COOPERNIC*



SCAMDIS

Scaling up Microirrigation systems (SCAMPIS)

1st Progress Report (December 2009)

Version: Final

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SCAMPIS FIRST PROGRESS REPORT December 2009

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List of documents available upon request:

- AVSF Progress Report 2009
- IDE India Progress Report 2009
- UNESCO-IHE Progress Report

ANNEXES:

ANNEX I: The technologies disseminated through SCAMPIS

ANNEX II: Testimonies from the field

India: Hari and Saram

The LOF demonstration

Biriguda

ANNEX III: Web links: Field partners, IFAD projects and country office websites

List of acronyms

APWB Annual Programme of Work and Budget AVSF Agronomes et Vétérinaires Sans Frontières

COP Communities of practices
CSF Coopernic Sustainable Fund
EC Communications Division
ES Office of the Secretary
FAT Technical Assistance Fund
FC Financial Services Division

FUNCAFE Fundación de la caficultora para el desarrollo rural

FUNICA Fundación para el desarrollo tecnológico agropecuario y forestal de Nicaragua

GON Government of Nicaragua

ICID International Commission on Irrigation and Drainage

ICO In Country Office

IDE I International Development Enterprise of India IFAD International Fund for Agricultural Development

ILP International Learning Platform

IMAWESA Improved Management of Agricultural Water in Eastern and Southern Africa

LOFs Liquid Organic Fertilizers systems

MIS Micro-Irrigation Systems
NGO Non-governmental organization
OL Office of the General Counsel

OTELP Orissa Tribal Empowerment and Livelihoods Program

PF Eastern and Southern Africa Division

PI Asia and the Pacific Division

PL Latin America and the Caribbean Division
PPRR Rural Income Promotion Programme
Pro-Oriente Programma Nacional de Desarollo Rural

PROSPERER Rural Micro enterprise Poles and Regional Economies

PT Technical Advisory Division

SIWI Stockholm International Water Institute

TAR Technology Adoption Rate

WADIMENA Regional Water Demand Initiative

Summary

The International Fund for Agricultural Development, IFAD, is a specialized agency of the United Nations. Its mandate is to reduce rural poverty. The Fund manages well over 240 projects in 85 countries and territories in the developing world. These projects are focused on income generation and food security, and basically target poor rural women and men who live of agriculture. Food security for poor smallholder farmers has negatively been affected by the recent food price crisis which was further exacerbated by the steep rise of prices of fertilizers which are required to replace the nutrients when growing food. Water availability and its reliable supply are similarly put under stress ('water scarcity') as vagaries of climate change are becoming more and more apparent.

Coopernic entered into a partnership agreement with IFAD to support 30,000 poor smallholder farmers in India, Madagascar and Central America to better cope with water scarcity and depleting soil fertility by improving their water security through micro-irrigation systems and using local organic fertilizers.

Scaling up micro-irrigation systems (SCAMPIS), the project, is all about water security for poor rural households. Water security means that participating households achieve reliable access to water to support their livelihoods. This refers basically to getting small amounts of water to their backyard gardens or small plots around the homesteads. In essence, a 20 l bucket or a larger tank about 1 m off the ground are filled twice a day from a well or a pond. Plastic hoses are connected and laid out, typically, in a vegetable garden. Small emitters then release the water drop-by-drop to the individual plants.

These micro-irrigation systems are precision systems which save water and help the crop produce better and more, especially when combined with liquid organic fertilizers. And saving water is no small feat where water tends to get scarcer by the day. Less water also means less time spent by women and children on fetching it. Time better spent on education or other livelihood support tasks.

Scoping missions visited the field in India (February), Madagascar (March) and Central America (April, May). IFAD have contracted field partners IDE India and AVSF-Madagascar to deliver SCAMPIS. They have put together their respective operational teams, trained and deployed 15 field staff each. In Guatemala, IFAD's SCAMPIS field partner FUNCAFE has visited communities in the dry Eastern Region of the country. Supervision and support to field operations have been delivered by IFAD HQ and IFAD In-Country Offices (Madagascar-October; India-November).

Initial results are encouraging. In India, for this 2009/2010 dry season, 51 villages have already been identified for demonstration plots of micro-irrigation. For the 1st year demonstrations, in Madagascar 60 villages have been identified. In each country, for the 3 year project duration, the target is 10,000 beneficiaries. Delays in reaching another 10,000 in Central America will be remedied in 2010/2011.

1. Introduction

Food security for poor smallholder farmers has negatively been affected by the 2007/2008 food price crisis which was further exacerbated by the steep rise of prices of fertilizers which need to replace the nutrients required to grow food. Water availability and its reliable supply are similarly put under stress ('water scarcity') as vagaries of climate change are becoming more and more apparent. Poor rural people are the first to suffer as they depend mostly on rain-fed agriculture.

In this context the Sustainability social project a strategic common sourcing members, wanted to stakeholders non-governmental SCAMPIS given to social sustainability by Coopernic by:



Coopernic Working Group called for proposals for a around water. Coopernic, as alliance with the aim of of its 5 retail industry to show social responsibility both from the public and the sector. The social project reflects the importance responsibility and the single members of

- Demonstrating commitment as European retailers knowing that food production and consumption alone contributes to one third of the total environmental impact.
- Attesting commitment to sustainability of global value chains.
- Undoing water scarcity as one of the most pressing issues on the environmental agenda today.
- Contributing to food security and address the increasingly recognized role smallholders play (which is becoming an important topic for the Food sector with rising public expectations).
- Linking to Coopernic members' core business (food distribution).

Late December 2008, Coopernic signed a contract with The International Fund for Agricultural Development, IFAD, to deliver micro-irrigation systems and liquid organic fertilizers to a total of 30,000 poor rural beneficiaries over a 3 year period.

IFAD is a specialized agency of the United Nations and an International Financial Institution (IFI) with a mandate to reduce rural poverty. The Fund manages well over 240 projects in 85 countries and territories in the developing world. Annual approvals for approximately 35 new projects are about USD 650m. This investment is leveraged by a slightly lesser amount from governments and farmers. These projects are focused on income generation and food security, and basically target poor rural women and men who live of agriculture. The Fund, after replenishment from its member countries and reflows from its capital investments, finances projects with loans and grants which are identified and implemented by the Government of the respective Borrower Country.

This means that existing agencies and institutions (governmental, NGOs, private sector and farmer organizations) are enabled to implement such set of activities that will deliver outputs and outcomes that contribute to impact. Such projects are defined in national poverty reduction strategies, IFAD's country strategies, usually have a 6-8 year life span, and have a finance envelope of about USD 25-30m. Investment levels per household vary according to specific challenges and settings and may range between several hundreds USD to several

thousands USD. Investments in projects are matched by grants for research and development on innovative community-based approaches and technology options enhancing impact as well as grants to strengthen capacities of partner institutions, including community-based organizations and NGOs.

The Fund focuses on poor rural households and their livelihoods, how to improve their access to assets such as productive infrastructure, land and water, agriculture and livestock, and equally stresses improved access to markets, rural finance services and rural institutions. Ensuring gender equality and environmental sustainability are taken very serious as are innovative approaches and strengthening for and backward linkages with (local) markets. IFAD has established itself as a credible partner which fosters pro poor policy dialogue between the developing and the developed world. Partnering with the commercial private sector (e.g. rural banking, venture capital) is relatively new to IFAD but growingly recognised as critical for sustained local development. In this sense, the Coopernic-IFAD partnership agreement is breaking new grounds and both partners need to be aware of this.

1.1. SCAMPIS objectives

The SCAMPIS project objectives as defined in the partnership agreement are:

Overall Objective:

By the end of 2011 the SCAMPIS-Project has reached 30'000 beneficiary households in India, Madagascar and Central America who are using the Micro-Irrigation Systems (MIS) and Liquid Organic Fertilisation (LOF) technology in a sustainable manner.

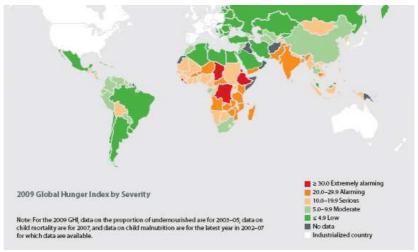
This objective is to be achieved by:

- 1. Capacity building/awareness raising and training for a resource efficient, low-input agricultural production.
- 2. Facilitating the development of a **local private sector market of supply and demand** including post-sales services for the MIS and LOF kits.
- 3. Increasing **farm productivity:** creating surpluses for local consumption and markets, and where possible also international markets and thus contribute to food security and poverty alleviation.

Selection criteria for the three countries chosen for the delivery of SCAMPIS include:

- High incidence of rural poverty, elevated household food insecurity and pronounced seasonal water scarcity in the target areas (main drivers)
- High degree of indigenous people and marginalised groups in such areas (cultural diversity)
- Presence of an IFAD loan project in the SCAMPIS target area (for technical assistance)
- Established IFAD in-country office and IFAD direct supervision mode for the loan project (for support services)
- IFAD CPMs with a proven track record of innovation and knowledge management (for up scaling)
- Capable local NGO and/or social entrepreneur partner interested in SCAMPIS (delivery in a complementary way to the loan project).

The 2009 Global Hunger Index by Severity (IFPRI) clearly illustrates the alarming levels of hunger in the target countries.

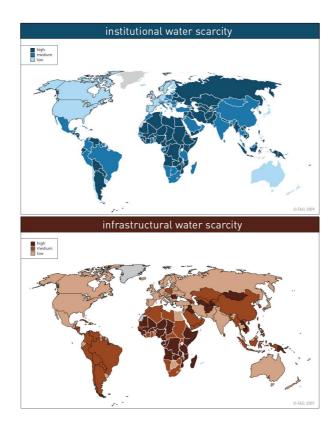


(from: http://www.ifpri.org/sites/default/files/publications/ib62.pdf)

One of the innovative features of SCAMPIS is its 'Profit for progress' approach in which commercial yet socially responsible pre and post-sales services are being supported to enhance the sustainability of the micro-irrigation systems. This translates in helping to set up private sector MIS-dealers and distribution points in the project areas. Having such service network will contribute to sustainability and replication or up scaling of MIS in the project areas.

The food safe use of locally produced liquid organic fertilizers such as "vermiwash", a product made by using earthworms, represents an innovation to most smallholder farmer households and will to a certain degree increase their income through sales, and diminish their dependence and expenditures of inorganic fertilizers. Working in parallel in three continents allows for strong South-South cooperation and knowledge exchange, a feature IFAD fosters.

Last but not least, SCAMPIS proposes doable solutions to coping with climate change, especially for the most vulnerable rural population (see Attachment "Food insecurity, poverty and water scarcity"). Water scarcity is illustrated by the following maps recently developed by FAO.



1.2 The rationale for the selection of promoted technologies¹

Micro-irrigation systems (MIS) allow small-scale localized irrigation; they operate under low water head (1 to 3 meters) and deliver low discharges on small plots (e.g. "backyard gardening", from as low as 20 m² to several hundreds of m²). Consequently, MIS do not demand motorized pressurization and allow taking advantage of limited water availability.



Photos 1 and 2: K 20: Micro-irrigation "bucket" kits (40 to 80 plants-20 sq.m.).

They offer significant water and energy savings, hence a location-specific response to water and cash scarcity that characterizes so many small-holding families in the rural environments of developing countries.

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¹ Refer to Annex I.

Considerable efforts have been made over the last two decades so as to lower the costs of MIS and offer a wide range of sizes for the system. They resulted in the emergence of a reliable supply chain of equipment affordable even for the poor and with a high return on investment.

The suitability and profitability of low-cost MIS has been demonstrated for nearly two decades, with numerous applications in Asia (India, Nepal, more recently Pakistan), eastern Africa (e.g. Zambia, Kenya, Zimbabwe, Eritrea) - while their introduction is still at a very incipient stage in western Africa (e.g. Mali, Burkina) and Central (e.g. Honduras, Haiti) or South America (e.g. Bolivia).

In spite of success, there is still a long way to go so that these technologies are known and used wherever they suit the local conditions and farmers' needs. Even in countries where they were developed (Kenya, Nepal, and India), there are still vast regions where they remain unheard of. SCAMPIS is meant to give a decisive impulse to their dissemination in (i) the relatively dry Orissa state in India, (ii) Madagascar as a preferred bridge to francophone Africa, (iii) Central America, in order to complement ongoing efforts in the region.

An additional advantage of MIS systems is that they can – like any localized irrigation system - apply water AND fertilizers at the same time (a process referred to as "fertigation") to individual plants or trees, through delivery directed to the root zone and wetting only a minimal fraction of the soil surface – thus significantly increasing the efficiency of the water and fertilizer used.

To address a marked trend in decreasing soil fertility (as a result of increasing pressure on land resources), the use of organic fertilizers more and more emerges as an alternative to that of industrially-produced chemical fertilizers which are either simply not available or not affordable for poor smallholders who form the vast majority of agricultural producers in developing countries (see graph with fertilizer price trend).

Resorting to Liquid Organic Fertilizer (LOF), "organic fertigation" therefore appears as the option of choice for smallholders to gradually engage in efficient high-value irrigated agriculture. Though tested and validated in a variety of environments, such practise has not yet been really disseminated. It is one of SCAMPIS ambitions to demonstrate its suitability on a significant scale.

1.3. The implementing approach

The implementing approach of SCAMPIS hinges on three core aspects:

- 1. Linking the delivery of micro-irrigation systems (MIS) and liquid organic fertilizers (LOF) to farmers attended by existing IFAD loan operations in the country.
- 2. Foster South-South cooperation and learning on MIS and LOF
- 3. Development of a pre and post-sales market of MIS ('Profit for Progress').

Aspect 1: SCAMPIS as complementary part to ongoing IFAD loans

SCAMPIS is a complementary grant to existing IFAD project operations:

- In India this is the Orissa Tribal Empowerment and Livelihoods Program-OTELP in Orissa State;
- in Madagascar these are the Rural Micro-enterprise Poles and Regional Economies-PROSPERER and the Rural Income Promotion Programme-PPRR projects;
- in Guatemala it is the Programa Nacional de Desarrollo Rural Pro-Oriente.

SCAMPIS will serve such poorer rural households that would otherwise risk remaining unattended by these larger loan funded projects which do not cater to water security for backyard gardening by vulnerable groups (e.g. indigenous peoples) and women. Given the

"profit for progress" approach, NGOs (FUNCAFE, AVSF) and social entrepreneurial foundations (IDE India) are better placed to deliver SCAMPIS services than governmental bodies.

Aspect 2: South-South Collaboration

IFAD is convinced that by rolling out SCAMPIS in three parallel country operations, synergies can be secured which add value to each country operation. The South-South cooperation between India and Madagascar serves as an example. Cooperation between CREPA (Niger) and Madagascar is another. The learning platform which will organise exchange visits between the 3 countries will be instrumental for this focused knowledge management.

Aspect 3: Market Development ("Profit for Progress")

Currently many social development projects intervene on a one-off basis: infrastructure is constructed yet capacities to develop and maintain such infrastructure are often left aside. SCAMPIS seeks to remedy this shortcoming and enhance the sustainability. The system we seek to support starts with local manufacturing of irrigation kits (e.g. buckets, hoses, drippers, etc.), retailing these through a local dealer network, then through staff attached to the loan projects render agricultural extension services to best use of the chosen technology, to be followed by post-sales services (e.g. ensuring local availability of spare parts and replacement).

Tested designs and prototypes ('licensed samples of the KB trademark') are made available by e.g. IDE India to local manufacturers. Potential manufacturers are screened and carefully selected by them. They need to pre-fund manufacturing the equipment at their own risk. IDE India implements quality checks on the licensed KB equipment thus manufactured. At the same time, IDE India identifies suitable dealers to retail that quality controlled, locally manufactured equipment. It also organizes field demonstration plots, promotion fairs and other demonstrations at local markets and similarly suitable events. Hence they bring together the manufacturers, the dealers or retailers, and the farmers. Farmers can then obtain the desired equipment at the trained retailers. For demonstration purposes, SCAMPIS purchases the required number of sets from these retailers. The manufacturer and retailer are allowed a certain socially agreeable mark up (15-25%) over direct cost.

Once the demonstrations have aroused critical interest in the farming community, the volume of sales is expected to go up and, given the lifespan of minimally three seasons of the hoses, create sufficient demand for replacement and other post-sales services of equipment and spare parts. As an illustration, the purchase cost of a K20 kit is around Rps 450 (approximately € 10) and typically will secure the production of 40-50 kg of vegetables per season selling at Rps 10/kg. In other words, one cropping season is sufficient to replace the initial installation cost. The other (minimally) two seasons represent a sizeable net gain to the farmers. Progress is achieved with all along the value chain profiting from participation in it.

In addition to the benefits of MIS, LOF can boost crop productivity either on the farmers backyard crops or by selling the product for approximately Rps 10/bottle. As LOF is produced without any major external cost, this is considered a net gain by the farmers themselves.

2. Project activities

2.1. India

2.1.1 Selection of intervention Area

In India the state of Orissa was selected for implementation of SCAMPIS. In that state, one of the poorest and with the highest presence of food insecure tribal communities, and with a pronounced dry season and water scarcity problems, IFAD is developing the Orissa Tribal Empowerment and Livelihoods Program (OTELP) in the Koraput and Gajapati districts. Furthermore, IDE India is engaged in other districts of Orissa State focusing on water-lifting technologies and marketing of the 'profit for progress' approach.

OTELP will contribute with its own organizational structure and field staff from government services and hired local NGOs. SCAMPIS will access the services of OTELP agricultural technicians and social workers in the very same villages which have been prioritized for action; the local village development committees and watershed groups fostered by OTELP are key entry points for SCAMPIS.

2.1.2. Selection of the partner organisation

The International Development Enterprise of India ((<u>IDE-India</u>), an ex-NGO now converted into a not-for-profit social enterprise, which had already played a significant part in the initial formulation of SCAMPIS, was selected as the preferred implementing agent and partner.

IDE-I has a large experience and well established reputation worldwide as they have suitably and efficiently adapted micro-irrigation technologies in India to meet the needs of poor farm families by making the technology much simpler and more affordable. Over the past 17 years, IDE-I has reached out to close to 1,000,000 smallholder farm families and is now operating in 15 of 28 Indian states.

Under the "KB" (Krishak Bandhu, a Hindi catchword meaning "peasant's friend") brand name, treadle pumps and low-cost, small-sized MIS helped farmers earn, on average, additional income in the order of 20-30 percent of their annual income prior to adopting these technologies. For its efforts to enable the smallholder farmer to emerge out of income poverty, IDE-I has been recognized and rewarded by several organizations including the Schwab Foundation Outstanding Social Entrepreneur Award in 2008, Ashden Award for Sustainable Energy in 2006, Skoll Award for Social Entrepreneurship in 2005, Templeton Freedom Prize in Social Entrepreneurship in 2005, amongst others.

IDE-I is working towards poverty alleviation using a market-development model that envisages the integration of poor smallholders with markets, both as buyers of inputs and as vendors of high-value agricultural produce.

By strengthening the smallholder farmers' access to affordable, efficient irrigation technologies, which facilitate increases in agricultural productivity and related income, they are enabled to spend on better housing, healthcare, education, asset building and such.

To deliver the technologies to smallholders, IDE-I has adopted an innovative "Profit for Progress" methodology; wherein private sector supply chains are engaged in the manufacturing and distribution of the technologies, at fair prices which incorporate a profit margin for the manufacturers and distributors. Supporting the supply are the demand

generation and market development activities, undertaken by IDE-I. Promotion is actively undertaken through demonstrations at local markets, campaigns, meetings with farmers and use of leaflets/banners/hand outs, theatre, movies and many other such activities

2.1.3. Activities and Achievements in 2009

Following the February 2009 field visits and meetings which resulted in a Plan of Work and other operational details, a contract was signed on 21st April 2009 between IDE-I and IFAD. Demonstrating commitment to the agreement, IDE India agreed to pre-fund € 50,000 to jumpstart the project and not lose an important part of the dry season.

IDE-I has already set up a project team of 15 staff in the two districts, with head office in the small city of Koraput and started promotion and demonstration activities in the local markets and villages. A total of 51villages was identified together with OTELP for 2009 pilot operations.

A total of about 800 households have been incorporated in demonstrations on 150 equipped plots. The K-20 bucket kits (for a 20 m² garden) are the most desired micro-irrigation systems (120), followed by 20 larger drum kits watering 100 m² plots. Liquid Organic Fertilizer sets (125) and water-lifting pumps (10) complement the demonstrations.

2.2. Madagascar

2.2.1. Selection of Intervention Area

In Madagascar, IFAD has selected two on-going operations, namely PPRR and PROSPERER (<u>CAP FIDA</u>):

- 1. The support Programme for the Rural Micro enterprise Poles and Regional Economies (PROSPERER) is a multi-donor programme (IFAD, OPEC, UN Capital Development Fund) which focuses on increasing the incomes of poor rural people in five of the country's poorest and most densely populated regions by creating efficient business development services that respond to the needs of small and micro rural enterprises. This programme will absorb 80% of SCAMPIS-Madagascar coverage.
- 2. The Rural Income Promotion Programme (PPRR) has the aim, through partnership poles between producers/transporters/processors and traders, of increasing the income and food security of the rural inhabitants of Toamasina Province (88 per cent live on less than 1 dollar a day), and enhancing the ability of communities to take charge of their own development. This objective is now being achieved with the establishment of four market access centres, which allow the collection, marketing and processing of many types of agricultural products. This programme will absorb 20% of SCAMPIS-Madagascar coverage.

2.2.2 Selection of partner organisation

The chosen implementing agent for SCAMPIS in Madagascar is Agronomes et Vétérinaires Sans Frontières (<u>AVSF</u>), a well-established France-based NGO with ample experience in the country and currently involved in the provision of technical support to development projects.

AVSF currently operate on the High Plateau in Madagascar where they address smallholder farmers' and livestock keepers' issues to raise their resilience against shocks. These can be climatic (i.e. hurricanes) or related to markets (e.g. inputs, services, stocking, marketing, etc). AVSF is also engaged in literacy work and women rights movements. IFAD has been working in partnership with AVSF in the Islamic Republic of the Union of the Comoros.

2.2.3: Activities and achievements in 2009

Staff (15) was hired and trained, and deployed by AVSF in the two separate sub-project areas which correspond to the area of influence of PROSPERER and PPRR, respectively. Training on the market supply chain was provided by IDE India, a solid example of South-South cooperation. A local entrepreneur (SANITEC) was identified which may be interested in local manufacturing of the MIS kits.

AVSF pre-financed the purchase of the first order of equipment (1200 K-20 units; 200 K-100 units; 200 treadle pumps from KB IDE India) which were stocked following clearance by customs mid-September.

A first batch of 60 villages with 2,400 households was identified in which 180 demonstration plots have been set up and equipped.

All demonstrations go hand-in-hand with mass public relations and dissemination efforts, e.g. through the use of radio spots and distribution at market days of leaflets in Malagasy.





Photos 3 and 4: Demonstration and dissemination, Madagascar

2.3. Central America

2.3.1. Selection of Intervention area

Contrary to popular belief, certain parts of Central America are prone to water scarcity. The Dry Zone in Nicaragua (around Managua and the Pacific Rim) and the Motagua Valley and the Eastern provinces in Guatemala are severely affected. IFAD funds several loan operations in these regions. In Nicaragua, this is the WB/IFAD-supported FAT (Technical Assistance Fund), a national programme for smallholders development where the area is also characterized by high food insecurity.

On the other hand, the project El Programma Nacional de Desarollo Rural (Pro-Oriente), is being developed in the dry Eastern Provinces of Guatemala. The programme will work to improve productivity and infrastructure as part of a larger effort to integrate disadvantaged ladino and indigenous communities into the country's social and economic mainstream. It will also build up the role of rural grass-roots organizations, involving participants in planning and managing activities, to complement Guatemala's decentralization programme. Creating income-earning opportunities for women and empowering women in general will receive particular attention.

The other programme in Guatemala where SCAMPIS may develop, the Rural Development Programme for Las Verapaces, aims to reduce poverty among the poorest rural families in the area by reactivating the regional economy, creating employment opportunities and increasing the productivity of smallholdings. It lies in the northern region of the country and comprises from wet and dry to cold and tropical and subtropical climates. Poverty is extremely high among the rural inhabitants who depend for their livelihoods on very fragile natural resources. The target group are smallholders and landless people, most of whom are indigenous.

2.3.2. Selection of regional Partner Organisation

FUNICA, a foundation set up as a consortium of governmental and civil society institutions with NGO status, and which for long had been the delivery agency for the FAT project, was identified as the implementing agency for SCAMPIS Nicaragua. However, following a decision in November 2009 by the Government of Nicaragua to change the implementing agency for a governmental body to implement FAT, IFAD and Coopernic agreed to abandon further development of SCAMPIS Nicaragua and accommodate the target households from Nicaragua into IFAD's Guatemala operations. The main rationale for this decision is that no guarantee could be obtained that agricultural extension workers hired by FAT and formerly accountable to FUNICA, yet now to be managed by the future government agency, would continue to be deployed to deliver services to the SCAMPIS beneficiaries.

The implementing agency for SCAMPIS Guatemala is Fundación De La Caficultora Para El Desarrollo Rural (<u>FUNCAFE</u>). Although a spin-off from ANACAFE, the national coffee growers association, FUNCAFE is by no means restricting its support to farmers involved in coffee production but rather is the social branch of the association, aiming at the alleviation of poverty and rural development at large.

FUNCAFE already implements another IFAD grant in the central part of the country and has agreed, in cooperation with the recently started project El Programma Nacional de Desarollo Rural (Pro-Oriente), to attend 7,000 households in the dry Eastern Provinces of Guatemala. This target is now modified to 10,000 thus accommodating the 3,000 households no longer attended in Nicaragua.

Following the field visit by IFAD to FUNCAFE in May 2009, this partnership agreement was established in early June 2009. However, signature was upheld in IFAD due to legal queries over the use of proceeds from the grant from Coopernic to IFAD to finance taxes on materials (which is forbidden under standing IFAD regulations). After receiving a waiver from Coopernic, the contract has been signed on 26 October and funds transferred in December 2009.

2.3.3. Activities and achievements in 2009

Nicaragua

First, following unease over the handling of the Ortega Government of the 2008 municipal elections, some donors were reported to consider withdrawing aid from Nicaragua. As this might have affected FAT, the SCAMPIS host project that IFAD co-funds with the World Bank.

IFAD SCAMPIS commissioned a risk assessment study in March 2009 which concluded that continuing to work with FUNICA as main implementing agency of the project would not represent a major risk although it referred to possible GoN interference (see text in Spanish): "Continuar con el plan original de contar con los servicios de FUNICA como el principal ejecutor del proyecto. Por su capacidad, experiencia y redes de contacto, es una garantía para desarrollar el provecto con éxito. Debe ser claro que el provecto se debe manejar como un Proyecto Privado ('private sector project') para que la rendición y sujeción directa al gobierno no sea considerada". These findings were communicated to Coopernic, however, developments in November would have made SCAMPIS Nicaragua accountable to Government and hence lose the status of a 'private sector project'.

Secondly, the 1st preparatory mission resulted in the massive downsizing of the likely number of households to be reached by SCAMPIS (from 10,000 to 5,000). This triggered the identification of FUNCAFE/Guatemala as an alternative option.

A baseline study followed which concluded that the absorbing capacity of the various stakeholders (FUNICA, FAT, service agents) would not allow reaching the initially envisaged target in the set time frame. A total of 3,000 households were thought to be viable. This drastically reduced number was then reflected in a preliminary plan of work and budget.

The partnership agreement with FUNICA was delayed over the issue of financing local taxes and late November 2009 IFAD was informed about the Government's move to de-link FUNICA from FAT. With that decision (see above), further SCAMPIS engagement was impossible in Nicaragua.

The Coopernic Board on 4 December 2009 expressed its desire that IFAD reach the originally agreed overall target of 30,000 households and hence transfer the earmarked funds from Nicaragua to Guatemala in order to achieve the target of 10,000 households set for the Central America thus complementing the 10,000 households to be attended in India and Madagascar, respectively.

Guatemala

FUNCAFE was visited in April/May and expressed great interest in establishing operations in the dry eastern parts of the country² implementing the MIS projects in parallel with Pro-Oriente, IFAD's new loan operation in the area.

Because FUNCAFE- in spite of its expressed willingness - is not allowed by its own statutes to pre-finance project activities, no field implementation could take place before signature of the grant agreement and transfer of the SCAMPIS funds.

² The Government has declared a national state of calamity following drought and deaths in the area (Estado de calamidad pública en Guatemala).

3. Project results

Overview

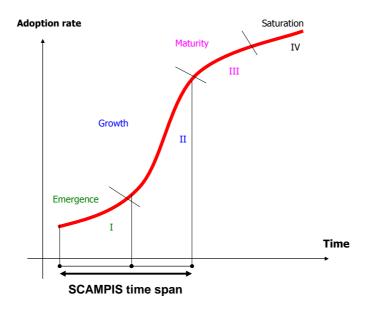
Countries	Achievements 2009	Outlook 2010/2011
INDIA	-Management team in Orissa set up	-Social marketing
Targeted Households: 10,000	- Capacity building of the SCAMPIS	mobilisation for micro
Budget Euro 736,000	national team on Micro irrigation	irrigation and Liquid organic
	Systems (MIS) and Liquid Organic	fertilizer systems (under way)
	Fertilizer Systems (LOFS)	- Technical Assistance of
	- Identification of demonstration villages:	IDEI to SCAMPIS
	51 villages have so far been identified for	Madagascar: Mission planned
	first year intervention	in May 2010
	-Technical Assistance of IDE-I to	- Supervision mission
	SCAMPIS Madagascar: Mission in	planned for November 2010
	June 2009 (See Field stories: Annex II)	
MADAGASCAR	-Management team in Madagascar set up	- SCAMPIS Madagascar
Targeted households: 10,000	-Capacity building of the SCAMPIS	team is planning marketing
Budget Euro 735,000	national team on Micro irrigation	strategies to promote
	Systems (MIS) and Liquid Organic	SCAMPIS products in 2010
	Fertilizer systems (LOFS):	- Supervision mission
	-Identification of demonstration villages:	planned for May 2010 (and
	60 villages have so far been identified for	later follow up missions
	first year intervention.	
	-Social marketing mobilisation for micro	
	irrigation and Liquid organic fertilizer	
	systems	
Central America	-Grant agreement ³ signed with	-Management team set up and
	FUNCAFE	staff for SCAMPIS
GUATEMALA	-Partners for MIS & LOF Technologies	- Supervision mission
Targeted households: 10,000	identified & capacity building trainings in	planned for February 2010
Budget Euro 700,233	preparation	(and later follow up missions
NICARAGUA	-Abandoned	

3.1. Inputs and outputs in the field

SCAMPIS is set to deliver MIS to 30,000 households in 3 years. In IFAD's experience, adoption is a process that doesn't follow linear programming; it rather follows an S-curve. Early adopters, such households participating in demonstrations, correspond to the 'emergence' phase. Replication bringing the total to 30,000 followers is then expected to take place during the 'growth' stage. SCAMPIS will kick off the emergence and initial growth phase of the S-curve but it will not pretend to get into 'maturity' or even 'saturation' stages. These stages may develop after the 3 year catalytic phase and are crucial for commercial sustainability of post-sales services of parts and equipment.

 $^{^3}$ Target 7,000 households; € 450,000. Agreement to be modified following decision to incorporate another 3,000 households and corresponding budgets.

Technology adoption rate



3.2. Capacity-building

3.2.1. Transfer of know-how

In India, the University of Bangalore attended a joint workshop with IDE-I SCAMPIS and explored options around further dissemination of LOF together with the SCAMPIS team. IDE India is keen to maintain this technical backstopping.

A senior expert from IDE India visited Madagascar from 11th to 18th July 2009 to support the AVSF SCAMPIS operations. His mission will be followed up by a technical assistance team to deliver quality control and supervision over the use of MIS equipment purchased through IDE India.

A specialist from CREPA visited the Madagascar SCAMPIS operations from 29th June to 3rd July 2009 to inform the team on Liquid Organic Fertilizer and its application.

3.2.2. Construction of an International Learning Platform

Following the Coopernic-IFAD partnership agreement, a learning platform shall be set up for knowledge management. It shall also organize 3 exchange visits to foster South-South dialogue on low-cost technologies to cope with water and nutrient scarcity.

UNESCO-IHE, a leading entity in the field of water for development, have been contracted to deliver these aspects. To set up the International Learning Platform (ILP), UNESCO-IHE has submitted its strategy and plan of work to be accomplished by the end of 2009, namely:

1) the development of a conceptual framework (architecture) of a website to be developed for the ILP, and

2) the formulation of initial strategies for enhanced awareness on water scarcity and soil fertility issues through this ILP.

4. Monitoring / Management

4.1. Monitoring, steering and reporting

Monitoring and steering

Currently, monitoring by IFAD HQ Scampis team has been based on extensive dialogue, field visits to country project offices and implementation sites, and feedback sessions with local teams. Documentation consisted of so called Back-to-Office reports and Letters to the Management.

Once baseline study results are available, SCAMPIS management will intensify efforts to define a results-based framework with IFAD field implementers. It will contain intermediate milestones leading to the achievement of the overall objectives introducing water and soil nutrient security.

Reporting

The implementers in India and Madagascar have provided a first progress report, available upon request, from which data have been extracted and incorporated in the present synthesis.

Furthermore, extensive communication sessions have taken place between IFAD and Coopernic staff at the Coop HQ in Basel, 11th September 2008; at IFAD Headquarter, 8th June 2009; and at a meeting of the Coopernic Working Group Sustainability, Bologna, 8th September 2009. Outcomes of these meetings shaped legal agreements and set the way forward for improved communication.

Risks

Although SCAMPIS is linked to regular IFAD loan projects, specific risks at country level may interfere (temporarily) with the achievement of objectives. In India, access to certain communities is hampered by the so called Naxalite Movement which challenges Government on the distribution of royalties of natural resources mined in the Tribal Areas. In Madagascar, the general level of security is restored following the overthrow of the former Government. In Guatemala the security situation is normal.

5. Finances: Accounts and Expenditures

A first tranche of €1m was received from Coopernic by IFAD early 2009. Following receipt of this contribution and in accordance with the grant agreements signed between IFAD and the three SCAMPIS field operators (IDE India, AVSF, FUNCAFE), down payments to the recipients for a total of € 607,500 were made allowing them to start their respective 2009 Plans of Work and Budget. The amount foreseen as down payment for the abandoned Nicaragua operations (€ 87,500) and a balance of about € 30,000 from the IFAD HQ budget will be carried forward to 2010.

6. Next steps

IFAD HQ will mount supervision missions to the three field projects. These have been scheduled tentatively for Guatemala in February (and possibly a follow-up mission in the dry *canicula* period in August), for Madagascar in May (and possibly a follow-up mission in September/October, and for India in November. This timing would follow the agricultural calendar around the dry seasons and monsoons/rainy season and accommodate farmer activities. Furthermore, findings of the missions would be reflected in the respective progress reports and future APWBs of the field operators.

Representatives of Coopernic are invited to join the Supervision Missions (on their account)

A next coordination meeting between IFAD and the Coopernic Working Group Sustainability is planned for June 2010.