that has hindered crop production. The adverse climate is currently leading to frequent and severe droughts, which have resulted in a deteriorated food security situation in livestock-dependent areas.

II. Rationale and relevance to IFAD

4. Somalia's agricultural production suffers from low and unpredictable rainfall patterns and floods – seriously exacerbated by climate change and the lack of investment capital, inputs, social and economic infrastructure, access to markets and extension services. In addition, post-harvest losses are a serious problem: as grain is typically stored in underground pits, stocks are vulnerable to moisture damage, rodents, fungal diseases, insects, heavy rains and flash floods. Fungi and humidity together favour development of toxic bacteria, making the grain unsuitable for human consumption. Improving storage techniques and infrastructure would have a considerable impact on the food security of local populations. Livestock assets can be protected by providing large-scale animal feeding support, improving water availability and strengthening access to agricultural inputs with timely interventions in poor pastoralist and agropastoralist communities.
5. Most pastoral areas have experienced significant deterioration of rangeland resources, with shortages of water, pasture, high livestock pressure on permanent water points and limited options for livestock movement. As a consequence, livestock productivity and value have dropped dramatically, and in some areas, mortality rates have recently increased significantly. This is having a negative impact on the ability of pastoral communities to meet their basic needs. Not only has livestock productivity decreased, but – combined with increased food prices – livestock-to-cereal terms of trade are declining.
6. In view of this background, the proposed grant will focus on improving those storage techniques and infrastructure that would have a considerable impact on the food security of local populations. It will also target water scarcity, which affects the

¹ The Food Security and Nutrition Analysis Unit (FSNAU)-Somalia has reported malnutrition rates ranging from 30 per cent to peaks of 50 per cent in parts of the south.

resilience of pastoral communities and their capacity to cope with an environment characterized by erratic rainfall and fragile natural resources. Shortages of water and pasture for livestock are common, and in many areas the only water sources are surface water (rainfall harvesting) and shallow wells from groundwater sources. The best remaining livestock watering/grazing sites are being used unsustainably, which is placing considerable strain on the natural resources of areas surrounding the water points.

7. The grant programme will be implemented as part of a wider FAO Horn of Africa emergency response. The main interventions in Somalia involve the following components: (i) restoration of crop production through distribution of appropriate agricultural inputs for the upcoming planting seasons, and technical advice on drought-resilient cropping systems (about US\$10 million); (ii) safeguarding the livelihoods and remaining assets of vulnerable small-scale herders through timely provision of or improved access to fodder and water to avert livestock starvation; provision of curative treatment and vaccination of livestock, both during and immediately after the droughts, and strategic actions of de-stocking, re-stocking and improved pasture/rangeland management practices (about US\$35 million); and (iii) cash-for-work activities that create a temporary source of much-needed income, and at the same time contribute to increased resilience by rehabilitating productive infrastructure (about US\$25 million).
8. The proposed activities under the IFAD regional grant have been selected to fully complement and build on the proposed overall response. The grant would enhance collaboration between IFAD and FAO and provide important lessons on how to address agricultural emergency needs while launching activities that will build smallholder resilience to future external shocks.

III. The proposed programme

9. The overall goal of the programme is to provide improved access to water, agricultural inputs, fodder and post-harvest storage facilities to help achieve improved food and nutrition security and to restore livelihoods for 4,050 drought-affected households in Djibouti and Somalia.
10. In Somalia, the programme will target the population of southern Somalia, where the drought has resulted in famine. The target group in Djibouti will include pastoral households in the districts of Obock and Tadjourah.
11. The 18-month programme comprises three main components:

Somalia: Strengthening livelihoods and improving 2,000 farmers resilience through construction/rehabilitation of strategic communal storage facilities for seed and grain.
12. This component entails construction/rehabilitation of strategic communal seed and grain storage facilities to ensure that these commodities are stored and distributed during periods of price shocks or food unavailability. The strategic stores will be localized and managed at the village level. Community management committees for the facilities will be trained. Under the proposed programme activity, the best producers of maize and sorghum in the Riverine areas of Lower Shabelle and the rainfed areas of Bakool in South Somalia will be selected (especially those benefiting from FAO's input distribution). These stores will benefit agropastoral and riverine communities.
13. In addition, two strategic stores for maize and sesame seed will be constructed to benefit two growers' associations. Specific training will take place in post-harvest and conservation techniques, grain-stores management, marketing and sales for the associations/villages where the strategic stores will be placed. It is envisaged that, in the medium to long term, improved storage for seed and grain will cushion farmers and communities from sudden market shocks, especially in relation to the

availability of commodities. Storage facilities will also assist farmers in retaining their produce and releasing it when market prices are favourable, thus increasing profitability and incomes, while at the same time stabilizing extraordinary increases in consumer prices.

Somalia: Improving fodder production through distribution of inputs and technical support to fodder production groups (1,400 households)

14. This activity entails formation and training of fodder production groups in the riverine fodder-growing areas and distribution of inputs (seed and harvesting tools) to the targeted groups. Fodder will be grown in irrigated zones of riverine areas in the targeted regions.
15. Harvesting tools will be distributed to beneficiary households that are members of fodder-producing groups. Provision of harvesting tools will allow for greater engagement of individual beneficiaries in fodder production, which will in turn contribute to increased production and marketing of fodder and increased incomes through sales. Irrigation pumps will be provided to target fodder producers for irrigation during the dry (off-crop) season. Fuel for supplementary irrigation will be supplied with the pumps for a period of three months. While fodder fetches higher prices than cereals, in the interests of maximizing food production in the selection of fodder-growing areas, priority will be given to: (i) idle land currently unused and unsuitable for crop production; and (ii) cropland that is idle during the off-crop season.
16. Post-distribution review exercises will analyse data and information collected, while disaggregating data to take the gender perspective into account in the distribution process and the impact of seed and tool interventions on beneficiary households. The activity will be implemented by Cooperazione Internazionale (COOPI) and Vétérinaires Sans Frontières - Suisse (VSF-S), which have carried out similar work in South-Central Somalia.

Djibouti: Improved availability of drinking water and grazing through rehabilitation of groundwater catchment facilities.

17. Interventions in Djibouti will focus on the rehabilitation and construction of water points for pastoral communities. Target areas are the districts of Obock and Tadjourah. The provision of programme inputs (plastic containers) will be carried out by the emergency team in Djibouti and the distribution process will be undertaken through a letter of agreement (LoA) with the Ministry of Water and Energy. Regarding construction/rehabilitation of water catchment facilities and the deepening of wells, FAO will award contracts to selected local companies with expertise in this area.

IV. Expected outputs and benefits

18. These will include:
 1. Somalia: Improved fodder production in targeted areas benefiting 1,400 households.
Main activities: Distribution of inputs (seed, harvesting tools and fuel) and technical assistance in fodder production.
 2. Somalia: Improved storage capacity and facilities for grain and seed for 2,000 farmers.
Main activities: Construction/rehabilitation of storage facilities, training of community management groups and study of post-harvest storage mechanisms, with recommendations for further improvement.
 3. Djibouti: Improved availability of drinking water (for both human and animal consumption) and grazing through the rehabilitation of groundwater catchment facilities.

Main activities: Rehabilitation and construction of water points for pastoral communities, including the following:

- Rehabilitation of eight water points located in rural areas and in rangeland areas for transhumance;
- Purchase and distribution of 500 plastic containers of 200 litres to allow the population in remote areas to stock water;
- Construction and rehabilitation of six underground cisterns of 100 m³ located in the five regions of the country;
- Formation and training of water committees on the hygienic use of water and maintenance of water points.

V. Implementation arrangements

19. Through its Emergency Operations unit for Somalia, FAO will manage, implement and monitor the programme, which will be fully integrated into the Horn of Africa response programme. In Djibouti, the FAO representative will be responsible for implementing activities through partnerships with government authorities. The grant will be implemented through existing networks with lead project agencies, NGOs and local authorities in both countries.
20. Implementing partners have been selected based on past experience and current activities in the programme areas. They will be contracted through LoAs outlining the responsibilities of each party. FAO has developed close institutional partnerships with local and international NGOs operating in Somalia. The recipient will be ultimately responsible and will remain accountable to IFAD for ensuring that grant resources are used in accordance with the provisions of the grant agreement between IFAD and FAO, and that they are fully accounted for within the relevant reporting deadlines.

VI. Indicative programme costs and financing

21. The total programme budget is estimated at US\$1.3 million, of which US\$1.0 million will be allocated to the Somalia component and US\$0.30 million to Djibouti.

Summary of budget and financing plan

(Thousands of United States dollars)

<i>Number</i>	<i>Type of expenditure</i>	<i>IFAD</i>	<i>Cofinancing^a</i>
1	Personnel ^b	160.6	
2	National consultants	149.4	
3	Contracts ^c	488.5	
4	Travel	59.6	
5	Expendable equipment	190.4	
6	Training	32.0	
7	Non-expendable equipment	5.0	
8	Technical support services	38.3	
9	General operating expenses	91.2	
10	Programme support services	85.0	
	Total	1 300.0	

^a This programme will be implemented in the context of a broader FAO US\$130 million Horn of Africa response programme (US\$70 million for Somalia and US\$6.5 million for Djibouti), which addresses the immediate needs of crisis-affected smallholder households to increase food access and availability.

^b International and locally recruited labour.

^c Implementing partners contracted through LoAs.

Results-based logical framework

	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Goal	Improved food and nutrition security and restored livelihoods of drought-affected population	(Improved) Targeted households' food insecurity access scale	Survey results	Political, social and economic stability adequate at an operational level
Objectives	Restored agricultural and livestock production of drought affected target beneficiaries	SOMALIA: Number of farmers accessing and using the strategic stores; Target: 2,000 Number of livestock owners with livestock preserved; Target: 1,400 DJIBOUTI: Percentage of rehabilitated water points effectively used by targeted beneficiaries; Target: 100 per cent	Surveys Quick rapid appraisal tools for measuring effectiveness	Political, social and economic stability adequate at an operational level
Outputs	SOMALIA - Improved fodder production in targeted areas benefiting 1,400 households -Improved storage capacity and facilities for grain and seeds for 2,000 farmers DJIBOUTI - Improved availability of drinking water (for both human and animal consumption) and grazing through the rehabilitation of ground water catchment facilities for 650 households	SOMALIA -1,400 livestock owners who have benefited from livestock assistance -2,000 farmers who have benefited from the improved storage facilities four, and four management committees trained DJIBOUTI - Six underground cisterns rehabilitated/created Eight water points rehabilitated/created -650 households who have received from the benefiting from livestock water trucking (target: 2,500 households)	Programme monitoring data	Political, social and economic stability adequate at an operational level; funds are received in a timely manner Implementing partners easily access programme areas for implementation and monitoring; programme stakeholders participate actively and are in agreement with programme objectives and goals
Key activities	SOMALIA - Distribution of inputs (seeds, harvesting tools, fuel), technical assistance on fodder production - Construction/rehabilitation of storage facilities - Training of farmers in improved post-harvest storage methodologies and community-based storage management - Conducting a study on the lessons learned/best practises on post-harvest storage methodologies DJIBOUTI - Rehabilitation and construction of water harvesting facilities points for pastoral communities - Rehabilitation and improvement of deepen wells - Provision of inputs for water transport	Fodder production seeds, harvesting tools and fuel, basic construction materials, trainers, consultants Funds: US\$1 million Construction materials, tools, inputs such as plastic containers as well as trainers, Funds – US\$300 000	Monthly financial monitoring data Reports from contractors	Social and economic stability adequate at an operational level Government's agricultural policy environment remains conducive to programme implementation

Eastern Africa Farmers' Federation: Strengthening capacity of East African farmers' organizations through knowledge management and institutional development

I. Background

1. Since the launch of the Farmers' Forum in 2006, IFAD has undertaken several initiatives to support apex institutions and national farmers' organizations in developing countries. For example, in 2009 IFAD provided direct financing for demand-based capacity-building in the Support to Farmers Organizations in Africa Programme (SFOAP), jointly funded with the European Community.
2. The SFOAP, which is expected to be extended to 2017, is strengthening the institutional capacities of farmers' organizations in Africa and developing their abilities to represent the interests of smallholder farmers in order to influence policies and programmes affecting agriculture, rural development and food security. Under the programme, the Eastern Africa Farmers' Federation (EAFF) has initiated an iterative learning process, which will extend all the way to farmers, to strengthen its own and national members' institutional development in the area of knowledge management and learning.

II. Rationale and relevance to IFAD

3. Knowledge management and institutional development are core functions and priorities of the EAFF regional secretariat. Through this programme, EAFF will link the different national members and support their organizational development to ensure that information and knowledge is generated and shared within and across the national unions, associations and at farmer level. The strategic plans of national farmers' organizations focus mainly on lobbying and advocacy, capacity-building, value chain development, and communication and information dissemination. This programme will build the capacity of national farmers' organizations to generate information and translate it into knowledge to improve their lobbying and advocacy, and integration in value chains. Further, it will help EAFF develop the capacity to capture, analyse and document the lessons needed for evidence-based policy development and investments.
4. Under SFOAP and an earlier small grant from IFAD, EAFF has held two knowledge management workshops, the outcomes of which clearly show that there is demand from national farmers' organizations for capacity-building to use knowledge management to improve leadership, governance and service delivery to members. Many farmers' organizations at district, national and regional levels identified various challenges that hindered them from addressing institutional development challenges that represent systemic bottlenecks in their capacity to deliver services effectively to members and to participate in policy dialogue. These bottlenecks include: (i) weak governance and leadership; (ii) lack of professional management; (iii) inefficient provision of services to members; and (iv) poor financial sustainability.
5. Organizational development can help to address these institutional challenges and make these organizations more effective and efficient through a systemic competence development process. The learning approach is structured around workshops, team and peer coaching, and strategic change management at the organizational level. The integration of a knowledge management and learning system in the management of the EAFF secretariat and national farmers' organizations will also support the provision of farmer-based learning and knowledge management to IFAD-funded investment projects, which at present lack access to knowledge and innovations from farmers' organizations.

6. The implementing agency of the proposed programme is EAFF's regional secretariat of member-based national farmers' organizations (national unions, cooperatives and associations). The EAFF secretariat is based in Nairobi, Kenya. Its core functions include knowledge management and institutional development, which are relatively new for farmers' organizations at all levels.

III. The proposed programme

7. The goal of the programme is to improve the capacity of East African national farmers' organizations and the regional umbrella organization (EAFF) to mobilize, retain and represent farmers, and to provide services to their members. The programme's objective is to strengthen EAFF's and national farmers' organizations' institutional development by supporting the development and integration of an efficient knowledge management and learning system in the organizations. The programme's objective also addresses the provision to IFAD-funded investment projects of farmer-based learning and knowledge management.
8. The target group is selected staff from the EAFF and national farmers' organizations from Burundi, Kenya and the United Republic of Tanzania, for a total of seven organizations. At least 30 per cent of the staff benefiting from programme activities will be women. After two years of implementation, the programme will start planning the scaling out of all activities to the other countries under the EAFF umbrella, to be implemented in a successive programme phase.²
9. IFAD-funded investment projects in Burundi, Kenya and the United Republic of Tanzania will benefit directly, since there is a great overlap between the farmers' organizations and the project areas. Linkages will be established to ensure that all projects benefit from improved farmer-based learning and innovation that will enhance impact at local level. Lastly, at the local level, smallholder farmers will benefit from the programme, and especially from activities under component 3, which will strengthen knowledge management and information flows at the membership base.
10. The programme will run for three years and will comprise four main components:
- **Enhancing learning processes of the leaders and managers of farmers' organizations.** The objective of component 1 is to promote an institutional culture supportive of knowledge-sharing and learning. The leaders of farmers' organizations at regional, national and district levels are recognized as the key personnel for the establishment of a functioning and effective knowledge management and learning system within organizations. In turn, a change of organizational culture is expected to take root, resulting in such benefits as increased staff motivation and improved information flows. The component will build on activities started under SFOAP, which include systemic competence development in knowledge management and learning through a series of learning workshops for board members, presidents and chief executive officers (CEOs) of farmers' organizations, combined with peer learning and coaching.
 - **Strengthening professional management through knowledge management and learning.** The objective of component 2 is to support the emergence of a strong professional cadre able to strengthen knowledge-sharing and learning across farmers' organizations. Five thematic communities of practice (CoPs) will be established to work on the key institutional development issues facing farmers' organizations: (i) developing good governance and leadership in farmers' organizations; (ii) enhancing strong professional

² For which the necessary funds will need to be secured from IFAD or other donors.

management; (iii) improving service provision to members; (iv) improving financial sustainability; and (v) integrating knowledge management and learning. The establishment and initial functioning of the CoPs will be facilitated by the EAFF secretariat. The CoPs will include staff members of national and regional farmers' organizations who are experts and practitioners in the above-mentioned areas and will eventually evolve into a pool of resource persons. The CoPs will be the main mechanisms to ensure that knowledge-sharing and information flow horizontally among colleagues, and vertically with the leadership and management of farmers' organizations. The CoPs will work closely with IFAD's regional thematic networks, and will build on the experience with CoPs of knowledge management/M&E officers of IFAD-funded investment projects, among others.

- **Empowering national and district-level farmers' organizations and members to strengthen knowledge management and information flows.** The objective of component 3 is to establish and continuously strengthen knowledge management processes and information flows at all levels, from regional to national and grass roots. This will be achieved through the development of a pool of facilitators at the national and district levels. The pool of facilitators will be drawn from local, national and regional levels. They will (i) facilitate information flows across all levels, by capturing and disseminating knowledge in key areas to be defined; (ii) ensure that the main principles of a knowledge management and learning system reach the district and farmers' level. The facilitators will build linkages and promote sharing of information and knowledge among district farmers' associations/area branches, as well as a two-way flow from the members to national and regional farmers' organizations. The facilitators will be trained in skills that will enable them to mobilize farmers and focus their attention on relevant topics and on a vision for the future. The facilitators will then coach and empower farmers to spell out their needs and quantify them in concrete proposals. The pool of facilitators will scout for innovations coming from the base and disseminate them to the innovation-sharing facility (see component 4).
- **Promoting an innovation culture: systematization and sharing.** The objective of component 4 is to promote a culture of innovation in the farmers' organizations at all levels. The programme will assist EAFF in setting up and managing a lean innovation-sharing facility. It will also help EAFF put in place the systems, processes and mechanisms for knowledge-sharing, and coach concerned staff on how to systematize information. Selected staff will be trained in how to select, analyse, document and share innovative practices, technologies and approaches. Each year, the most promising innovations will be packaged and shared through a variety of communication tools, tailored to the needs of specific audiences. It is envisaged, for example, that EAFF will organize an annual innovation competition among farmers and facilitators. Facilitators, who will work directly with farmers' organizations and farmers, will scout for innovations and pass them on to the innovation-sharing facility, which will then validate innovations, systematize them in a way that can be used in and applied to other contexts, and disseminate them at all levels. Tools and approaches such as "writeshops" (workshops at which information materials are written) and systematization will be made available.

IV. Expected outputs and benefits

11. The proposed programme will result in the following outcomes and benefits:
 - An institutional culture supportive of continuous learning and knowledge sharing instilled;
 - A strong professional cadre established to strengthen knowledge-sharing and learning across farmers' organizations;
 - Strong knowledge management processes and information flows established at the grass-roots level; and
 - Innovations regularly selected, systematized and disseminated across farmers' organizations.
12. The implementation of the four components will improve the sustainability prospects of farmers' organizations because they will contribute to more democratic and transparent management of farmers' organizations, and will result in farmers' organizations having less need to recruit external experts to carry out core functions. The programme's activities will strengthen the capacities of benefiting farmers' organizations, improve their abilities to provide services to their members and make them more relevant to farmers. This, in turn, is expected to lead to increased membership and higher internally generated income, which will increase the likelihood of farmers' organizations being sustainable in the long term.

V. Implementation arrangements

13. The programme will be managed and implemented under the overall responsibility of EAFF for a period of three years, starting in mid-2012. EAFF will appoint a programme management team (PMT), constituted by the EAFF CEO, knowledge management officer, communication officer and financial officer. The EAFF CEO will have general oversight and responsibility for programme implementation and will be responsible for all of the programme's financial transactions. The CEO will report to the EAFF board and IFAD.
14. The first six months of the programme implementation period will be dedicated to organizing the start-up workshop, selecting and training staff in the EAFF secretariat and in farmers' organizations at national and district levels, and planning for the remaining implementation period. More specifically, in order to build the core functions of the EAFF secretariat, the EAFF CEO will receive training in setting up CoPs. In addition, staff members of a number of farmers' organizations at the district, national and regional levels will receive training in facilitation skills and techniques.
15. Within the first six months of programme implementation and in conjunction with the preparation of the annual workplan and budget for the first year, the implementing agency will provide IFAD with the grant M&E plan – a document describing the internal process to be followed for the collection, analysis, reporting, and communication of all data and information needed for M&E purposes. There will also be an effort to harmonize annual work planning for this programme with the work planning of relevant IFAD-supported projects.
16. In addition to the PMT, the proposed programme will set up an extended PMT to direct and guide overall programme implementation. The extended PMT will be chaired by the EAFF secretariat. Members will include: the PMT, the IFAD grant sponsors (with observer status), professionals in charge of components, and selected staff from national farmers' organizations from the three countries. The extended PMT will convene once a year during the annual learning and planning event.

VI. Indicative programme costs and financing

17. The cost estimates for the total programme cost amount to US\$1.5 million, which IFAD will fund in full with a grant. No other financiers are foreseen. Given the strong emphasis of the proposed programme on building and strengthening the competencies of regional and national farmers' organizations, just over half of the total programme cost is devoted to the provision of training and learning through workshops and coaching, by contracted services.
18. Since this programme will use knowledge management as an entry point for the institutional development of EAFF, a proportion of staff time will be supported in order to enable full participation of secretariat staff, including the CEO and knowledge management officer, in leading and supporting implementation of programme activities. For sustainability of the initiative, it is crucial that EAFF staff have the capacity, tools and approaches to implement knowledge management for institutional development – leadership and governance. A programme manager will be hired using programme funds to take on the day-to-day responsibilities for programme implementation.
19. The travel costs represent a major cost in the budget and cover all the travel related to the four programme components and including daily subsistence allowance (DSA) and accommodation for workshops and training courses, quarterly visits to farmers during three years and M&E-related travel.

Summary of budget and financing plan

(Thousands of United States dollars)

<i>Type of expenditure</i>	<i>IFAD</i>	<i>Cofinancing</i>
Personnel	269	n.a.
Consultants (trainers/facilitators)	175	n.a.
Equipment	9	n.a.
M&E (including travel and DSA)	113	n.a.
Communication and publications	74	n.a.
Workshops (including travel and DSA)	229	n.a.
Training (including travel and DSA)	514	n.a.
Operating costs and grant management fee (7 per cent overhead)	117	n.a.
Total	1 500	n.a.

Results-based logical framework

	Objectives hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Goal	To strengthen the capacity of East African national farmers' organizations (FOs) and EAFF to mobilize, retain and represent members and to provide services to them.	<ul style="list-style-type: none"> - FOs' increased membership by 10 per cent - Increased membership satisfaction - Increase in quality and quantity of services delivered by 5 per cent - Increased resource mobilization by 10 per cent 	<ul style="list-style-type: none"> - Membership records - Annual FOs survey - Quarterly programme progress reports highlighting service provision and products delivered - Annual financial reports 	
Objectives	To strengthen EAFF and national FOs' institutional development by supporting the development and integration in their organizations of an efficient knowledge management and learning system.	<ul style="list-style-type: none"> - Effective knowledge management system from national FOs to EAFF connected to other knowledge networks with 25 per cent of EAFF members connected - >50 per cent of staff at all levels have access to data, information and knowledge - Time taken to obtain information, data and knowledge at all levels reduced by half - EAFF facilitates learning and institutional development of its members - IFAD-funded investment projects increasingly receive support in farmer-based learning, innovation and knowledge management 	<ul style="list-style-type: none"> - Project progress reports - Supervision missions and grant status reports - End-of-project learning publications - Project completion reports 	Country's favourable political and economic conditions
Outputs/ outcomes	<p>Component 1: institutional culture supportive of continuous learning and knowledge-sharing instilled.</p> <p>Component 2: a strong professional cadre to strengthen knowledge-sharing and learning across FOs established.</p> <p>Component 3: sustainable knowledge management and vertical and horizontal information flows strengthened also for IFAD-funded projects.</p> <p>Component 4: innovation culture empowered and innovations captured and disseminated across FOs.</p>	<ul style="list-style-type: none"> - Job descriptions include knowledge management - Reduced staff turnover and increased staff satisfaction - Meetings/workshops conducted in a democratic and equalitarian way - Services efficiently provided to farmers - Efficient sharing of knowledge and innovation with IFAD-funded investment projects - Employed staff skilled in priority areas - Pool of skilled facilitators in place - Timeliness in providing accurate information and data - Better communication and well-packaged learning products and documented practices - Innovative practices, approaches and technologies captured, disseminated and scaled up 	<ul style="list-style-type: none"> - FOs' employment records - Meeting minutes and participants lists - FO surveys - IFAD project reports, curricula vitae and terms of reference; Project progress reports - EAFF website - FOs' annual reports - Members' database reports - Supervision missions and grant status reports - CoP e-mails and meetings - Print and electronic communication products 	<p>FOs' leadership and management willing to integrate knowledge management and learning system and processes in their organizations</p> <p>FOs' staff determined to adhere to new knowledge management system and learning process</p> <p>FOs' members feel empowered to start changes</p> <p>Farmers' needs understood and accommodated</p>

Key activities	<p>Component 1: Workshops, training and coaching</p> <p>Component 2: Coaching, establishment of CoP, virtual and face-to-face meetings, publication and dissemination of synthesis.</p> <p>Component 3: Training, assessments, facilitation meetings, communication among FOs and partners, visits to farmers.</p> <p>Component 4: innovation competition, communication events and publications.</p>	<ul style="list-style-type: none"> - number of staff at all levels trained, of which at least 30% women - Number of workshops, training courses and facilitation meetings organized - Number of CoP syntheses prepared and disseminated - Number of communication events and publications prepared and disseminated -Number of assessments conducted -Number of meetings and visits to farmers -Number of innovations scouted for, packaged and disseminated - Number of innovation competitions conducted 	<ul style="list-style-type: none"> - Trainings and meetings attendance lists - Training material - FO and EAFF communication and documentation materials, newsletters, webpages, publications - Project progress reports - Supervision missions and grant status reports 	<p>Members of FOs at all levels are aware of the knowledge management and learning system</p> <p>Appropriate means of dissemination adopted both electronically and in print</p>
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African Rural and Agricultural Credit Association: Rural finance knowledge management partnership (KMP) - Phase III

I. Background

1. This IFAD-financed grant programme began operations in 2003. In collaboration with a variety of partners,³ phases I and II of KMP pursued two objectives: (i) strengthening IFAD's engagement in rural financial service delivery in East and Southern Africa (ESA) through KM, experience-sharing and capacity-building services within IFAD programmes, and through direct technical and implementation support to IFAD-supported rural finance (RF) initiatives in the region; and (ii) developing new and innovative ways to provide financial services to poor rural people through action research programmes for members of the partnership.
2. Annual technical reviews and independent evaluations have highlighted the good results achieved during the previous phases, especially noticeable in the improved performance of IFAD-supported RF programmes. The latest evaluation pointed out that additional work would be needed to strengthen the generation of knowledge that influences policy and practice through action research and more effective partnerships.

II. Rationale and relevance to IFAD

3. KMP has been instrumental in helping strengthen the performance of IFAD-supported RF initiatives in ESA, which has an extensive and growing RF portfolio. The programme has facilitated KM and participation in the development and dissemination of new models and tools to reach poor rural people. It has provided extensive technical advice, and has become a reference point for IFAD RF knowledge in the region.
4. KMP's expanded services will continue to cater to the needs of IFAD-supported RF programmes. However, an evolving RF policy environment in Africa has been raising new issues and demonstrating the need for new partners of KMP. Many African countries have lately formulated national strategies for financial inclusion and microfinance that are inadequately integrated and coordinated. A policy shift is taking place towards development of more inclusive financial systems reaching out to people living in marginal areas.
5. There is a need to track the innovative approaches, practices and products that are being applied in various countries to reach rural clientele in an economically viable manner. Learning from these experiences and replicating them in other environments is a major challenge in the development of RF initiatives in Africa and provides a great opportunity for the new phase of KMP.
6. This new phase is relevant to strengthening IFAD's growing role as a learning organization that helps improve the lives of poor rural people by drawing lessons from its own knowledge and experience to assist other initiatives with similar goals. The demand for information on agricultural finance is growing rapidly in Africa, led by commercial, formal financial institutions and informal service providers that need information to increase lending to the agriculture sector or to improve the design and implementation of projects. KMP-Phase III will develop new strategic partnerships with like-minded organizations to respond to this growing demand.

³ The French NGO Centre International de Développement and de Recherche (CIDR); the multi-donor regional financial services initiative MicroSave Africa (later replaced by Decentralised Financial Services – DFS); and the Kenya Gatsby Trust, a Kenyan NGO specialized in development project management, later replaced as grant recipient by the African Rural and Agricultural Credit Association.

7. It will also explore new practical mechanisms for action-based research (ABR) with the Regional Universities Forum for Capacity Building in Agriculture (RUFORUM), aiming at the generation and dissemination of new RF models and tools from KMP partners and new partnerships with like-minded institutions to widen the frontiers of RF.

III. The proposed programme

8. The overall goal of the programme is to raise the income and standard of living of poor rural communities in the ESA region. The objective is to improve access to affordable, appropriate and sustainable financial products and services for poor rural communities.
9. The target group extends from poor rural people and their communities that lack access to affordable and appropriate finance modalities to small- and medium-sized rural entrepreneurs with an emphasis on inclusive financing. The primary beneficiaries will be poor rural communities, which will receive better and more targeted financial services from the institutions involved in IFAD-supported RF initiatives in ESA, and in projects of other partners, including the Alliance for a Green Revolution in Africa (AGRA).
10. The programme will run for three years and will comprise three main components:

- **Programme support and learning.** KMP-Phase III will continue to provide capacity-building and KM support to IFAD-supported RF programmes through: (i) implementation support services, including sourcing of information, identification of consultants/advisors to work with the Rural Finance Specialist (RFS)/programme coordinator, backstopping on key programme issues, organization and support of technical assistance missions, etc., and establishment of a demand-driven service desk, with a database of RF expertise; (ii) cross-programme linkages and exchanges enhanced by a CoP among the RF programmes in the region. The CoP will be managed by KMP and a core team of volunteers for each interest area; and (iii) advanced learning through dissemination and distribution of regular publications on innovative good practices – disseminated to IFAD and the larger RF community.
- **Action-based research partnership.** ABR will be pursued through a partnership – regulated by a memorandum of understanding – with RUFORUM’s Competitive Grant Programme (CGS) Community Action Research Programme (CARP), and will also benefit from the ABR experience of former partner CIDR. Matching grants will be provided by KMP and implemented by a committee set up for this purpose (composed of representatives of IFAD’s RF team and AGRA, and the KMP programme coordinator, with technical assistance by CIDR). The call for proposals through the CGS will be managed by RUFORUM, and proposals that meet the KMP criteria will be supported. These criteria will be developed in collaboration with RUFORUM and AGRA in the first months of project implementation.

RUFORUM is a network of 30 African universities that focuses on creating small but incremental changes in smallholder agriculture in Africa through small grant programmes. CARP focuses on action research and capacity-building among communities, graduate students and university faculty. The grants have proved a powerful tool for empowering farmers in the development of demand-led research activities and for engaging young Africans actively in agricultural development. The ABR is expected to lead to enhanced understanding of key issues in RF.

Other activities under this component will include: packaging of RF models, products and services. ABR reports will be packaged in the form of RF models that show potential relevance and applicability for various RF programmes;

and presentation of papers for enhanced credibility and visibility. The models will be distributed and presented to a larger audience with a view to influencing policy dialogue on RF and engaging policymakers on key RF issues. One consequence of this activity will be the enhancement of KMP partners' status as prime movers and industry leaders in RF in the region and beyond.

- **Knowledge and information partnership.** This component aims to assist commercial, formal financial institutions and informal-sector service providers in increasing their outreach, product/service appropriateness and sustainability through establishment of a knowledge and information centre (KIC) in partnership with AGRA. Given that most agriculture in the ESA region is likely to remain non-commercial or driven by domestic food security needs, it is crucial that KMP continue to help informal institutions provide households with financial services in order to increase their service range and sustainability. KIC's services will target larger commercial financial institutions, formal-sector microfinance institutions and informal-sector financial service providers by offering the following services:
 - (i) Commercial outreach intelligence services for commercial financial institutions that need information about potential investments or lending opportunities in the rural economy – detailed information that is often not readily available. Such services will help them design better-targeted financial products and services. KIC will: (a) gather a wide range of information on agricultural value chains and best practice methodologies in RF; and (b) select and package this information for commercial users with advice on application and on securing further expertise. Commercial organizations wishing to use this facility will be required to pay an appropriate fee.
 - (ii) A peer learning website targeting institutions in Africa that lend to the agriculture and rural sectors. This service will be membership-based. Registered members will pay a fee and will be required to provide information on their products and services, including innovations in serving new customers. Most members are expected to come from formal-sector for-profit or non-profit microfinance institutions or larger informal-sector groups.
 - (iii) A tools and technical guidance site will provide tools, learning modules and a service-provider database geared to helping smaller financial institutions improve the range and sustainability of their services. The tools and modules will draw on best practice in product design, pricing, risk mitigation, investment of deposits, and accounting and management information systems.

IV. Expected outputs and benefits

11. Outputs and benefits include:

- Improved performance of IFAD-supported RF initiatives and of other RF programmes and projects in the region through better implementation support and improved project design;
- More and better-designed and -implemented action-based RF research that generates an increase in the number and quality of innovative best practices for dissemination to policymakers and practitioners;
- More effective KM that increases awareness of RF activities, experiences and best practices, of the associated key policy, strategy and operational challenges and of relevant expertise;

- More effective knowledge brokerage services that gear the packaging and dissemination of knowledge products to specifically support improved design of innovative RF methodologies and tools in the region, and the documentation of innovations and best practices by IFAD-supported initiatives and the broader development community;
- More productive alliances between IFAD-supported initiatives and key partners – alliances that accelerate the incorporation of methodologies, tools and best practices into policy and on-the-ground implementation.

V. Implementation arrangements

12. The African Rural and Agricultural Credit Association (AFRACA), an international NGO with a headquarters agreement with the Government of Kenya, and which provides the legal umbrella for KMP to operate in Kenya, will be the legal grant recipient directly receiving funds from IFAD. AFRACA will provide fiduciary management services for the programme and will receive a management fee. The programme will continue to be run and implemented by the RFS and a programme assistant. The RFS also coordinates the IFADAfrica Regional Knowledge Network and, to avoid overstressing of functions and workload, the programme seeks to strengthen the capacities of the small KMP office by hiring a RF officer. An administrative assistant (AA)/receptionist will also be hired to enable the RFS to focus on implementation support and KMP development activities. The programme will be directly supervised by ESA.

VI. Indicative programme costs and financing

13. The budget for the programme components amounts to approximately US\$1.5 million. Personnel and operational costs also contribute to financing component activities, as the time of the RFS will be directly spent on capacity-building, implementation support and networking, not on administrative work.
14. There will be cost sharing between this grant and the grant for IFADAfrica-Phase II, which is also being submitted to the Executive Board for approval. The coordination teams for both grant programmes will share office space in Nairobi, the cost of some office equipment and recurrent costs such as rent and utilities. The positions of PA and AA/receptionist will be cost-shared equally between the KMP and IFADAfrica grant programmes.
15. The total cost of KMP-Phase III amounts to approximately US\$2.5 million. US\$1.5 million will be financed by an IFAD grant, and about US\$1.0 million by AGRA, RUFORUM, the Swedish Cooperative Centre (SCC) and the International Cooperative Alliance (ICA). In lieu of financial contributions, programme partners will provide staff time, cover related costs (such as associated staff travel and preparation and publication of studies) and will bring their RF expertise to KMP, including the methods and tools they have developed in past years. Contributions are expected to be split approximately on a 50:40:5:5 basis among AGRA, RUFORUM, SCC and ICA, respectively.

Summary of budget and financing plan

(Thousands of United States dollars)

<i>Number</i>	<i>Type of expenditure</i>	<i>IFAD</i>	<i>Cofinancing</i>
1	Personnel (including subcontractors)	475	0
2	Operational costs	70	0
3	Equipment	5	0
4	Travel	118	138
5	Workshops and meetings	204	21
6	Technical assistance	260	29
7	Studies and publications	263	812
8	Grant management fee (7 per cent of IFAD contribution)	105	0
	Total	1 500	1 000

Results-based logical framework

	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Goal	To raise the income and standard of living of poor rural communities in the ESA region	number of poor rural communities with increased income and standard of living	Poverty statistics Statistics by governments and donors	
Objectives	To improve access to affordable, appropriate and sustainable financial products and services for poor rural communities in the ESA region	Increased and more diversified financial services accessible to the rural poor in the programme areas	M&E reports of RF programmes	Minimum level of social, political and economic stability in programme areas
Outcomes/ outputs	<p>Performance of IFAD-supported RF initiatives in ESA and of other RF programmes and projects in the region and elsewhere improved</p> <p>More and better designed and implemented action-based research in RF</p> <p>More effective knowledge-management and increased awareness of RF activities, experiences and best practices, of associated key policy, etc.</p> <p>More effective knowledge-brokerage services</p> <p>More and productive partnerships between IFAD-supported initiatives and key partners</p>	<p>- Continued and improved programme implementation support and improved project design</p> <p>- Improved services to rural poor by participating financial institutions</p> <p>- Continued demand for services from RF programmes and others</p> <p>- Increase in the number and quality of innovative best practices and RF models for dissemination to policy makers and practitioners</p> <p>- Knowledge products packaged and disseminated to support the design of innovative RF methodologies and tools in the region and the documentation of innovations and best practices by IFAD-supported initiatives and the broader development community</p> <p>- Faster and wider incorporation of RF methodologies, tools and best practices into policy and on-the-ground implementation</p>	<p>RF programme reports (progress, supervision reports)</p> <p>KMP progress reports</p> <p>KMP technical review reports</p> <p>KMP supervision report</p> <p>RF staff's feedback</p>	Active participation of IFAD's RF programmes and back-up support from IFAD headquarters
Key activities	<p>1.1. Implementation support services</p> <p>1.2. Cross-programme linkages and exchanges</p> <p>1.3. Advanced-learning capacity</p> <p>2.1. Action research on key issues in RF</p> <p>2.2. Matching grants</p> <p>2.3. Packaging RF models</p> <p>2.4. Paper presentations</p> <p>3.1. Commercial outreach intelligence services</p> <p>3.2. Peer to peer learning website</p> <p>3.3. Tools and technical guidance site</p>	<p>number of implementation support missions</p> <p>number of requests for Service Desk support</p> <p>number of exchanges between RF programmes</p> <p>number newsletters and thematic research papers disseminated</p> <p>number of action research studies completed</p> <p>number and quality of finance models packaged</p> <p>number and size of partnerships built around IFAD-promoted models</p> <p>Information on RF gathered, selected and packaged</p> <p>volumes of fees paid</p> <p>number of paying registered members of the website</p> <p>number of tools and learning models developed</p>	<p>KMP progress reports</p> <p>RF programmes reports</p> <p>Newsletters, papers prepared</p> <p>Investors' documents</p> <p>Partnerships' MOU and reports</p> <p>KMP technical review reports</p> <p>KMP supervision report</p> <p>Papers produced</p> <p>Website statistics</p>	<p>Ability of RF programme to procure Service Desk support</p> <p>Continued interest in the investment community to invest in RF</p> <p>Capacity of KMP and IFAD to lead/pioneer the partnership formation process</p>

PICO Knowledge Net Ltd.: IFADAfrica Regional Knowledge Network - Phase II

I. Background

1. Regional networks have long been important vehicles for promoting knowledge-sharing among IFAD-supported projects and with other development partners. In ESA, IFAD has been using networks since 2008 not only to support knowledge capture and sharing, but also to fully integrate KM into its operations. This work has been carried out primarily through IFADAfrica, which was established three years ago as the ESA side of a larger sub-Saharan African knowledge network linking IFAD-supported projects. The goal of this joint venture with the IFAD West and Central Africa Division (WCA) was to connect people, organizations and networks for the communication of experience, mutual learning and innovation for rural poverty reduction.
2. Project staff in the ESA region indicated early on in IFADAfrica implementation that they required capacity-building and support in using KM approaches and tools for documentation and learning as a priority. They expressed a strong interest in applying KM tools and approaches in their daily work. However, it quickly became clear that to enable this to happen, they needed to go through a process of deeper analysis and learning in order to better understand how to integrate KM into project management. In response, IFADAfrica worked with the Institute for People, Innovation and Change in Organisations (PICOTEAM) to design and implement a regional learning process to improve project management processes and results by fully integrating KM into all aspects of project management. KM has been used as an entry point to build continuous learning and improvement into IFAD-supported projects, which should ultimately lead to better performance and impact of IFAD operations.

II. Rationale and relevance to IFAD

3. Currently, IFAD's perception and practice of KM is largely related to capturing, documenting and sharing knowledge and lessons to support communication, advocacy, policy dialogue and scaling up. In the integrated KM system model developed during IFADAfrica-Phase I, documentation and sharing of lessons are part of a broader picture. The real focus has been on understanding how to use KM and learning as an entry point for improving project performance and results. IFADAfrica is a key part of ESA's strategy for developing a regional KM system that enables seamless integration of KM and learning at all levels, from project to headquarters. IFADAfrica-Phase II will produce lessons that will enable IFAD and its partners, especially governments, to better understand how to integrate KM and learning into project design and implementation.
4. IFADAfrica has already made considerable progress in putting in place the foundations for using knowledge management and learning (KM&L) as an entry point for improved project performance. The keys are to build buy-in among project staff and to develop a model for an integrated KM system, a conceptual framework and guidelines on how to operationalize KM in projects. During the past two and a half years, the regional KM learning process has involved 125 project staff from 32 projects in 12 countries, as well as a more limited number of staff from government departments and partner organizations. An evaluation of phase I found that ESA, through IFADAfrica, is trying out innovative ways to support institutional and operational learning.
5. The integrated KM and learning system that has emerged from the learning process links information management, M&E, communication and innovation in support of rapid learning and adaptation. The system's driver is motivation to improve

performance. It recognizes that KM is about using knowledge more effectively to improve the way we do business and to achieve impact.

6. IFADAfrica-Phase II will deepen and expand this work to include more project staff in more countries, as well as staff in relevant government departments in four pilot countries. During Phase II, IFADAfrica will focus on putting the integrated KM system into practice, testing and applying the framework with project and government staff and learning what is needed to make the KM&L system work, in terms of capacity, support, resources and changes in management processes. Phase II will also focus on developing the competencies that project and government staff need to incorporate the integrated KM system into their daily work.

III. The proposed programme

7. The overall goal of the programme is to deliver better results through IFAD-supported projects in the ESA region. The development objective is to build into IFAD-supported projects and related government departments a continuous capture and analysis of knowledge, experiences and lessons from practice, and use them to improve performance.
8. The primary target group comprises: staff of IFAD-supported projects, in particular project coordinators, M&E officers, and KM and communication officers; staff of relevant government departments and other development partners in all ESA countries. There will be a specific focus on four countries (based on demand) in which the programme will work on a pilot basis with government staff at national, regional and district levels to support the scaling up of KM and learning in government programmes. As an institution, IFAD will benefit indirectly through access to lessons from practice that are expected to contribute to a deeper understanding of how to institutionalize KM in its core processes – from project to country programme to headquarters.
9. The three-year programme will comprise three main components:
10. **Integrating KM and learning into project management processes.** The objective of this component is to establish integrated KM and learning systems in IFAD-supported projects and programmes to enhance the performance, impact and scaling up of projects. This component also intends to integrate KM&L into sector-wide programmes, in which IFAD is working with donor platforms in-country, and into selected government departments on a pilot basis. Integration of KM&L means the development of processes, systems and competence in projects and government structures that foster continuous and iterative operational improvement towards achieving their goals. Organizational systems and processes need to be reviewed and simplified, and capacity must be developed to support the integration of KM and learning for improved performance. Key activities will include: applying and testing the KM&L system with project and government staff in order to learn what is needed to make it work, in terms of capacity, support, resources and changes in management processes; regional KM learning workshops; intensive follow-up in-country, including coaching and mentoring; and targeted training.
11. **Facilitation of regional networking, learning and collaboration across projects and countries.** The objective of component 2 is to strengthen the systems, processes and mechanisms that enable networking, knowledge-sharing and collaboration among projects across the region. Various existing approaches and tools, including the ESA thematic networks,⁴ will be linked to form a coherent system to support projects and country teams (including government representatives) as they build partnerships to share and exchange knowledge and

⁴ ESA currently supports three thematic networks: the Rural finance knowledge management partnership (KMP); the programme for Improved Agricultural Water Management in East and Southern Africa (IMAWESA); and the Network for Enhanced Market Access in East and Southern Africa (NEMAS).

to provide mutual support – all directed towards improved performance and impact. Experiences will be systematized into user-friendly guides and papers that allow users to apply the knowledge gained. Key activities will include: establishment of CoPs on key learning areas; guidance and coaching of coordination teams and partners of ESA's thematic networks and other KM programmes; development of a communication strategy for IFADAfrica; development of regional information and knowledge platforms (including websites and repositories); and support to the planning, preparation and facilitation of the annual regional implementation workshop for IFAD-supported projects as a major KM and sharing event.

12. **Development of capacities and tools for KM, and institutional arrangements to provide services.** The objective of this component is to enable continuous learning and sharing for improved performance at all levels, starting with projects. This will be achieved through: development of competencies to manage knowledge; provision of opportunities to learn and share through networking, piloting and the use of tools and approaches such as CoPs, learning events and packaged communication products. Key activities will include: piloting of practices to improve processes; capturing and systematizing of experiences for product development (guides, brochures, concepts, approaches and tools); developing the capacities of project and government staff in specific KM skills, such as facilitation and documentation; developing the capacity of partners and experts in the region to provide KM and networking services (organizations, pools of expertise); and organizing training and exposure to KM&L.

IV. Expected outputs and benefits

13. Outputs and benefits include:
- Staff in projects and some government departments gain the capacity to establish continuous improvement processes that support learning and adaptation in project management and lead to greater impact;
 - Staff in projects and some government departments change their business processes and systems to accommodate more effective and efficient ways of working;
 - M&E, communication and information management provide decision makers in projects with the information and knowledge they need to improve project performance;
 - Projects, programmes and government departments are linked with other practitioners through networking and CoPs, and actively seek and share knowledge and experience;
 - Project and relevant government staff are able to support farmers/communities and their organizations in sharing knowledge;
 - Regional CoPs actively share experiences and develop knowledge products that enhance members' effectiveness and efficiency;
 - Regional thematic networks are linked into one common regional knowledge management system that supports continuous learning and improvement in projects and shares lessons with partners and IFAD headquarters;
 - Regional information/knowledge-sharing platforms are being used by projects and individuals at diverse institutions and levels;
 - The annual ESA regional implementation workshop is recognized as a major knowledge-sharing event by IFAD-supported projects and programmes;

- Knowledge products inform practitioners and consultants advising projects in their practice and development of KM&L systems;
- Knowledge on emerging issues in the development debate in the region and from practice is easily available and shared among IFAD actors and partners;
- A number of pilots have tested and are practicing the improved processes integrating KM&L;
- Guides and tools for KM&L developed by IFADAfrica are widely used by project managers and consultants;
- Projects have clear roles, responsibilities and capacities in place to systematically document their learning and successes/failures – and are doing so; and
- A broader network/pool of practitioners is able to provide high quality KM&L and networking services and support to IFAD-supported projects, country teams and governments.

V. Implementation arrangements

14. The recipient of the grant and implementing organization will be PICO Knowledge Net Ltd., a non-profit organization specializing in knowledge networks and partnership brokering, based in Nairobi, Kenya, and operating throughout Africa. IFADAfrica will be managed and implemented by a coordination team hired with grant funds, comprising a programme coordinator, KM officer and two support positions (PA and AA/receptionist) shared with the IFAD grant-funded programme KMP. As in Phase I, the IFADAfrica coordinator will also coordinate the KMP, working on a 40:60 basis. This has helped build the linkages and understanding needed to establish IFADAfrica's role as a regional "apex" network that is able to provide methodological support to the thematic networks, promote exchange and cohesion among them, and help strengthen their relationship to projects. The proposed programme will be implemented over three years.
15. Although PICO Knowledge Net Ltd. will be the recipient of the grant, financial resources will be administered by the African Rural and Agricultural Credit Association (AFRACA),⁵ with whom IFAD and PICO Knowledge Net Ltd. will sign a one-year agreement detailing operational modalities for the grant resources.
16. Upon provision of two years' satisfactory audited financial statements, and based on an overall review of the fiduciary and financial management capacity of the proposed grant recipient, administrative arrangements shall be reviewed at the end of the first year of implementation. After this review, IFAD shall decide whether to continue channelling the funds through AFRACA or to provide grant proceeds directly to PICO Knowledge Net Ltd.

VI. Indicative programme costs and financing

17. The budget for the programme components amounts to approximately US\$1.8 million. No other financiers are foreseen at this time, although IFAD-supported projects, government departments and others involved in workshops and coaching/training exercises will generally be expected to cover the costs of participation.
18. There will be cost-sharing between this grant and the grant for the KMP-Phase III, which is also being submitted to the Executive Board for approval. The coordination teams for both grant programmes will share office space in Nairobi, the cost of

⁵ AFRACA is the current recipient of grant no. 1080-AFRACA, the Rural finance knowledge management partnership, and the subrecipient of funds under grant no. 1035-WARF, which funded IFADAfrica Phase I. It will also be the recipient of a proposed grant for Phase III of the present programme.

some office equipment, and recurrent costs such as rent and utilities. The positions of PA and AA/receptionist will be cost-shared equally between the IFADAfrica and KMP grant programmes.

Summary of budget and financing plan

(Thousands of United States dollars)

<i>Number</i>	<i>Type of expenditure</i>	<i>IFAD</i>
1	Personnel	480
2	Operational costs (rent, utilities, logistics, etc.)	70
3	Equipment	12
4	Travel	215
5	Workshops and meetings	233
6	Consultancies	501
7	Studies and publications	145
8	Grant management fee (8 per cent of IFAD contribution)	144
	Total	1 800

Results-based logical framework

	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Goal	IFAD-supported projects in East and Southern Africa have better results	- Perceptions of project staff on how KM and learning-oriented M&E have influenced project performance and results	Surveys/interviews of project staff	
Development objective	IFAD-supported projects and related government departments have built in the continuous capture and analysis of knowledge, experiences and lessons from practice and use them to improve performance	- Project/programme quality and effectiveness is increasing continuously and mistakes are not repeated - Up-to-date information/knowledge about projects/programmes/technical issues is available, easily accessible and used by IFAD and partners	Project reports Project Status Reports Portfolio reviews Evaluations Stories	Commitment by IFAD Management and governments is sustained
Outcomes	1. Learning-oriented M&E, information management and communication are linked in a KM system that supports learning and adaptation in project management	- 50 per cent of projects continuously and rapidly learn from their experiences/ lessons and improve their effectiveness and efficiency to reach impacts - M&E systems support collection and analysis of qualitative and quantitative data to inform planning and decision-making - Critical reflection meetings held regularly - Annual workplan and budget (AWP/B) process draws on lessons learned - Modified procedures/processes for M&E, planning and info. management	Reports from reflection and re-planning events AWP/Bs, websites, M&E reports Project reports, terms of reference, design and supervision reports	Institutional memory is retained in government departments and country teams
	2. Networking, knowledge sharing, learning and collaboration are commonplace across levels, projects and countries	- Regional information/knowledge platforms (e.g. CoPs) foster sharing across projects, other institutions and levels - Knowledge products and guidelines support projects - Lessons-learned documents - Communication strategy - Regional implementation workshop is utilized as a knowledge-sharing event	Websites, fora, platforms Guidelines Reports and evaluations from regional implementation workshop (RIW) Assessments by projects	IFAD provides resources for projects to prioritize KM&L activities
	3. Capacities, networks and tools for KM developed, and institutional arrangements are in place	- Documented pilots that have tested the improved processes integrating KM&L (e.g. project design, start up, implementation support, etc.) in four countries - Availability of experts who can provide high-quality, relevant KM&L services in the region - Emergence of a coherent system integrating all levels of operation	Case studies and project reports Training reports Concept notes	

<p>4. Outcomes and impacts of KM&L are assessed and communicated widely</p>	<ul style="list-style-type: none"> - Informed judgment of the KM&L initiative by IFAD Management and staff - More investment in KM&L in IFAD - IFAD's KM&L methodologies recognized and used by other actors 	<p>IFAD portfolio reviews, project reports personal assessments / surveys</p>	<p>Results of KM practice show desired return on investment Sustained interest by IFAD Management</p>
<p>Key activities</p>	<p>Component 1: Regional learning and sharing workshops; coaching and mentoring; facilitation skills training in projects Component 2: Establish regional CoPs and information platforms; facilitate RIW; strategic communication Component 3: Pilots to improve processes (projects and government departments); develop knowledge products; develop capacity for KM and networking; develop a pool of experts who can support IFAD projects</p>	<p>number of workshops, facilitation skills training meetings organized number of CoP syntheses prepared and disseminated number and range of knowledge/communication products Programme KM/M&E system in place Quality of professional KM support to projects</p>	<p>Workshop reports Feedback on in-country coaching RIW documentation Communication strategy/plan KM/M&E plan Documented lessons Publications CoP exchanges Surveys Progress reports Supervision reports</p>