Template 8. Grant Concept Note

**Concept Note for Grant Proposals**

**(*Max 3000 words*)**

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| |  |  | | --- | --- | | **Grant Sponsoring Division:** NEN | **Co-sponsoring Division(s):** ECG | | **Technical Grant Manager:** Alessandra Garbero | | | **Title of the grant:** Innovative regenerative agriculture approaches to improve resilience and food security | | | **Value of the IFAD regular grant:** *500,000 USD* | **Indicative co-financing, including recipient’s contribution** (*if possible at this stage, please list cash/in-kind breakdown*)*(in US$)*   * In cash: * In kind: * Total: | | **7. Implementation period:** (*Months)* | **GRIPS ID**: 2000004720 | | **Main Strategic Objective (*please select one*) [[1]](#footnote-1)**  SO1: Leverage better impact on the ground for IFAD’s programme of work, including through improvement of in-country capacity for greater sustainability of benefits  SO2: foster a more conducive policy and investment environment for smallholder agriculture and rural development, including at the regional and global level | **Main pathway supported by the grant (*please select one*):**  Policy and investments  Partnerships  Knowledge | | **Main Priority Area (*please select one*)**  PA1: Increased ambition on mainstreaming and other priority issues, and enhanced targeting of the most vulnerable rural people  PA 2: Strategic focus on fragility, conflict and building resilience  PA 3: Strategic partnerships to enhance impacts  PA 4: Enhancing performance and efficiency  PA 5: Sustainability and scaling-up results | | | **Grant scope:** Global/Regional Country-specific | | | **Focus region(s) or country/countries:** Egypt, Moldova and Yemen | | | **Recipient selection method:** *Select one of the following options*   * Competitive selection at OSC stage * Direct selection[[2]](#footnote-2) | | | **Name of the recipient:**   * Is the recipient a private sector entity? Yes  No | | | **Rationale for recipient selection**  *This section should explain why the recipient was selected. It should briefly describe the process used to select the recipient, and explain why this process (e.g., direct selection, competitive selection through open call, competitive selection through restricted call) was considered the most appropriate, given the nature and aims of the grant, the grant’s partnership objectives, the assessment of the market / landscape for potentially suitable recipients, and any other elements considered in proposing a specific selection method. If the recipient is a private sector entity, explain the rationale for proposing a grant to the private sector.* | | | **Relevance and alignment/contribution to the IFAD Regular Grants Policy:** *Describe the main development challenges that the grant seeks to address. Explain how the grant intends to contribute to the overall goal, and to the selected main SO, pathway and priority area of the regular grants programme. If relevant, also discuss the grant’s expected contribution to any other SOs, pathways and priority areas of the regular grants programme. Explain the value added of funding the proposal through regular grant financing, as opposed to other instruments at IFAD’s disposal.* | | | **Goal, objectives and expected outcomes:** *Present the goal, objectives and outcomes of the proposed grant.* | | | **Targeting strategy and outreach:** *Describe the project’s targeting strategy, the main target group(s), and provide indicative outreach, disaggregated by gender, youth and other vulnerable categories, as applicable.* | | | **Key activities by component:** *Describe the proposed components and the activities foreseen under each of them, with a level of detail that is appropriate for the Concept Note stage. Explain how the activities will contribute to achieve the grant’s development goal and the proposed objectives.* | | | **Linkages and synergies**: *Describe the grant’s linkages to investment projects and other initiatives funded by IFAD under the IFAD12 business model, with a focus on linkages with country-level activities and country programmes. Explain how IFAD country / regional teams in the target countries / region have been involved during design, and how they will be involved during implementation. For grants with a regional/global scope, and particularly for grants supporting SO2, explain how the grant will establish linkages and synergies with other corporate initiatives with similar policy/partnership objectives.* | | | **Project cost and cofinancing.** *Present project costs and a financing plan including cofinancing, and an initial breakdown of costs by component. The costs and financing plan must be consistent with the activity-based budget attached to the Concept Note.* | | | **Monitoring & Evaluation:** *Describe how results will be measured, data will be collected, analyzed and reported.* | | | **Supervision and implementation modalities:** *Describe the modalities for implementation (including, if relevant, the use of sub-recipients), the recipient’s capacities for implementation, and any plans for strengthening capacities in areas where it is needed. Present the grants’ supervision plans, and confirm that the Sponsoring Division (and the Cosponsoring Division, if applicable) will release adequate resources and budgets for supervision. Clarify if the recipient will contribute to supervision costs.* | | | ***Improving the policy and investment environment.*** *Explain**how the**grant would contribute to the corresponding pathway of the Regular Grants Policy by helping improve the policy and investment environment for smallholders agriculture and inclusive and sustainable food systems transformation, at the appropriate level depending on the focus and scope of the grant (e.g., country, regional or global level). The level of detail expected for this section depends on whether the grant intends to support this specific pathway, as indicated on page 1.* | | | **Knowledge and innovation.** *Explain**how the**grant would contribute to the corresponding pathway of the Regular Grants Policy by improving the availability and uptake of relevant knowledge and innovation for enhanced impact and sustainability. The section should take into account IFAD’s new definition and approach to innovation. The level of detail expected for this section depends on whether the grant intends to support this specific pathway, as indicated on page 1.*  *Irrespective of whether the grant supports the knowledge and innovation pathway, describe the grant’s Knowledge Management strategy and its alignment / contribution to IFAD’s KM Strategy and Action Plan. Explain how lessons learned will be captured and systematized.* | | | **Partnerships:** *Explain**how the grant will leverage strategic and operational partners’ expertise and resources to deepen the impact of IFAD’s programme of work, thus contributing to the partnership pathway of the Regular Grants Policy. Describe the main partnerships to be established, supported or strengthened through the grant. Explain how the grants’ partnership strategy and activities will contribute to one or more objectives of IFAD’s partnership framework. The level of detail expected for this section depends on whether the grant intends to support this specific pathway, as indicated on page 1.* | | | **Scaling-up and sustainability.** *Explain the grants’ potential and pathways for scaling up, and how the sustainability of activities and benefits would be ensured after completion.* | | | **Risks.** *Provide a summary of the main risks identified and proposed mitigation measures, based on the Integrated Risk Matrix compiled below.* | | | **Other aspects:** *Describe any other aspects that can further strengthen the proposal* | | |

**Annex I: Integrated Risk Matrix**

(*To be filled for all Grant Concept Notes; please see guidance below*)

|  |  |  |
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| **Risk Categories** | **Inherent** | **Residual** |
| **Country Context, Sector strategies and policies** |  |  |
| Risk(s): |  |  |
| Mitigations: |  |  |
| **Environment and Climate Context** |  |  |
| Risk(s): |  |  |
| Mitigations: |  |  |
| **Project Scope** |  |  |
| Risk(s): |  |  |
| Mitigations: |  |  |
| **Institutional Capacity for Implementation & Sustainability** |  |  |
| Risk(s): |  |  |
| Mitigations: |  |  |
| **Procurement** |  |  |
| Risk(s): |  |  |
| Mitigations: |  |  |
| **Financial Management** |  |  |
| Risk(s): |  |  |
| Mitigations: |  |  |
| **Environment, Social and Climate Impact** |  |  |
| Risk(s): |  |  |
| Mitigations: |  |  |
| **Target group / Stakeholders** |  |  |
| Risk(s): |  |  |
| Mitigations: |  |  |

GUIDANCE ON HOW TO COMPILE THE GRANT RISK MATRIX

1. **Integrated Risk Matrix.** At the Concept Note stage, the Integrated Risk Matrix should be filled, and a rating for inherent and residual risk should be assigned to all the relevant categories. The Integrated Risk Matrix clearly identifies risks to achieving the grant’s objectives and explains how they will be managed. The Integrated Risk Matrix is mandatory for all grant Concept Notes, Grant Design Documents and Contribution Design Documents.
2. **Risk rating** is an indicator that denotes the level of risk based on the assessment of identified risks. In line with IFAD’s Enterprise Risk Management approach, a four-level rating scale is used to assess and report project risks in IPRMs. The four risk levels are High, Substantial, Moderate, and Low, based on the likelihood of a risk occurring and its expected impact on the achievement of project objectives in the event it were to occur. The risk ratings provided in the draft CN will be assessed at the OSC meeting and revised as needed in the Grant Design Document or Contribution Design Document prepared for Desk Review, taking into account the OSC’s recommendations and decisions.
3. **When a risk category is not relevant given the nature of the grants’ activities** (as could, for example, be the case for “environment, social and climate impact” risks for a global capacity-building grants only supporting immaterial activities), leave the rating empty and add “Not applicable” in the Risks cell, providing a brief explanation on why the risk category / subcategory does not apply or is not relevant for the project.
4. **Risk categories**. At the Concept Note stage, risks are analysed and aggregated at the level of the Programme Delivery Level-2 Risk Subdomains defined in the Enterprise Risk Taxonomy.[[3]](#footnote-3) A brief description of each risk category, and a list of the sub-categories considered under each category, are provided below. For detailed definitions and guidance, please refer to the IFAD’s Enterprise Risk Management Policy and to the Project Design Guidelines, Annex XII - Programme Delivery Risk and IPRMs.[[4]](#footnote-4)
5. **Country context.** The risks to the achievement of project development objectives stemming from a country’s context. Sub-dimensions: political commitment; governance; macroeconomic; fragility and security. *To be analysed with respect to the country/countries in which activities will take place. For grants implemented in multiple countries, the overall rating for inherent / residual risk should reflect the potential impact on the achievement of the grant’s development objective in the event of potential risks occurring in the highest-risk country/countries, and on the expected effectiveness of the proposed mitigation measures.*
6. **Sector strategies and policies**. The risks to the achievement of project development objective(s) stemming from a country’s sector-level strategies and polices. Sub-dimensions: policy alignment; policy development and implementation. *To be analysed with respect to sector-level strategies in the implementation country/countries that are relevant to the operation and to its theory of change*. *In case of multiple countries, the overall risk ratings should be evaluated as described for the “country context” category.*
7. **Environment and climate context**. The risk that existing or possible future environmental or climate conditions may significantly undermine project implementation and the achievement of project development objectives. Sub-categories: project vulnerability to environmental conditions; project vulnerability to climate change impacts.
8. **Project scope**. The risks to the achievement of project development objective(s) stemming from factors related to the scope of the project. Sub-categories: project relevance; technical soundness.
9. **Institutional capacity for implementation and sustainability**. The risk that the project executing agency, implementing partners and service providers lack the capacity to effectively and efficiently implement and sustain the activities supported by the project. Sub-categories: implementation arrangements; M&E arrangements. *To be assessed with relation to the grant recipient, any sub-recipients, and any other key implementing partners.*
10. **Project financial management**. The risk that project activities are not carried out in accordance with the provisions of IFAD’s financial regulations and that funding is not used for the intended purpose with due regard for economy, efficiency and effectiveness. Sub-categories: organization and staffing; budgeting; funds flow/disbursement arrangements; internal controls; accounting and financial reporting; external audit. *To be assessed with relation to the recipient and any sub-recipient*
11. **Procurement.** The risk that project procurement activities including the procurement of goods, works and services financed from the resources of the Fund, are not carried out in accordance with the provisions of the Recipient's procurement regulations, to the extent such are consistent with the IFAD Procurement Guidelines. Sub-categories: legal and regulatory framework; accountability and transparency; capability in procurement; procurement processes.
12. **Environment, social, and climate impact**. The risk that the project may cause significant environmental or social harm or increased vulnerability to climate change impacts of temporary, cumulative, irreversible or unprecedented nature, affecting the immediate project target area and/or areas beyond it. Sub-categories: biodiversity conservation; resource efficiency and pollution prevention; cultural heritage; indigenous people; community health and safety; labour and working conditions; physical and economic resettlement; greenhouse gas emissions; vulnerability of target populations and ecosystems to climate variability and hazard.
13. **Target group/stakeholders**. The risk that the project is negatively affected because relevant stakeholders are not appropriately identified, consulted or engaged during the project’s lifecycle, and/or that grievances redress processes are ineffective. Sub-categories: stakeholder engagement / coordination; stakeholder grievances.

1. Please only select only one main SO, one main pathway, and one main priority area. The grant’s expected contribution to other SOs, pathways and priority areas can be discussed in the section on “Relevance and alignment/contribution to the IFAD Regular Grants Policy”. [↑](#footnote-ref-1)
2. For proposals with regular grant financing of US$100,000 or above, the SD should submit a Memo to the OSC Chair requesting approval of direct selection. [↑](#footnote-ref-2)
3. Enterprise Risk Management Policy, EB 2021/133/R.7, Annex I. [↑](#footnote-ref-3)
4. Available in the Online Operations Manual at <https://xdesk.ifad.org/sites/opsmanual/Manual%20Library/Investment%20Projects/Design/Guidelines%20and%20Procedures/Programme%20Delivery%20Risk%20and%20IPRMs.pdf> [↑](#footnote-ref-4)