

China-IFAD South-South and Triangular Cooperation Facility

2020-2021 Strategic Guidance Note

August 2020

I. Background

1. The China-IFAD South-South and Triangular Cooperation (SSTC) Facility was established in February 2018 and became effective on 31 March 2018. It will remain operational until 31 December 2021.
2. According to the provisions contained in the Facility's Supplementary Funds Agreement and the related Implementation Guidelines, the Facility is hosted in the Global Engagement, Partnership and Resource Mobilization Division (GPR) within the External Relations and Governance Department (ERG) of IFAD.
3. In line with the Supplementary Funds Agreement and Implementation Guidelines, the Strategic Guidance Note shall be prepared to serve as the basis for the development and submission of project proposals to be funded by the Facility. This Strategic Guidance Note will cover the period from 2020 to 2021.
4. The disruptions caused by the COVID-19 pandemic to global food systems have in many contexts limited the ability of markets to function, disrupted production, processing and logistics and, in combination with other macroeconomic and social factors, negatively impacted the livelihoods and food security of rural people. Counter-measures to help mitigate the COVID-19 impact on the poor and most vulnerable rural people, and help them to recover and further strengthen their resilience to face such crises, are urgently needed. As part of IFAD's strategic response to the COVID-19 crisis, the Facility will designate its remaining funds to improve the food security and resilience of poor rural people affected by the COVID-19 crisis.
5. A call for proposals will be issued to provide more details in terms of requirements and guidance to the applicants, using the IFAD Intranet and/or other appropriate communication channels. A template for the project proposal will also be included in the call for proposals.

II. Priority areas for 2020-2021

5. **Objective.** The Facility pursues the overarching objective of mobilizing knowledge, technologies and resources from the Global South to accelerate rural poverty alleviation, enhance rural productivity, and advance rural transformation.
6. **Strategic priorities.** Over the period of this Strategic Guidance Note, the Facility will be devoted to the following priorities to: (1) promote innovations in strengthening the productive, managerial, financial and

marketing capacities of rural people; (2) pilot inclusive production and business models that generate higher incomes in agricultural and non-agricultural rural activities; and (3) promote investments and trade between developing countries.

7. The types of activities financed by the Facility over the period will include (i) enabling South-South knowledge exchange; (ii) establishing South-South technical cooperation; (iii) promoting South-South rural investments; and (iv) mainstreaming SSTC in development operations.
8. **Thematic areas.** The third call for proposals is to support the generation and exchange of innovative solutions, approaches and methodologies that can be of value in the post-COVID-19 recovery period, and that can be subsequently scaled-up and benefit a wider population of poor rural people. The Facility will finance projects and activities to support small-scale producers and poor rural households in the following four main areas:
 - Strengthening the capacities of farmers and their organizations to enhance resilience against disasters, including establishing fast-maturing alternative agricultural and rural enterprises, maintaining and producing sufficient and high quality yields.
 - Facilitating access to markets in conditions of specific barriers in a given context, including facilitating safe and hygienic transport, and working to ensure markets remain open and that demand remains high.
 - Delivering up-to-date agriculture-related information to smallholder producers on production, weather, market prices and other important areas in rural areas through digital services.
 - Building trade capacities through provision of technologies and services that enable smallholder producers to meet quality and sanitary standards of overseas markets.

The projects financed through the Facility should also complement IFAD's policies on and activities in mainstreaming of climate, gender, nutrition and youth.

9. **Geographic focus.** The Facility supports projects in developing countries across the globe, and particularly encourages applications from countries most affected by COVID-19.

III. Guiding principles for the projects

10. All proposed projects must be fully aligned with the objectives and strategic priorities of the Facility and the Corporate Strategy on SSTC of IFAD¹, and focus on improving the livelihood and resilience of poor rural people

¹ <https://webapps.ifad.org/members/eb/119/docs/EB-2016-119-R-6.pdf>

affected by the COVID-19 crisis. In addition, the general guiding principles for developing the project proposals are as follows:

- 1) Place a high priority on national ownership and leadership, development of local capacity and inclusive participation. Project proposals are to emerge from the dialogue with national governments or local counterparts, and reflect the priorities of the COVID-19 response package of national governments;
- 2) Build on IFAD's comparative advantages, ensure alignment with COSOPs, particularly the Annex on SSTC, of the relevant countries, and complement IFAD's programme of loans and grants;
- 3) Opportunities for cooperation with the Rome-based Agencies (RBAs) and other UN or IFIs are encouraged, in particular synergies between the UN COVID-19 Response and Recovery Fund and the Facility;
- 4) Strong ownership of sponsoring division Directors is required. Supervision and monitoring of project implementation should be adequately planned and budgeted for within the budget of sponsoring divisions;
- 5) Leveraging of co-financing from partners is encouraged;
- 6) The grants shall not be used as substitutes for the recipient's own administrative budget. Limits on personnel costs and management fees will be strictly enforced;
- 7) The grant amount shall range between US\$200 000 and US\$500 000. Project duration/implementation period will be maximum of two years.

IV. Eligibility and selection process

11. **Eligible applicants.** All IFAD divisions are eligible to submit project proposals to be funded through the Facility, following the template available in Annex 1. Project proposals can be sponsored by more than one IFAD division. Each project proposal shall have a project leader (or "sponsor") from an IFAD division. The sponsoring division and the sponsor will be closely involved in the design and finalization of the project proposal, and if approved, in the clearance and implementation of the project.
12. IFAD divisions are encouraged to and are responsible for identifying partner organizations in developing countries and submitting project proposals for funding. In this regard, the three IFAD SSTC and Knowledge Centres are particularly encouraged to submit proposals.
13. **Eligible Recipients.** The following types of organizations will be eligible for funding, provided they are working in the agriculture and rural sectors, and

are directly involved in rural transformation activities. They shall be considered as partners of strategic relevance in light of IFAD's mandate. In addition, the following criteria should be met:

- 1) Government organizations, such as ministries and departments of the governments:
 - Must be from a developing Member State of IFAD.
 - 2) Non-profit organizations, such as research institutes, universities, NGOs, community-based organizations:
 - Must be registered in a developing Member State of IFAD; and
 - Be able to provide evidence of legal status and capacity to enter into a grant agreement.
 - 3) Business organizations, such as public or private companies:
 - Must be registered in a developing Member State of IFAD; and
 - Be able to provide evidence of legal status and capacity to enter into a grant agreement; and
 - Will provide co-financing in cash and/or in kind to the project.
 - 4) UN organizations, multilateral organizations and inter-government organizations:
 - Must be operational at the country level of a developing Member State of IFAD; and
 - Will partner with at least one eligible organization listed above to implement the project; and
 - Will pool their financial and human resources into a consortium – each within the context of their mission and specific value-added – to reach the expected results of the project.
14. **Selection process.** After project proposals are submitted, they will go through a selection process, which consists of several rounds of review, both internal and external, quality assurance, and final approval from MOF PRC. During the selection process, additional information and/or improvement of the proposals may be required and communicated to the concerned project leaders.

V. Implementation, reporting and other requirements

15. Project implementation, monitoring and reporting shall be conducted by the recipients with the support of the sponsoring divisions, following IFAD's standard policies, procedures and guidelines, including consultancy

services, procurement, financial management and reporting, anti-corruption and governance. Project supervision shall be under the responsibility of the project leaders and the sponsoring divisions, in alignment with the requirements and provisions of IFAD's grants policy.

16. Sponsoring divisions shall provide the Facility Secretariat with annual progress reports and additional updates (as needed) on project implementation. Should the project need major changes in project scope, budget allocation, or duration of implementation, an official memo shall be sent from the concerned division to the AP through the Secretariat, which requests the final approval by MOF PRC.
17. Each recipient will be required to provide to the Facility Secretariat a project completion report summarizing the achievements and the breakdown of the utilization of the funds, within three months of completion of the project. The template of the project completion report will be issued to all recipients in due course.
18. The results measurement framework set out in the project proposal will guide the monitoring of progress during project implementation, as well as the assessment of outcomes and impact at completion.
19. Outcomes and results emerging from the implementation of the projects shall be documented and shared in form of knowledge products and/or through the Rural Solutions Portal.
20. All recipients are required to clearly acknowledge the Facility's contribution to the knowledge products and/or activities financed through the Facility, and the MOF PRC Logo and IFAD logo shall be displayed in all related materials.