



Investing in rural people

**International Fund for Agricultural Development
Research and Impact Assessment Division (RIA)
Agricultural Research for Development Unit**

October 2018

Call for proposals

Pro-poor agricultural innovation systems for sustainable and resilient agri-food systems

Questions, expression of interest and proposals shall be sent to:

Mr Malu Ndavi, Lead Technical Specialist, RIA, m.ndavi@ifad.org;

CC: Ms Xiaozhe Zhang, Technical Specialist, RIA, x.zhang@ifad.org

- ✓ Deadline for expressing intention to submit proposals: 9 November 2018, 17:00 CEST
- ✓ Deadline for submission of proposals: 16 November 2018, 17:00 CEST

Contents

I. OBJECTIVE OF THE CALL.....	3
A. BACKGROUND.....	3
B. RATIONALE.....	4
C. GOAL AND OBJECTIVES.....	4
D. POSSIBLE AREAS OF INTERVENTIONS.....	5
E. MONITORING & EVALUATION, KNOWLEDGE MANAGEMENT AND LEARNING.....	5
F. COUNTRIES AND REGIONS.....	5
G. FUNDING AND DURATION.....	6
II. ELIGIBILITY.....	6
III. GENERAL CONSIDERATIONS.....	6
A. GENERAL CONSIDERATIONS.....	6
B. ELIGIBLE EXPENDITURES AND OVERHEADS UNDER GRANT FINANCING.....	7
IV. SELECTION PROCESS.....	9
A. DOCUMENTATION REQUIRED.....	9
B. EVALUATION METHODOLOGY AND CRITERIA.....	10
C. TIMELINE AND SUBMISSION PROCESS.....	11
APPENDIX A. APPLICATION FORM (OVERVIEW INFORMATION).....	13
APPENDIX B1. LARGE GRANT DESIGN DOCUMENT: TEMPLATE.....	14
APPENDIX B2. LARGE GRANT DESIGN DOCUMENT: GUIDANCE.....	27
B2.1 MINIMUM REQUIREMENTS FOR KNOWLEDGE MANAGEMENT PLAN.....	27
B2.2 PROJECT COSTS BY COMPONENT/FINANCIERS.....	28
B2.4 PROJECT FINANCING PLAN FOR IFAD GRANT WITH CO-FINANCING.....	29
APPENDIX C: CONCEPT NOTE.....	30

I. Objective of the call

A. Background

1. The purpose of the present call for proposals is to select a recipient or consortium of recipients to receive IFAD grant financing to implement a project on 'Pro-poor agricultural innovation systems for sustainable and resilient agri-food systems'. Financing has already been approved for this project based on a concept note developed by IFAD (Appendix C) under the IFAD-grant financing window on Agriculture Research for Development (AR4D). Interested potential recipients or consortium of recipients are invited to develop a proposal based on the background and guidance detailed in these guidelines. Confirmation of interest in submitting a proposal should be expressed by 9 November 2018 and the proposal should be submitted to IFAD no later than 16 November 2018 providing all the information requested in appendices A to C. The International Fund for Agricultural Development (IFAD) is a specialized agency of the United Nations dedicated to eradicating rural poverty in developing countries. IFAD is the only International Financial Institution within the UN family and has an annual approval of loans and grants of around US\$1 billion. The Fund is one of the world's largest contributors to governments for supporting rural women and men in overcoming poverty.
2. IFAD's goal is to empower poor rural women and men in developing countries to improve their incomes and food security. To do this, IFAD works with national and local governments, farmer's and civil society organisations, and the private sector focusing on country-specific solutions for increasing poor rural people's access to financial services, markets, technology, land, water and other natural resources. Building poor rural household's and communities' resilience to climate and market shocks and enhance their nutrition security are other important focus areas for facilitating their sustainable exit from poverty.
3. As specified by IFAD's Grant Policy¹, grant financing is an IFAD instrument to advance smallholder farming, rural transformation and the fight against rural poverty. The instrument brings special value for supporting policy engagement, research and partnerships, and for generating, testing and implementing innovative ideas and approaches, not only with partner governments, but also with actors in civil society, academia and the private sector.
4. The goal of IFAD grants is to significantly broaden and add value to the support provided to smallholder farming and rural transformation, thereby contributing to rural poverty eradication, sustainable agricultural development, and global food security and nutrition. Projects implemented through grant financing should make a significant contribution to a global, regional or national public good related to IFAD's mandate and focus on interventions where grant financing has clear added value and a comparative advantage over other IFAD supported instruments. Rural poor people and their organizations should be squarely positioned at the centre of each grant submission.
5. The objectives of IFAD grant financing are to:
 - i) Promote innovative, pro-poor approaches and technologies with the potential to be scaled up for greater impact
 - ii) Strengthen partners' institutional and policy capacities
 - iii) Enhance advocacy and policy engagement
 - iv) Generate and share knowledge for development impact
6. The objective of IFAD's AR4D grants is to sustainably increase production and productivity for food security, nutrition and income generation. Priority areas for interventions are:

¹ See the grant policy here: <https://webapps.ifad.org/members/eb/114/docs/EB-2015-114-R-2-Rev-1.pdf>

- i) Strengthening capacities of smallholder farmers to adapt to climate change and deal with the risks associated to it.
 - ii) Increasing water management efficiency, mainly in arid and semi-arid regions.
 - iii) Appreciation of local/native varieties and genetic resources, mainly those grown by smallholders.
7. The International Agricultural Research (IAR), East and Southern Africa Division (ESA) and Latin America Division (LAC) will jointly manage the project and supervise its implementation. This grant will be directly linked with IFAD investment projects.

B. Rationale

8. Feeding a world population estimated to reach 9 billion by 2050 is one of the greatest challenge of the 21st century in the context of global trends and challenges that shape the future of agriculture and food systems worldwide. Innovation, the process of putting knowledge into use (making it technological, social and institutional) is widely recognized as a driver of improving productivity and economic growth and as a catalyst to achieve Sustainable Development Goals (SDGs). Agricultural Innovation is the outcome of effective and functioning Agricultural Innovation System (AIS).
9. The Tropical Agriculture Platform (TAP) regional assessments of AIS capacities gaps and needs in low income countries revealed major shortcomings including, inter alia, ineffective and inappropriate policies, limited investments, heteronomous nature of AIS, fragmentation, passivity of actors, the lack of capacity to seek and sustain partnership with private sector, ineffective and poor interaction and coordination among extension and rural advisory services, research/education, private sector and civil society (producers organizations, NGOs, etc.), actors for collective action. AIS therefore needs to be strengthened to foster and materialize the potential of innovation to achieve broad improvements in agricultural productivity, and ultimately reducing poverty and improving livelihood of billions of people.
10. The project's Theory of Change (ToC) combines measurement of progress in use of agricultural innovations with changes in agricultural practices to identify pathways through which development outcomes and impacts are achieved and the causes. The proposed project objective is to strengthen AIS systems through enhancing functional capacities of the key actors within the system. The project addresses major capacity gaps affecting AIS performance. Furthermore, it is consistent with capacity development strategies set out in the national agricultural policies and poverty reduction documents of the targeted countries.
11. The project will provide institutional support and promote capacity strengthening of innovation actors—including public institutions, private companies, farmers' organizations and cooperatives, inputs suppliers, market wholesalers, processors, retailers, etc. The grant will utilise existing innovations to engage IFAD projects during which the project proposals and mission reports including aide-memoire will be reviewed to identify the gaps and requirements of the projects so that existing innovations can be selected for rolling out in support of the country programmes.
12. The grant project will contribute to the objective “promote innovative, pro-poor approaches and technologies with the potential to be scaled up for greater impact” of the IFAD Grant Policy and the focus areas on Agricultural Innovation Systems within the 2018 AR4D grant priority areas (see paragraph 6).

C. Goal and objectives

13. The project goal is to promote pro-poor Agricultural Innovations in order to contribute effectively to the sustainability and resilience of agri-food systems and improved rural livelihoods. The objective is to strengthen Agricultural Innovation Systems through targeted interventions to enhance functional capacities of actors and their organizations within the system within IFAD funded investments.

14. Expected immediate outcomes are (a) direct target groups gain enhanced skills and capacities and engage effectively in collective action within the innovation partnerships/niches; (b) Agricultural Innovations scaled up at national level; and (c) effective and efficient of National AIS.

D. Possible areas of interventions

15. The project proposal to be submitted should cover the components outlined below. The activities outlined under each component are indicative and for guidance only. The submitting organization (or consortium of organizations) is expected to further develop the project by building on its experience and expertise, presenting a well-designed and convincing methodology.
16. The project will consist of three main components. Each component will consist of a set of key activities defined (that will be adapted to the specific context and needs in each country) as set below:
 - a. Component 1. Participatory and inclusive capacity gaps and needs assessment. This component will ensure buy-in and ownership and galvanize commitment by national actors (extension and rural advisory services, research/education, NGOs, producers organizations, private sector, decision-makers, etc.) and facilitate capacity needs assessment of selected innovation partnerships/niches. Key activities include: (i) comprehensive stocktaking and analysis of AIS and capacity gaps and needs assessment of 2-3 innovation partnerships; (ii) galvanizing commitment and buy-in; and (iii) development of a common vision for capacity development.
 - b. Component 2. Capacities development interventions, organizational strengthening and policy advice. This component will support the formulation and subsequent implementation of specific, targeted and tailored capacity development interventions to fill in the gaps and address expressed needs and priorities identified in component 1 implementation. Key activities include: (i) selection and training of national innovation facilitators, (ii) implementing a capacity development and coaching plan (for 2-3 innovation partnerships and 1-2 umbrella/platform organization) through interactive learning and reflection cycles, (iii) marketplace to broker new partnerships, and (iv) policy assessment and dialogue to mainstream capacity development for AIS into national plans and strategies.
 - c. Component 3. Project coordination and management, monitoring and evaluation and knowledge management. This component will ensure that the project is efficiently and effectively coordinated, managed and implemented to achieve the expected results (cost efficiency and cost effectiveness), as well as documenting and sharing of lessons learned. Key activities include: (i) project coordination and management, (ii) monitoring and evaluation, and (iii) learning and knowledge

E. Monitoring & Evaluation, Knowledge Management and Learning

17. M&E indicators will be developed by the selected grantee together with national implementing partners once the proposal has been prepared. Where possible, indicators used should be compatible and supportive of IFAD's RIMS indicators to allow for future integration in investment projects. This assessment will be repeated at the end of the project.
18. The Project will set up a participatory learning system integrating planning, implementation, monitoring and evaluation and knowledge management. The CDAIS project participatory monitoring, evaluation and learning plan will be adapted specifically to each country context to collect quantitative and qualitative data and information to monitor and assess project performance (against agreed benchmarks and baseline defined upstream). Lessons learned will be continuously documented and disseminated through various channels including TAPipedia and other platforms.

F. Countries and regions

19. The grant activities should be carried out in 4-5 countries. Potential countries, interested national institutions and international research centres operating in the countries, and in some cases IFAD

investment projects the grant activities may be linked to have been identified in the ESA and LAC regions. Among these countries in particular the following three should be included:

- Zambia
- El Salvador
- Peru

G. Funding and duration

24. The submitted proposals will be evaluated according to several criteria including technical content, value for money, implementation capacity and scaling up/sustainability, that will identify the grantee organization/consortium (see table 1 - paragraph 46 below).
25. The IFAD funding for this proposal is provided through a grant for which the proposal will be subject to further review and clearance by IFAD senior management and subsequent approval by IFAD's Executive Board.
26. The approved grant will be awarded to the organization or a lead organisation (in case of a consortium) which has been selected as grant recipient. The grant amount is **USD 2.000.000**. Co-financing (in-cash and/or in-kind)² of the IFAD grant-financing amount provided by the applicant and any additional co-financing is part of the selection criteria. The applicant must ensure a **minimum counterpart contribution of 20 per cent** of the amount provided by IFAD.
27. The programme's duration will be **three years** after the approval by the Executive Board, expected by December 2018.

II. Eligibility

28. With this open call, IFAD is inviting interested institutions to submit a proposal. Each institution can decide to submit alone or jointly with other partner(s); in that case, the lead institution – who will enter into a legal agreement with IFAD - should be clearly identified and roles and responsibilities of the other partners and national implementing agencies be explicitly stated within the submitted proposal.
29. The recipient can be (i) an inter-governmental organization (including UN agencies and CGIAR centres), (ii) a civil society organization (including NGOs³), (iii) an academic institution or (iv) a private sector entity. Government agencies of IFAD Developed Member States and non-Member States are not eligible. In case of a consortium, an organization can join more than one consortium but can be leading only in one of them.

III. General considerations

A. General Considerations

30. Conflict of Interest. IFAD requires that the recipient provide professional, objective, and impartial advice and at all times hold IFAD's interests paramount, strictly avoid conflicts with other assignments or their own corporate interests and act without any consideration for future work. The recipient has an obligation to disclose any situation of actual or potential conflict that impacts

² The calculations of in-kind co-financing contributions should be appropriately detailed, justifiable and measurable

³ Non-profit, nongovernmental organizations in non-Member States are eligible subject to a specific waiver granted by the President of IFAD.

their capacity to serve the best interest of IFAD, or that may reasonably be perceived as having this effect. Failure to disclose said situations may lead to the disqualification of the recipient or the termination of the grant agreement.

31. **Implementing partners.** To the extent eligible institutions deem it appropriate to partner with other institutions, they can do so. In fact, North-South partnering between an institution located in the North of the world and one or more located in developing countries would be valued by IFAD. In this case, only the applicant institution shall be responsible for the overall programme management, financial and technical reporting to IFAD and programme coordination, while the partner institution(s) will be sub-contracted by the applicant. In case of applicants partnering with other organizations, a single application must be submitted to IFAD for consideration, clearly indicating the lead agency and the names of all collaborating partners.
32. **Sub-contracting.** The recipient may choose to sub-contract any part of the services under this agreement to a person or entity. If the subcontracting arrangement exceeds US\$ 200,000 a grant sub-agreement between the grant recipient and the implementing partner would be required. The lead recipient shall be fully responsible and liable for the delivery of the services performed by them or on their behalf.
33. **Personnel.** The recipient shall assign and provide such qualified and experienced personnel and sub-contracted consultants as are required to carry out the services under this agreement. The key personnel indicated in the proposal shall not be substituted without the prior approval of IFAD. If for any reason beyond the control of the recipient, such as retirement, death, medical incapacity, among others, it becomes necessary to replace any of the personnel, the recipient shall promptly arrange for such replacement with a person of equivalent or better qualifications.
34. **Preparation of Proposal.** The applicant shall bear all costs associated with the preparation and submission of their proposals and contract negotiation. IFAD reserves the right to annul the selection process at any time without thereby incurring any liability to the applicant. This call for proposals does not commit or obligate IFAD to award a contract.
35. **Value for Money.** Applicant must clearly demonstrate that the IFAD grant will be substantially spent on proposed and finally agreed activities in the selected countries and should indicate the total percentage of IFAD's grant resources that will be committed to this effort.
36. By submitting a proposal, applicants agree to abide by all the conditions set forth by IFAD (refer to the IFAD Grant Agreement⁴).

B. Eligible Expenditures and overheads under grant financing

37. **Eligible Expenditures** are expenditures eligible to be financed under the Grant Agreement. Such expenditures must satisfy all of the following requirements. They must:
 - (a) Meet the reasonable cost of goods, works or services required for the Project
 - (b) be incurred in accordance with the approved Project Budget
 - (c) be procured in accordance with the Recipient's Procurement Procedures;
 - (d) be incurred within the Project Implementation Period;
 - (e) be supported by adequate documentation;
 - (f) be verifiable by the Fund;
 - (g) they must not involve a payment which is prohibited by a decision of the United Nations Security Council or any other policy of the Fund.

⁴ <https://www.ifad.org/documents/10180/6c9d171e-a0e3-405d-b958-38724536c3b1>

38. **Taxes.** The proceeds of the Grant shall not be used for the payment of taxes which are determined by the Fund to be excessive, discriminatory or otherwise unreasonable.
39. **Expenditure Categories.** Expenditures to be financed by proceeds of IFAD Grants should normally be restricted to expenditures that can be attributed to the implementation of the activities agreed under the Grant Agreement and the Design Report. These can be broadly classified into direct and indirect costs. Guidelines for this classification is given below:
40. **Direct costs.** Direct costs are expenditures that are to be incurred only for the purposes of the financed operation, and that could be directly attributed to the expected project outputs. This category may include items such as consultants, staff time directly and only assigned to the project, training, travel, workshops, equipment, materials, research expenditures, publications, and operating costs directly linked to the project.
- a. **Consultancy.** Expenditures related to studies, technical assistance and other advisory services under the programme carried out by international and local consultants. Professional and consultant services are services rendered by persons who possess a special skill relevant to the project, and who are not officers or employees of the proposing organization. Anticipated services must be specified and justified in the proposal and information furnished on each individual's expertise, primary organizational affiliation, normal daily compensation rate, and number of days of expected service. Consultants' travel costs, including subsistence, may be included under travel expenditure. If requested, the proposer must be able to justify that the proposed rate of pay is reasonable.
 - b. **Equipment and materials.** Expenditures related to office equipment, motor vehicles and motor cycles, furniture, phones, computers. This should normally be limited to equipment or apparatus that is considered necessary for completion of the project. Office equipment would not normally be considered unless the project duration is 2 years or more. Confirm that goods and equipment proposed will be for intended purposes. Evaluate lease vs buy options. Grant funds should not be used to buy vehicles. If vehicles are absolutely necessary, leasing should be considered. If the implementation period is longer than 3-4 years, buying the vehicles could be considered, after also taking into account future running costs such as maintenance, insurance and taxes. The design document should specify the use of equipment at the end of the project. Where feasible, their property should be transferred to beneficiaries.
 - c. **Goods services and inputs.** Expenditures related to goods and services procured for the project activities.
 - d. **Operating costs.** Expenditures related to recurrent costs under the Programme, rent (If it is an existing office space of the recipient, normally this cost should not be charged to the grant) and utilities for the project office, maintenance costs, audit costs.
 - e. **Salaries and allowances.** Expenditures related to the base salaries and allowances of the staff of the Grant Recipient directly assigned to the project/programme activities. Project budgets should separately identify senior administrative staff salaries, technical staff salaries, administrative / clerical staff salaries. Costs should be inclusive of all statutory levies that apply. Where part time staff are required, state the full time equivalents also. Salaries and allowance are typically not expected to exceed 30% of the total grant amount unless clearly justified. There should be no double counting with other administration overheads and project management costs stated elsewhere.
 - f. **Workshops.** Expenditures related to the workshop meetings, venue, food and beverages, publication materials.
 - g. **Trainings.** Expenditures related to specific training events for eligible beneficiaries identified in the design report. Where applicable, this will include all related expenditures such as venue hire, travel for participants etc. Training of Grantee's employees is excluded.

- h. **Travel and allowances.** Expenditures related to fares, per diems and hotel costs for full time staff, consultants and beneficiaries. Separately identify domestic and international travel.
 - i. **Sub-Grants.** Where grant resources are expected to be sub-granted to other partner agencies or beneficiaries, the purpose of such sub-grants and identify of intended sub-grantee / beneficiaries must be clearly stated.
41. **Indirect costs.** Indirect Costs refer to fixed or administrative overheads to be borne by the recipient. These may be stated as a fixed amount or a flat fee payable to the recipient for the execution of the grant, which should be calculated as a percentage of direct costs. They are expenditures that are in the nature of general administration expenses or overheads, which cannot be directly and easily identified. The amount of indirect costs should be reasonable, and normally expected to be no more than 8%⁵ of direct costs, including for grants to a UN agency. Any percentage in excess will require a waiver, to be specifically justified, disclosed, cleared by IFAD's Financial Management Division (FMD) at the Quality Assurance (QA) review and recorded in the QA minutes. Such authorized greater percentage shall not constitute a precedent for requesting such waiver. IFAD grant funds may not be used for fixed indirect costs or core funding of the recipient (i.e. budget support). Care should be taken to avoid double counting (e.g. between a fee-based service to a recipient/implementing agency in addition to reimbursement of general overheads). The cost table included in design reports should clearly show indirect costs. Expenditures that are eligible for financing, along with the amounts allocated to each category, are specified in Attachment 'IFAD Standard Categories of Expenditures' to the invitation email.
42. Grant funding to recipients and sub-recipients should cover only allowable costs as specified in the financing tables of the Grant Agreement.

IV. Selection process

A. Documentation required

43. Complete proposal must include the following documentation:
- a. **Application form** — see Appendix A; to fill-in with basic information and submit with the full design document and supporting financial and legal information.
 - b. **Full design document** see Appendix B1 and supporting guidance Appendix B2, including financial and legal information. The design document shall expand and elaborate on the project concepts and guidance included in Section I of this Call for Proposals document on 'Objectives of the Call'. Additionally, Financial and legal information (see Appendix B for detailed requirements):
 - (i) Audit reports signed and dated by an external auditor (in PDF format) for the last two years, including the audited financial statements
 - (ii) Financial Management Questionnaire (FMQ) (see Annex 4)
 - (iii) A procurement plan and procurement guidelines of the applicant (or declaration that it will apply IFAD's guidelines); see: <https://www.ifad.org/documents/10180/cd15e696-26e2-45df-abcc-3d4611a9a20b>
 - (iv) Type of contractual arrangements with implementing partners and details of flow of funds and financial reporting to/from these partners
 - (v) Reference letters from two past projects
 - (vi) Evidence of the legal status of the applicant not older than 90 days (copy of the

⁵ Although the ceiling for indirect costs is 8%, IFAD will accept an 11% ceiling for CGIAR centers (excl. the 2% Trustee fee)

registration of the institute) or confirm the availability of this status and send evidence prior to finalization of the grant agreement

- c. **Proposals can only be submitted in English.** They should be concise, presented in single-spaced, Arial point 10-font text. Only MS-Word and PDF formats will be accepted. File size cannot exceed 5 Mb.

B. Evaluation methodology and criteria

44. Only proposals received within the stipulated period will be accepted. Proposals will be evaluated by an IFAD Committee composed of senior staff and technical experts. Each proposal will be evaluated according to the criteria indicated in table 1. For each criterion, a score from 1 (very poor) to 6 (excellent) will be assigned except for the first three criterion under the ‘Best value for money’ category, which will be rated on a prorated basis. The application receiving the highest total score will be selected.
45. Applicants must be aware that, once selected, IFAD may require further refinements of the proposal throughout the internal review process and that the selected proposal will be subjected to review and approval steps prior to submission for final approval by the Executive Board.
46. After the eligibility of the applicant is confirmed, proposals will be evaluated by a Competitive Screening Evaluation Team according to the following criteria indicated in table 1 below.

Table 1. Selection Criteria

Criteria	Weight
<p>Technical content and consistency with project description and IFAD’s Grant Policy. Considerations include:</p> <ul style="list-style-type: none"> • Quality of the overall approach proposed, understanding of the requirements, objectives, and potential problem areas • Coherence and linkages between the project components • Relevance to IFAD’s targeting strategy for rural poor, youth and gender • Prospective impact on smallholder farmers and their organizations and small rural enterprises (in terms of resilience to climate change and income generation) researchers, policy makers, extension agents • Realistic proposal within the timeframe and technically feasible • Quality of plan of activities of KM proposed • Innovative activities and outputs proposed 	30%
<p>Value for money which does not necessarily mean going for the cheapest option, but making sure that IFAD gets the desired technical quality at the best price. This requires a judgment on whether the expected development benefits justify the costs. This implies that adequate metrics for measuring both are embedded in the proposals. Considerations include:</p> <ul style="list-style-type: none"> • Level of own financing and co-financing, including in-kind; • Type of co-financing (in-cash and/or in-kind) 	20%

Implementation capacity of the proposing organization (and of any associated implementation partner) to carry out the proposed activities and to account for funds should be demonstrated in the proposal documents.

Other required experience and capacity of the proposing organization(s) include⁶:

- strong expertise in participatory breeding approaches (PPB or EPB)
- experience working with small farmers in marginalized areas
- experience working with national research institutions and breeders in the selected countries
- experience working with national and international genebanks
- experience in carrying out economic comparative cost-benefit analysis
- experience in carrying out policy and legal/regulatory assessments;
- experience with capacity building; 30%
- experience working with participatory extension approaches.

The evaluation panel will also assess:

- track record in financial management of grant resources and timely reporting on past project progresses and results⁷
- capacity to ensure coordination of activities in various countries to be implemented nationally by local partners (research or government organizations or NGOs);
- capacity of in-house staff and/or adequacy of the team proposed⁸;
- proven commitment of national counterpart and qualifications of national counterpart (on policy, extension etc);
- The partnership base of the proposing institution(s) both with in-country institutions and international organizations/initiatives⁹.

Scaling up/sustainability

- Scaling-up proposed pathways (methods) 20%
- How is sustainability pursued/ensured?
- Partners identified for sustainability and for scaling-up
- Proposed methods to link up with IFAD loan portfolio

Total 100%

C. Timeline and submission process

47. Applicants are given until **2 November 2018 at 17:00 CEST** to send **questions and requests for clarifications**. The questions and requests will be responded on a case by case basis.

48. Interested institutions are kindly requested to **express by e-mail their intention to submit a proposal by 9 November 2018 at 17:00 CEST**.

49. **Proposals together with all supporting documentation** must be submitted by **16 November 2018 at 17:00 CEST**. Those received after the deadline will not be considered, while the ones

⁶ Please provide institutional track records.

⁷ Please include a letter of a previous funding institution confirming the applicant's technical and timely reporting.

⁸ Please include CVs of team members and staff proposed.

⁹ Please include letter of proposed partners, confirming their participation.

received by the indicated deadline and deemed to be compliant with the requirements set out in this call for applications will be evaluated in accordance with the process outlined herein.

50. Questions, expression of interest and proposals shall be sent to:

- Mr Malu Ndavi, Lead Technical Specialist, RIA, m.ndavi@ifad.org
- Cc: Ms Xiaozhe Zhang, Technical Specialist, RIA, x.zhang@ifad.org

51. Applicants should be aware that receipt of grant funds are subject to IFAD's internal clearances and approvals following the selection process. IFAD reserves the right not to appoint any successful applicants if the quality of the received applications is not deemed sufficient or does not meet IFAD requirements.

APPENDIX A. Application form (overview information)

A. SUMMARY		
1. Name of the organization		
2. Abstract (approximately 250 words)		
3. Total budget (USD) <i>(specifying the amount to be covered by IFAD and the amount to be covered (in-kind and/or in-cash) by the applicant institution and/or other partners, if envisaged)</i>		
B. APPLICANT INSTITUTION		
4. Legal status <i>(with specific reference to non-profit/for-profit status¹⁰)</i>		
5. Audited Financial statements covering the past two years		
6. List of record and references to financial co-operatives projects specifying the role actually played by the applicant		
7. Current operations and presence in developing countries (e.g. offices), if applicable		
C. IMPLEMENTATION ARRANGEMENTS		
8. Bodies/divisions or offices that will participate in the management of the programme		
9. Principle staff who will manage the programme and will be the point of contact with IFAD, specifying her/his current job position and contact information		
a. Programme Manager	Name:	
	Job title:	
	Contact:	
	CV attached	(YES) (NO)
b. Main collaborators <i>(add rows as needed to state names, current job positions and roles/main responsibilities in the programme; please attach the CVs of the staff participating in the programme and indicate it in the application form)</i>	Name:	
	Job title:	
	Main responsibilities:	
	CV attached	(YES) (NO)
D. PARTNER INSTITUTION (if applicable)		
10. Name of the partner organization(s)		
11. Team leader(s) in the partner organization(s): Name: Contact: Job title:		
12. Brief description of the role to be played by the partner in the programme		
13. Budget to be sub-contracted		

¹⁰ For profit companies need to fill an additional form and complete a due diligence sheet.

APPENDIX B1. LARGE GRANT DESIGN DOCUMENT: Template



Investing in rural people

[Click here and type Grant Recipient](#)

[Click here and type project name](#)

Grant Design Document

Suggested Table of Contents

SUMMARY TABLE

ACRONYMS

I. BACKGROUND

II. RATIONALE: RELEVANCE AND LINKAGES

- A. Rationale for grant financing
- B. Link to outputs of Grants Policy and corporate priorities
- C. Alignment to Priority Area and to IFAD 11 commitments (for Global/Regional grants only)
- D. Contribution to country programme and planned or ongoing projects

III. THE PROPOSED PROJECT

- A. Country/Countries
- B. Direct and Indirect Target Group
- C. Overall Goal and Objectives
- D. Key Activities by Component
- E. Expected Outputs and Outcomes
- F. Risks and measures of mitigation

IV. PROJECT IMPLEMENTATION ARRANGEMENTS

- A. Recipient, Rationale for recipient selection and recipient capacity
- B. Implementation procedures / project management
- C. Implementing partners and implementation agreements
- D. Implementation Period and Indicative Workplan (including table showing timing of key activities)

V. M&E, SUPERVISION, KNOWLEDGE MANAGEMENT AND SCALING UP

- A. Monitoring, Evaluation and Reporting
- B. Supervision Arrangements
- C. Knowledge Management and Learning
- D. Scaling up and sustainability

VI. PROJECT COSTS AND FINANCING

- A. Project Costs by Component (Activity-based budget)
- B. Project Financing, including table showing proposed project costs by category of expenditure for IFAD and other financiers

VII. FINANCIAL GOVERNANCE

- A. Procurement Procedures for Goods, Services and Human Resources
- B. Financial Management System, including accounting specifications
- C. Audit Arrangements

ANNEXES

1. Results-Based Logical Framework – max. 3 SMART outcome indicators (see attachment)
2. Supporting Documentation to Grant Design Document (see attachment)
3. Eligibility and Due Diligence Checklist (see attachment)
4. Financial management questionnaire (see attachment)
5. KM Plan

Summary Sheet

Insert Revised Concept Note (addressing OSC comments) here

1. Grant Sponsor: (name of IFAD staff)	2. Division(s) ¹¹ : (include all divisions submitting)
3. Title of the proposal: (title of the proposal)	
4. Value of IFAD grant: (IFAD grant value in USD)	5. Co-financing: (co-financing in USD)
6. Implementation period: (months)	7. GRIPs ID: (number from GRIPS)
8. Selected Strategic Priority ¹² :	
9. Window: Indicate Global/Regional <input type="checkbox"/> Country <input type="checkbox"/>	10. Country/Countries:
11. Background/relevance: (also describe how the project directly responds to 8. (Selected strategic Direction), how it contributes to achieving the outputs of the grant policy and other IFAD priorities, including IFAD 11 commitments)	
12. Direct and indirect target group: (describe and provide indicative numbers, disaggregated by gender/marginalised group, as applicable)	
13. Goal, objectives and expected outcomes: (describe goal, objectives and outcomes)	
14. Key activities by component: (describe key activities by component)	
15. Recipient: select: <ul style="list-style-type: none"> • Direct selection <input type="checkbox"/> and name of recipient • competitive selection at CN stage <input type="checkbox"/> and name of recipient • to be selected competitively at Design stage <input type="checkbox"/> 	
16. Rationale for recipient selection and recipient capacity: (also describe whether a competitive process was or will be used to select the recipient. If not, why not? Describe the criteria that was used (or will be used) to select the recipient competitively)	
17. Project cost: (provide approximate breakdown by year and by component. Include also indication on the use of co-financing, as applicable)	
18. Risks: (describe: a) the main risks associated with this project and b) potential mitigation measures)	
19. Monitoring & Evaluation, KM and Learning: (describe how results will be measured, data will be collected and lessons learnt will be shared.)	
20. Supervision modalities: (describe modalities and confirm that the division will release budget for supervision)	
21. Linkages: (describe whether there are linkages to country programme / project activities and to other development initiatives/interventions. If not, why not? Are any linkages planned?)	
22. Scaling up: (describe potential and pathways for scaling up)	
23. Sustainability: (describe how sustainability is pursued/ensured)	
24. Other aspects: (describe any other aspects that can further strengthen the proposal, for example in terms of innovation, partnerships and contribution to a public good related to IFAD's strategic priorities)	

¹¹ Note that interdivisional and interdepartmental collaboration is strongly encouraged.

¹² The indication of a strategic priority **only applies to Global/Regional grants. One Priority Area (PA) only**. For further details, see relevant Annual Strategic Guidance Notes presented to [EMC](#) and posted on [QAG DESK site](#)

Annex 1: Results-based logical framework

	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Goal	What is the goal to which the intervention will contribute?	What are the key indicators related to the goal?	What are the sources of information for measuring progress against these indicators?	
Objectives	What are the overall objectives to which the action will contribute? List the specific objectives of the grant application.	What are the key indicators related to the objectives? Which indicators clearly show that the objective of the action has been achieved?	What are the sources of information for measuring progress against these indicators?	Which factors and conditions outside the recipient's responsibility might affect the achievement of the objectives? (external conditions) Which risks should be taken into consideration?
Outcomes/Outputs	What are the outcomes and outputs necessary to achieve the objectives?	What are the indicators to measure whether and to what extent the action achieves the expected results?	What are the sources of information for measuring progress against these indicators?	What external conditions must be met to obtain the expected results on schedule?
Key Activities by component	What are the key activities to be carried out in order to produce the expected results? (group the activities by component)	What are the indicators to measure the key activities undertaken?	What are the sources of information for measuring progress against these indicators?	Which pre-conditions must be met before the action starts?

Annex 2

Supporting documentation for grant design document

1. *Legal documentation*, including evidence of legal status and capacity, registration and good standing, evidence of the authority of the person who will sign the agreement for the recipient. The recipient must demonstrate that it has been registered and that its registration is current (evidence of good standing no more than 90 days old), that it has the corporate capacity to enter into the Grant Agreement, accept the Grant and carry out the Project, and that the person signing the agreement has the necessary authorization. Different jurisdictions have different laws, so the actual documentation required may vary. As a rule, the recipient must be registered in an IFAD Member State. Legal documentation is not required for United Nations agencies or CGIAR institutions.

Yes No Not applicable

2. *Financial documentation*, including the name/address of independent auditors, institutional audited financial statements and audit reports. Audit reports must be signed and dated on Auditor's letterhead. For recipients that have not previously received an IFAD grant, two years' audited financial statements and audit reports will be required. Otherwise, one year is sufficient. Financial documentation is not required for UN agencies or CGIAR institutions. For those recipients that have not been required to prepare audit reports, or whose audit reports have been qualified, the financial management questionnaire must be submitted.

Yes No Not applicable

3. *Recipient's procurement procedures*. If the recipient does not have its own procedures, a declaration that it will use IFAD's Procurement Guidelines or other procedures acceptable to the Fund will suffice

Yes No Not applicable

4. *Procurement Plan*. The Procurement Plan, defined in paragraph 6.1(xiii) of the IFAD General Provisions, should be prepared where goods and services worth more than US\$ 200,000 are to be procured under the project. The Grant Sponsor should review the Procurement Plan to ensure, among other things, that the grant is not used to purchase equipment or other durable goods if it would be economically appropriate to lease the equipment instead and that such goods or equipment are suitable and required for the effective implementation of the project.

Yes No Not applicable

5. Declaration by the recipient (email is acceptable) that it has read and accepted the Project Description and Project Budget. It is mandatory that the recipient has reviewed the Project Description and Project Budget before the Grant Package is submitted for Approval.

Yes No Not applicable

6. Declaration by the recipient (email is acceptable) that it has read and accepted IFAD's Standard Grant Agreement. The model Grant Agreement is available on the QAG DESK site (<https://xdesk.ifad.org/sites/qag/corpgrantsec/SitePages/Home.aspx>).

Yes No Not applicable

Annex 3: Due diligence on grant recipients Eligibility Checklist

-
1. **The recipient is:** (check the appropriate box)
- The government of a developing member state of IFAD
 - A non-profit, non-governmental organization in an IFAD member state
 - An intergovernmental organization with more than one IFAD member state as a member.
 - Private sector entity
 - Other

(Governments and government agencies of developed Member States and non-Member States are not eligible. Non-profit, non-governmental organizations in non-Member States are eligible only if a specific waiver is granted by the President.)

-
- 2.(A) **If the recipient has previously received grant(s) from IFAD, has it provided all necessary progress reports and audited financial reports/statements?**
- Yes No n/a

If the answer is no, the recipient is not eligible.

- 2(B) **If the recipient has previously received grant(s) managed by your division, was its performance fully satisfactory?**
- Yes No n/a

If the answer is no, please explain why the recipient should receive a new grant.

-
3. **Can the recipient provide audited financial statements for the two previous years?**
- Yes No

If the answer is no, describe special circumstances that justify giving the grant to this recipient and provide supporting documentation.

-
4. **Is IFAD the prime beneficiary of the grant?**
- Yes No

-
5. **Will this grant support activities normally supported by other IFAD resources?**
- Yes No

-
6. **Will this grant support activities that duplicate efforts being financed by other donors?**
- Yes No

If the answer to 4, 5 or 6 is yes, the grant does not comply with the IFAD Grant Policy. No waiver is possible. It is the responsibility of the grant sponsor to confirm the eligibility of the recipient and the conformity of the grant with all aspects of IFAD's policies and procedures. If the grant sponsor requests a waiver of any policy or procedure which is subject to being waived, it must be set forth below.

-
7. **Deviation from IFAD policies and procedures** List any aspects of the grant that do not comply with IFAD's grant policy or procedures.
-

Declaration of Potential Conflicts of Interests

Please answer the following questions relating to potential conflicts of interest by ticking the boxes in the left column of the table. If the answer to a question is "Yes," please provide additional information as requested below.

<input type="checkbox"/> Yes <input type="checkbox"/> No	[Prospective Recipient], [Prospective Recipient] staff involved in the proposed project ¹³ and/or their immediate family members ¹⁴ , have a financial interest in the proposed project. ¹⁵
<input type="checkbox"/> Yes <input type="checkbox"/> No	Has any [Prospective Recipient] staff involved in the proposed project and/or their immediate family members received assistance from an IFAD employee (i.e., IFAD consultants or staff members) which might lead to actual or perceived preferential treatment? ¹⁶
<input type="checkbox"/> Yes <input type="checkbox"/> No	Do any of the [Prospective Recipient] staff involved in the proposed project have immediate family members working for or at IFAD (i.e., as a consultant or staff member)? ¹⁷
<input type="checkbox"/> Yes <input type="checkbox"/> No	Has [Prospective Recipient] and/or [Prospective Recipient] staff involved in the proposed project, ever been sanctioned ¹⁸ of fraud, corruption, collusion, coercion or a related wrongdoing? ^{19,20,21}
<input type="checkbox"/> Yes <input type="checkbox"/> No	Does the [Prospective Recipient], [Prospective Recipient] staff involved in the proposed project and/or their immediate family members, in any way not listed above, benefit, ²² or appear to benefit, directly or indirectly, from an association with IFAD or with an enterprise or organization that, directly or indirectly, engages in business with IFAD? ²³

¹³ The term "staff" includes board members, staff and consultants of the Prospective Recipient.

¹⁴ The term "immediate family member" refers to spouses/domestic partners, children and other relatives living in the same household as the person working for the Prospective Recipient.

¹⁵ If **Yes**, please provide name and title/role of the person having a financial interest and describe the type of financial interest involved. If the financial interest relates to a role held in an organization, please provide the name of the organization, the role held at the organization (e.g., employee, consultant, Board member) and the dates during which the role was held. If the financial interest relates to an ownership interest, please specify the nature and amount of the interest owned, the duration for which the interest has been held and any other relevant information.

¹⁶ If **Yes**, please provide the name and title/role of the person having received assistance; and the name, position and Division/Department of the IFAD employee having provided assistance. Please also specify the type/nature of assistance provided and the dates/occasions at which assistance was provided. This type of assistance includes, for example, potentially unfair support in competitive selection processes.

¹⁷ If **Yes**, please provide name and title/role of the person working for [Prospective Recipient]; and the name, position and Division/Department of the family member working for or at IFAD. Please also specify the nature of the familial relationship (e.g., spouse, domestic partner, parent, sibling, niece, nephew, father, mother, brother, sister-in-law).

¹⁸ The term "sanction" refers to both criminal punishment as well as administrative sanctions, including sanctions such as conditional non-debarment or letters of reprimand.

¹⁹ The term "related wrongdoing" includes obstructive practices, such as witness intimidation or evidence tampering, and other sanctionable practices, such as theft or embezzlement, as may be applicable.

²⁰ The term "national or international entity" is to be understood broadly and includes national procurement agencies, offices of suspension and debarment, international organizations and international financial institutions.

²¹ If **Yes**, please provide the name and, if applicable, the title/role of the investigated subject, the name of the investigating authority, the time/duration of the investigation, the allegations involved, the type of sanction (e.g., debarment, conditional non-debarment, restitution, letter of reprimand), the basis for the sanction (e.g., bid-rigging, submission of false documents, kick-backs paid during the procurement process) and the date of issuance of the sanctioning decision.

²² The term "benefit" is to be understood broadly and includes the gaining of any type of advantage, financial or non-financial. A non-financial advantage may include receiving potentially helpful information or designing the project in a way that only a specific entity associated with the Recipient is capable of performing it.

²³ If **Yes**, please provide name and the title/role of the person benefitting or appearing to benefit. Please also specify how the person benefits or appears to benefit. If the person benefits or appears to benefit from an association with an enterprise or organization engaging in business with IFAD, please further provide the name of the enterprise or organization and specify what type of engagement the enterprise or organization has with IFAD.

The above-listed questions establish an on-going duty to disclose. This means that [Prospective Recipient] and [Prospective Recipient] staff involved in the proposed project are required to **promptly inform IFAD of any potential changes** to the answers and information provided above in the course of carrying out their duties under the Grant Agreement.

[Prospective Recipient] and [Prospective Recipient] staff involved in the proposed project are also required to provide IFAD, at all times, with whatever information and documentation IFAD may require in order to monitor actual, potential or perceived conflicts of interest.

If in doubt as to whether or not an information may be relevant under the above-listed questions, [Prospective Recipient] and [Prospective Recipient] staff involved in the proposed project shall disclose this information to IFAD.

Name/Title/Role	Organization	Description of potential conflicts of interest

Annex 4: Financial management questionnaire

The Financial management questionnaire (FMQ) should be used only in the following circumstances:

- The recipient has not received funds from IFAD in the past or for a considerable length of time, and is not able to provide current audited financial statements acceptable to IFAD.²⁴
- The grant amount is significantly larger than the recipient normally manages.
- There is a need to reconfirm the recipient's financial integrity, including its financial management capacity.

The FMQ contains questions designed to review the systems adopted by the recipient related to: a) budgeting, b) accounting, c) internal control, d) funds flow, e) financial reporting, and f) auditing arrangements. Based on the answers provided by the recipient, the grant sponsor and the grants officer will be able to assess the best way forward, including disbursement conditions, disbursement amounts, frequency of supervision, etc.

Project: _____

Self-assessment completed by: _____ Date: _____

IFAD review/assessment completed by: _____

Date: _____

Note: If there is more than one implementing entity, a questionnaire should be completed for each one.

Topic	Yes	No	N/A	Review*	Remarks/ comments
1. Implementing entity					
1.1 What is the legal status/registration of the entity?					
1.2 Has the entity implemented in the past projects financed by i) international financial institutions (IFIs), ii) United Nations agencies or iii) donors that are members of the OECD? If yes, please provide name and year.					
2. Funds flow					
2.1 In which bank will the grant account be opened?					
3. Staffing					
3.1 What is the organizational structure of the accounting department? Attach an organization chart.					
3.2 Is the project finance and accounts function staffed adequately?					
3.3 Is the finance and accounts staff adequately qualified and experienced?					
3.4 Indicate key positions not contracted yet, and the estimated date of appointment.					
3.5 Does the project have written position descriptions that clearly define duties, responsibilities, reporting lines and limits of authority for all officers, managers and staff?					

²⁴ An external assessment by an audit firm or an audit report will have to be provided prior to first disbursement.

Topic	Yes	No	N/A	Review*	Remarks/ comments
4. Accounting Policies and Procedures					
4.1 Does the entity have an accounting system that allows for the proper recording of project financial transactions, including the allocation of expenditures in accordance with the respective components, disbursement categories, and sources of funds? Will the project use the entity accounting system?					
Segregation of Duties					
4.2 Are the following functional responsibilities performed by different units or persons: (a) authorization to execute a transaction; (b) recording of the transaction; and (c) custody of assets involved in the transaction?					
4.3 Are the functions of ordering, receiving, accounting for, and paying for goods and services appropriately segregated?					
4.4 Are bank reconciliations prepared by staff other than those who make or approve payments?					
Budgeting System					
4.5 Do the budgets lay down physical and financial targets?					
4.6 Are actual expenditures compared to the budget with reasonable frequency, and explanations required for significant variations from the budget?					
4.7 Who is responsible for preparation and approval of budgets?					
Payments					
4.8 Do invoice processing procedures provide for: <ul style="list-style-type: none"> • Copies of purchase orders and receiving reports to be obtained directly from issuing departments? • Comparison of invoice quantities, prices, and terms, with those indicated on the purchase order and with records of goods actually received? • Comparison of invoice quantities with those indicated on the receiving reports? • Checking the accuracy of calculations? 					
4.9 Are all invoices stamped <i>PAID</i> , dated, reviewed and approved, and clearly marked for account code assignment?					
Policies And Procedures					
4.10 What is the basis of accounting (e.g., cash, accrual)?					
4.11 What accounting standards are followed?					
4.12 Does the project have an adequate policies and procedures manual to guide activities and ensure staff accountability?					
Safeguard over Assets					
4.13 Is there a system of adequate safeguards to pro-					

Topic	Yes	No	N/A	Review*	Remarks/ comments
protect assets from fraud, waste, and abuse?					
4.14 Are there periodic physical inventories of fixed assets and stocks?					
4.15 Are assets sufficiently covered by insurance policies?					
Other					
4.16 Has the project advised employees, beneficiaries and other recipients to whom to report if they suspect fraud, waste or misuse of project resources or property?					
5. Internal audit					
5.1 Is there an internal audit department in the entity?					
5.2 What are the qualifications and experience of audit department staff?					
5.3 To whom does the internal auditor report?					
6. External audit					
6.1 Are the entity's financial statements audited regularly by an independent auditor? Who is the auditor?					
6.2 Are there any delays in audit of the entity? When are the audit reports issued?					
6.3 Is the audit of the entity conducted according to the International Standards on Auditing?					
6.4 Have any major accountability issues been brought out in audit reports in the past three years?					
6.5 Is the project subject to any kind of audit by an independent governmental entity (e.g. the supreme audit institution) in addition to the external audit?					
7. Reporting and monitoring					
7.1 Are financial statements prepared for the entity? If so, in accordance with which accounting standards?					
7.2 What is the frequency of preparation of financial statements? Are the reports prepared in a timely fashion so as to be useful to management for decision making?					
7.4 Are financial management reports used by management?					
7.5 Do the financial reports compare actual expenditures with budgeted and programmed allocations?					
7.6 Are financial reports prepared directly by the automated accounting system or are they prepared by spreadsheets or some other means?					
8. Information systems					
8.1 Is the financial management system computer-					

Topic	Yes	No	N/A	Review*	Remarks/ comments
ized?					
8.2 Can the system produce the necessary project financial reports?					
8.3 Are staff adequately trained to maintain the system?					
8.4 Do the management organization and processing system provide safeguards of confidentiality, integrity and availability of the data?					

Annex 5: Knowledge Management Plan

Project Objectives	Strategic Objective for Knowledge Mgt.	Main Areas of Work	Activities, budget & timeline	Target Audience & Dissemination	Roles and Responsibilities	Indicators

(include as many rows as required)

APPENDIX B2. Large Grant Design Document: guidance

B2.1 Minimum requirements for Knowledge Management Plan

At a minimum, a grant project's KM plan should outline what action project staff and implementation partners will take to ensure they are able to generate, access and use knowledge and information. This can then be used to:

- improve project performance;
- support efforts to scale up or replicate successes; and
- share lessons with wider audiences to achieve visibility, and for advocacy and influence.

KM activities cannot be implemented in isolation, otherwise they will have little usefulness and impact. Effective approaches to managing knowledge need to be mainstreamed in the project implementation approach - encompassing analysis and evidence from project M&E and other sources, adequate information management, and planned internal and external communication.

A basic **KM plan** should:

- Include links to project goal and objectives: how will this plan contribute to achieving project results and impact?
- Define strategic objective/s for project KM, which should be reviewed annually.
- Articulate the main areas of work – preferably linked to the dimensions of KM outlined above: improving project performance; and scaling up successes and sharing lessons.
- Outline activities, including budget and timeline. Activities and budget should be included in project AWPB. Define target audiences and dissemination plans for documentation, events and other knowledge products.
- Define clear roles and responsibilities: encourage recipients to include specific KM and communication responsibilities in ToRs of project staff.

Include indicators and monitoring methods, which are reflected in the project M&E system, in order to track results and impact of KM activities.

B2.2 Project Costs by Component/Financiers

Components	Year 1	Year 2	Year 3	Year 4	Total IFAD Grant Amount	Co- Financing amounts			Total Co-financing Amount	Total Project Amount
						Financier/partner (1)	Financier/partner (2) if applicable	Financier/partner (3) if applicable		
Component 1:										
Component 2:										
Component 3:										
Component 4:										
Sub-totals										
Overheads										
Totals										

B2.3 Project Financing Plan for IFAD Grant with co-financing

Allowed category of expenditure	Year 1	Year 2	Year 3	Year 4	IFAD Amount (in USD)	Co-financing Amount
Salaries and Allowances						
Operating costs ²⁵						
Consultancies						
Travel and allowances (incl. hotels)						
Equipment and Materials ²⁶						
Goods, Services and inputs ²⁷						
Workshops ²⁸						
Training						
Management fees/overheads						
Total						

²⁵ Operating costs: includes rentals, utilities, cleaning, repairs and all that is used to 'operate' the project. Please define kinds of underlying expenditures foreseen in this category to be incl. in Schedule 2 of IFAD's Grant Agreement

²⁶ Equipment & Material could include: PCs, phones, machinery for the use of the project.

²⁷ Could include seeds, fertilizers

²⁸ Includes dinners, meeting room rentals and equipment exclusively for the workshop

Appendix C: Concept Note

1. Name Originator: <i>Malu Ndavi, Jesus Quintana, Abla Benhamouche</i>	2. Division(s)²⁹: <i>FPD/ESA/LAC</i>
3. Title of the proposal: Pro-poor agricultural innovation systems for sustainable and resilient agri-food systems	
4. Value of IFAD grant: 2,000,000 USD	5. Co-financing: 750,000 USD Italian Government: in El Salvador
6. Implementation period: 36 months	7. GRIPs ID: 2000001658
8. Selected Priority Area³⁰: 2.1 Advisory and agricultural extension services for small rural	
9. Window: Global/Regional	10. Countries: Zambia, and Peru (IFAD), and El Salvador (Italian Government)
<p>11. Background/relevance</p> <p>Feeding a world population estimated to reach 9 billion by 2050 is one of the greatest challenge of the 21st century in the context of global trends and challenges³¹ that shape the future of agriculture and food systems worldwide. Innovation, the process of putting knowledge into use (making it technological, social and institutional) is widely recognized as a driver of improving productivity and economic growth and as a catalyst to achieve Sustainable Development Goals (SDGs). Agricultural Innovation is the outcome of effective and functioning Agricultural Innovation System (AIS). The Tropical Agriculture Platform³² (TAP) regional assessments of AIS capacities gaps and needs in low income countries revealed major shortcomings including, <i>inter alia</i>, ineffective and inappropriate policies, limited investments, heteronomous nature of AIS, fragmentation, passivity of actors, the lack of capacity to seek and sustain partnership with private sector, ineffective and poor interaction and coordination among extension and rural advisory services, research/education, private sector and civil society (producers organizations, NGOs, etc.), actors for collective action. AIS therefore needs to be strengthened to foster and materialize the potential of innovation to achieve broad improvements in agricultural productivity, and ultimately reducing poverty and improving livelihood of billions of people. The project's Theory of Change (ToC) combines measurement of progress in use of agricultural innovations with changes in agricultural practices to identify pathways through which development outcomes and impacts are achieved and the causes. The proposed project objective is to strengthen AIS systems through enhancing functional capacities of the key actors within the system. The project addresses major capacity gaps affecting AIS performance. Furthermore, it is consistent with capacity development strategies set out in the national agricultural policies and poverty reduction documents of the targeted countries. The project will provide institutional support and promote capacity strengthening of innovation actors—including public institutions, private companies, farmers' organizations and cooperatives, inputs suppliers, market wholesalers, processors, retailers, etc.</p> <p>Relevance of the project to IFAD strategic framework and priorities and outputs of the grant. The proposed project contributes to the thematic focus area on access to agricultural technologies and production services (SO1) of IFAD's Strategic Framework (2016-2025). It aims at strengthening the AIS performance through enhancing functional capacities of public, private, farmers' and civil society organizations to catalyse changes for pro-poor and efficient AIS. The project will promote institutional innovation, collective action among AIS actors in order to foster innovation in the agricultural sectors for improving productivity and sustainability.</p> <p>Furthermore, the project is aligned with the objectives of IFAD Policy on Grant Financing to: (i) promote innovative, pro-poor approaches and technologies with the potential to be scaled up for greater impact (<i>given it will support IFAD country programmes which target rural poor communities</i>); (ii) strengthen partners' institutional and policy capacities (<i>in line with the new IFAD business model where IFAD investments are expected to contribute to the achievement of country priorities rather than attribute outcomes to the invest-</i></p>	

²⁹ Note that interdivisional and interdepartmental collaboration is strongly encouraged.

³⁰ The indication of a strategic direction **only applies to Global/Regional grants. Please select one Priority Area only.** For further details, see Strategic Guidance for IFAD Grants 2016 presented to EMC, dated 29 July 2015

³¹ e.g. eradicating hunger and malnutrition, sustainably improving agricultural productivity, addressing climate change and intensification of natural hazards, land degradation, conflicts and natural disasters, making food and agriculture systems more efficient, inclusive and resilient.

³² Aerni et al. 2015. Making agricultural innovation systems (AIS) work for development in Tropical countries. Sustainability 7: 831-850

ments) and strengthen local institution for sustainability of the IFAD institutions , (iii) enhance advocacy and policy engagement considering the innovations in the revised RIMS.

IFAD is shifting from exclusively focus on investment to measuring policy engagement, thus country policy engagement is an instrument for IFAD to enhance its development effectiveness; and (iv) generate and share knowledge for development which remains the key focus of the project. The project is aligned with IFAD 11 commitments as it will contribute directly to Commitment 3.5 Make strategic partnerships for financing, knowledge, advocacy and global influence a cornerstone of IFAD operations and success will be measured against RMF indicator 3.3.4 on Partnership-building.

12. Direct and indirect target group: The direct project beneficiaries in each country are smallholder farmers (approximately 10,000) targeted under IFAD development project (30,000 in total), including inputs suppliers, marketing actors, processors and retailers. The indirect project beneficiaries are approximately 400,000 farmers who are target groups of other IFAD-financed loan projects.

13. Goal, objectives and expected intermediate outcomes: The project *goal* is to promote pro-poor Agricultural Innovations in order to contribute effectively to the sustainability and resilience of agri-food systems and improved rural livelihoods. The *objective* is to strengthen Agricultural Innovation Systems through targeted interventions to enhance functional capacities of actors and their organizations within the system within IFAD funded investments.

Expected immediate outcomes are (a) direct target groups gain enhanced skills and capacities and engage effectively in collective action within the innovation partnerships/niches; (b) Agricultural Innovations scaled up at national level; and (c) effective and efficient of National AIS.

14. Key activities by component:

The project will consist of three main components. Each component will consist of a set of key activities defined (that will be adapted to the specific context and needs in each country) as set below:

Component 1. Participatory and inclusive capacity gaps and needs assessment. This component will ensure buy-in and ownership and galvanize commitment by national actors (extension and rural advisory services, research/education, NGOs, producers organizations, private sector, decision-makers, etc.) and facilitate capacity needs assessment of selected innovation partnerships/niches. Key activities include: (i) comprehensive stocktaking and analysis of AIS and capacity gaps and needs assessment of 2-3 innovation partnerships; (ii) galvanizing commitment and buy-in; and (iii) development of a common vision for capacity development.

Component 2. Capacities development interventions, organizational strengthening and policy advice. This component will support the formulation and subsequent implementation of specific, targeted and tailored capacity development interventions to fill in the gaps and address expressed needs and priorities identified in component 1 implementation. Key activities include: (i) selection and training of national innovation facilitators, (ii) implementing a capacity development and coaching plan (for 2-3 innovation partnerships and 1-2 umbrella/platform organization) through interactive learning and reflection cycles, (iii) marketplace to broker new partnerships, and (iv) policy assessment and dialogue to mainstream capacity development for AIS into national plans and strategies.

Component 3. Project coordination and management, monitoring and evaluation and knowledge management. This component will ensure that the project is efficiently and effectively coordinated, managed and implemented to achieve the expected results (cost efficiency and cost effectiveness), as well as documenting and sharing of lessons learned. Key activities include: (i) project coordination and management, (ii) monitoring and evaluation, and (iii) learning and knowledge management

15. Recipient:

16. Rationale for recipient selection and recipient capacity:

17. Project cost:

Category	IFAD contribution (USD 000)				Co-financing (USD 000)	Total (USD 000)
	Yr 1	Yr 2	Yr 3	Total	Italian Govt.	
<i>Direct Cost</i>						
Salaries and Allowance	141.6	141.6	156	439.2	107	546.2
Equipment and Materials	20	4	4	28	7	35
Operating costs	13.6	13.6	105.6	132.8	22	154.8
Goods Services and inputs	108	66.4	53.6	228	7	235
Travel and Allowances	41.6	68	62.4	172	99	271
Consultancies	40	48	56	144	225	369
Training	111.2	268	136.8	516	63	579
Workshops	60	36	96	192	144	336
Subtotal	536	645.6	670.4	1852	674	2526
<i>Indirect Costs</i>						0
Management Fee max	43.2	51.2	53.6	148	88	236
Total	579.2	696.8	724	2000	762	2762

18. Risks:

Risks	Mitigation strategies
Misunderstanding and misconception of the project focus on functional capacities and not technical capacities.	Awareness raising and emphasis on capacity development among the direct target groups as well as national and local levels AIS actors and stakeholders.
Weak ownership and commitment by direct target groups related to the limited understanding of functional capacities.	The direct target groups will mainstream participatory approaches to enhance understanding and ownership and commitment. A wide range of actors are engaged during country plan formulation and inception workshop organized to further raise awareness and get buy-in.
Delays in implementation due to cumbersome contractual arrangements procedures.	Necessary technical assistance will be provided.

19. Monitoring & Evaluation, KM and Learning: The Project will set up a participatory learning system integrating planning, implementation, monitoring and evaluation and knowledge management. The CDAIS project participatory monitoring, evaluation and learning plan will be adapted specifically to each country context to collect quantitative and qualitative data and information to monitor and assess project performance (against agreed benchmarks and baseline defined upstream). Lessons learned will be continuously documented and disseminated through various channels including TAPipedia and other platforms.

20. Supervision modalities: The project will be supervised in line with the guidelines described in IFAD's Grant Procedures. Supervision will be the responsibility of the grant sponsor. The grant will be supervised to (a) ensure that the project will reach intended results; (b) support the resolution of known challenges; (c) pursue the project's learning agenda; and (d) review financial reports and costs, and verify them as reasonable. The grant will be directly supervised by IFAD staff/consultants from FPD PMD in collaboration with respective Country Programme Managers as the grant will be supervised at the same time as the development project which IFAD is supporting. A supervision report will be prepared following the mission summarising implementation progress and the learning agenda associated with the grant-financed project. A Grant Status Report will be prepared annually to reflect the findings of the supervision mission/report. The Grant Officers in FMD will support the project supervision efforts, paying particular attention to supervision

of financial matters. The approach used is one of 'audit by sample' that FMD may request that the recipient makes available all documentation related to a specific cost item or expenditure.

21. Linkages: The project will build and develop linkages with on-going national projects/programmes, IFAD, to leverage capacity development interventions and generate more synergies to deliver outcomes at scale. These linkages underpin the project's Theory of Change (ToC) which includes a monitoring, evaluation and learning system that combines indicators of progress in use of agricultural innovations with indicators of changes in agricultural practices that bring about development outcomes and impact. Given the complexity of AIS the project's ToC thus will focus on analysis of the outcomes of the IFAD's development project interventions, identify pathways through which the interventions produce outcomes and impacts and the causal factors at play. More details in relation to the ToC will be articulated in the project proposal.

22. Scaling up: The project will combine 3 approaches; (a) linking to on-going IFAD projects in the target countries; (b) engaging higher-level actors, policy makers, extension services; and (c) functional promoting technology and knowledge uptake through the private sector and NGOs; leveraging resources from other development partners (through the marketplace events); and group of national innovation facilitators will widely disseminate the model and lessons learned. This will be articulated during the project design.

23. Sustainability: Elements that will ensure/pursue sustainability include: community-led programing in which there participatory design of the process, inclusive of relevant stakeholders and based on a holistic analysis of capacity gaps, needs and priorities; project will be fully integrated within existing institutional frameworks and necessary linkages developed which will continue to exist after the project; project activities are managed by local level organisations and direct target groups , capacity building, involvement of the private sector and strong institutional commitment institutional and organizational capacities strengthening will ensure that skills will continue to be available and used; and public-private-producers partnerships developed to foster innovation.

24. Other aspects. During the project design a set of selection criteria will be developed to identify the innovation partners in-country to ensure clear focus and benefits to IFAD target group.