

## Concept Note for Grant Proposals

<b>1. Grant Sponsoring Division: WCA</b>	<b>2. Co-sponsoring Division(s)<sup>1</sup>: GEM, PMI, ECG</b>
<b>3. Title of the grant: Family Farming, Regional Markets and Cross border Trade corridors (FARM-TRAC) in the Sahel</b>	
<b>4. Value of IFAD grant: (in US\$) 3.5 M</b>	<b>5. Co-financing: (in US\$) 1,0 M</b> <i>Will be mobilising co-financing from RBAs (WFP and FAO) as well as selected recipient</i>
<b>6. Implementation period: (Months) 36 months</b>	<b>7. GRIPS ID: 2000002817</b>
<b>8. Selected Strategic Priority<sup>2</sup>: 1. Production for food security, nutrition and income generation</b>	
<b>9. Window:</b> Indicate Global/Regional <input checked="" type="checkbox"/> Country <input type="checkbox"/>	<b>10. Country/Countries (to be potentially covered) :</b> Burkina Faso, Cabo Verde, Chad, The Gambia, Guinea-Bissau, Mali, Mauritania, Niger, and Senegal (final list/cluster of countries will be finalised at a design stage)
<b>11. Recipient:</b> Select <u>one</u> of the following options <ul style="list-style-type: none"> <li>Competitive selection at CN stage <input type="checkbox"/> and name of recipient</li> <li>To be selected competitively at design stage <input checked="" type="checkbox"/></li> <li>Direct selection <input type="checkbox"/> and name of recipient:</li> </ul>	
<b>12. Rationale for recipient selection and recipient capacity:</b> <p>This Concept Note was developed by WCA in order to favour regional approaches in market access and cross-border trade in the Sahel in compliment to regular country operations as a pilot way of doing business and as part of IFAD's new Strategy for the Sahel. Explorations are ongoing to use this proposal to further cooperation among the Rome Based Agencies as part of the RBA action plan in the Sahel. Once this CN is cleared, WCA will launch a call for proposals to organisations that could implement the grant.</p> <p>The institution selected should have the following professional and geographical experiences and knowledge:</p> <ol style="list-style-type: none"> <li>i) Development and management of analytical researches and investments on family agriculture, food and nutrition security, regional integration and cross-border cooperation, agricultural regional markets and value chains with a specific geographical experience in Western and Central Africa region (and more precisely in Sahelian countries/region);</li> <li>ii) Experience on regional/sub-regional, cross-border trade corridors management and value chain issues, data analysis and collection, design and formulation of related policies and strategies;</li> <li>iii) Partnerships and working experiences with pan African and regional economic institutions, i.e. African Union, NEPAD, and other important and relevant initiatives in West Africa and Sahel;</li> <li>iv) Working knowledge of English and French and capacity to produce bilingual documentation and KM capacities to support adequate communication tools production and broad communication activities;</li> <li>v) Ability to co-finance the initiative.</li> </ol> <p>WCA region-based institutions or consortium of institutions/organizations with west Africa regional entities will be privileged.</p>	

<sup>1</sup> Interdivisional and interdepartmental collaboration is strongly encouraged.

<sup>2</sup> The indication of a strategic priority only applies to Global/Regional grants.

Proposals will be selected based on the quality and value for money on the submitted proposals as well as the organisation's experience in the above.

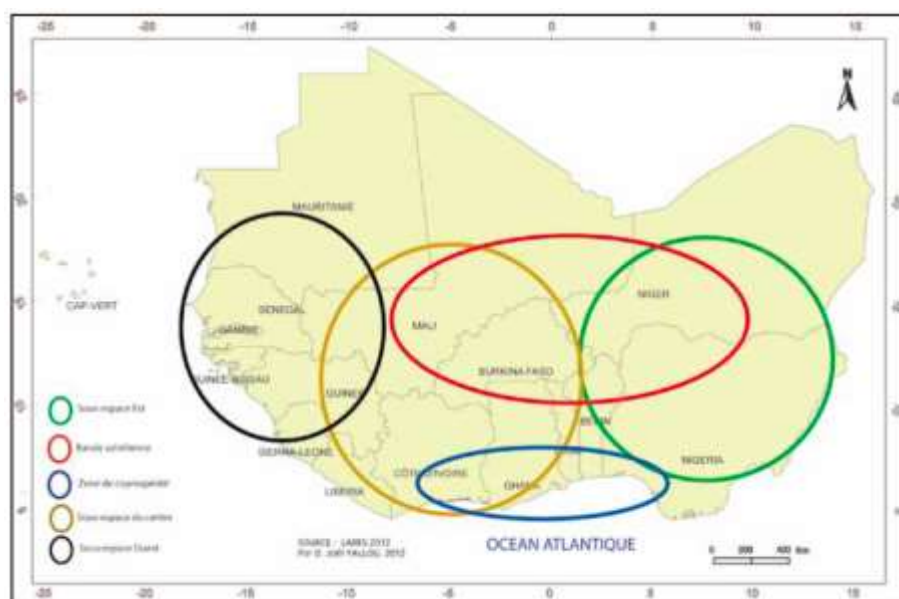
### 13. Background/relevance:

The RBAs are currently preparing an Action Plan for enhanced cooperation in the Sahel. Regional integration, cross-border trade linkages across the Sahel are instrumental in having functional value chains and integration in the region. RBA collaboration on these activities is instrumental and would be a first step towards implementing the RBA Action Plan for the Sahel.

Innovative regional and cross-border development activities will enable government partners and smallholder farmers and markets actors to take advantage of the economic and political benefits of regional integration. Smallholders' farmers needs to fully exploit opportunities of trans-border trade for selling their products in urban areas. In 2016, it was estimated that 45% of Africans live in cities (Allens & Heinrichs, 2016) and this number is on the rise. The current dynamics of food value chains (cereals, livestock, fishery, etc.) are not able to adequately respond to the increasing needs of a growing urban population.

It is estimated that the region roughly meets 2/3 of its needs in food through local production. There are many losses due to lack of processing and difficult to match production supply with market demands, rural and market infrastructures are very poor and public policies, the business environment and investments are not supporting the private sector (from producers to transportation to traders until final consumers). The grant will contribute to promote an inclusive territorial development approach aiming to generate sustainable economic and social growth, employment (mainly to women and youth) and nutritious and climate resilient technologies throughout its implementation in three main regional basins for food production and trade that will be more specifically selected within three main areas:

- West Basin: Gambia, Guinea Bissau, Guinea, Liberia, Western Mali, Mauritania, Senegal and Sierra Leone;
- Central Basin: Ghana, Côte d'Ivoire, Togo, Burkina Faso, and Western Niger;
- East Basin: Northern Nigeria, Northern Benin, Niger, South Western Chad and Northern Cameroun.



Moving from a national to regional perspective, agricultural markets and trade requires a shift in paradigms. Albeit disorganised and in an urgent need of modernisation, 120 billion dollars were being traded across regional borders in 2010. With higher and diversified food production,

adequate and improved food processing, transportation, market logistic and infrastructure supported by relevant and adequate public policies and investments, this volume could reach USD 175 billion, or 36% of regional GDP in a short amount of time (Allens & Heinrigs, 2016).



*The Grant is aligned to IFAD 11 overall commitments of working with rural communities and mainstreaming themes such as gender, climate resilience, nutrition and youth.* More specifically the grant will adopt approaches that are climate smart and resilient, will promote employment opportunities for women and young people, and promote nutritious crops and food throughout the value chain.

**The Grant was designed taking into account the main Lessons learned from IFAD's operations (ProDAF, AgriFARM, REDE):** i) the economic performance of the regional agricultural markets in terms of fluidity, efficient logistic, coherent linkages between main production areas (rice, livestock, maize, tubers, etc.) and the consumptions centres ( including capitals, largest and secondary cities, economic productive clusters) are critical to assure adequate availability of food to the growing African population; ii) better functioning and more transparent markets and value chains, national and cross-border trade corridors are essential to provide adequate food and nutrition security also to the most vulnerable groups (structural food buyers); iii) regional agricultural markets (*demi-gros and gros*) and trade corridors are underperforming mainly due to physical (limited and very degraded infrastructures like secondary and primary roads, markets logistic, collections centres) and non-physical barriers (inefficient trade policies, bottlenecks created by formal and informal check-points, not harmonised and cumbersome customs procedures, inefficient and weak regional entities in charge of trade development/regional integration).

Grant-funded activities are complementary to initiatives and principles as set forth in the Sahel Support Plan of the Steering Committee of the United Nations Integrated Strategy for the Sahel (UNISS) and the Agenda 2063 of the African Union and with the recent G5 (Mauritania, Mali, Niger, Burkina Faso and Chad) initiative on Security & Development in Sahel (SDS) supported by the WB, EU and the UN, among others. The Grant is also fully aligned with the on-going set-up of the Africa Continental Free Trade Agreement (*Zone de Libre Echange Continentale*) aiming the creation of a continental free market and trade zone across Africa.

**14. Direct and indirect target group:**

The project will directly target approximately 100,000 rural households (min 50% women, 50% youth) in the pre-selected countries within 3 trade regional clusters (i.e. West : Diaoubé/Sene-Gambia-Guinea, East : Niger-Nigeria 2KM - Kano-Katsina-Maradi, Centre : Dakar – Ndjamená) within the project's areas. Specific targeting will be identified under on-going and future IFAD's projects engaged in the key food production basins and relevant to cross-border trade corridors development (i.e. ProDAF in Niger and AgriFARM in Guinea, REDE in Guinea Bissau). It will also target all the public (ministries of Economy and Finance/Agriculture/Trade, national customs agencies, municipalities, decentralised technical services) and private actors (Farmers Organizations and Cooperatives, Unions of Trackers and Traders) involved along the key value chains and concerned trade corridors.

**15. Goal, objectives and expected outcomes:**

The overall goal is to develop at regional level a sustainable model of operational and policy stakeholders' platforms supporting the development at regional level of a family farming model that optimizes economic and social opportunities of cross-border regional trade. The two expected outcomes are the following:

- **At operational/ground level** (i.e. economic clusters/markets/trade corridors), a better knowledge and evidence-based understanding of the role of a sustainable and climate resilient family farming model able to diversify regional agricultural production while addressing better integration of markets and consumers' needs;
- **At policy and institutional level** (i.e. UEMOA, AU, bilateral Commissions, etc.), a more efficient coordination, concertation and harmonisation of relevant institutions/organizations concerned by the development and management of agricultural markets and cross-border trade corridors generating and implementing more adequate sectoral strategies and policies reforms.

The Grant will also contribute thanks to its direct linkages to the on-going and future IFAD's large investment programs in the region to the following outcomes:

- Better value added (transformation/processing/trading) given to products by improving marketing and logistic of existing semi-wholesale markets and of regional cross-border trade corridors;
- Increase in volume and efficiency of traded products with reductions in transaction costs
- Jobs and wealth creation for women and young people along the enhanced value chain (individual and SMEs, employment opportunities, increased income revenues, access to "business" services i.e. education, internet and mobile connectivity, finance services).

The project will focus on the three identified trade regional poles corresponding geographically to the three main basins for trade identified in the section 13.

**16. Key activities by component:**

The Grant will be structured on two main technical components and one grant's management component:

- A) **Operational and enabling activities at ground level.** This component includes: 1) carry out analytical researches at field level to better understand the socio-economic dynamics, physical and non-physical barriers/bottlenecks affecting the main regional food value chains (to be selected during the competitive process); 2) design of the pre-feasibility studies needed to mobilise investments (cross-border master plans) at a regional level to harmonise and coordinate investments (IFAD and others donors) within a cross-border approach (i.e. water and watershed management, regional markets, roads, rural infrastructures); 3) the set-up of monitoring mechanisms of these trade exchanges, which can provide information on routes, products quantities and qualities and any obstacles to cross-border trade; 4) the testing and implementation of innovative

management solution (including PPP) to sustainable agricultural production, food value chains development, and cross-border trade.

- B) **Policy dialogue, coordination and KM at institutional level.** This component will capitalise the results/outcomes of the first component to feed the policy dialogue at (national and regional) institutional level, including 1) advocacy for decision-makers to carry out reforms for cross-border trade; and 2) strengthening the technical, organizational and institutional structures and institutional set-up to improve the fluidity and the performance of regional agricultural trade. Advocacy activities are conducted in collaboration/cooperation with other institutions/organizations working in the same field at national, sub-regional or international level. Capacity building and KM production and communication is essential for the structures/stakeholders involved in the flow of information between all stakeholders.
- C) **Grant Management.** This component will be the main complementary and transversal management operational element of the investment program linking the grant-funded activities with the projects at country levels (not limited to IFAD's funded projects) and the day-by-day management of the grant at operational, financial and administrative level.

#### 17. Project cost:.

Partnerships with RBAs will allow to have a large co-financing of the grant

	IFAD Grant	IFAD Country Projects	Co-financing (to be confirmed at later design stage)	Total
Component 1	2,100,000	tbc	500,000	
Component 2	900,000	tbc	400,000	
Component 3	500,000	tbc	100,000	
Total	3,500,000	tbc	1,000,000	4,500,000

#### 18. Risks:

- Difficulties securing the stakeholder buy-in needed to mobilise political support for regional entities to promote cross-border trade;
- National institutions not supporting the objectives of the grant and absence of regulatory frameworks and policies to facilitate trade;
- A weak and insecure business environment making private sector investment in the agricultural sector difficult;
- Insecurity in some areas, making cross-border trading more difficult;
- Climate hazards causing climate-related events that disrupt trade patterns;
- Weak institutional implementation and management capacities;
- Fluctuation in commodity prices negatively impacting the overall investment program;
- National budgets not assuming the infrastructure's maintenance cost.

The most important mitigation strategy for this grant is policy engagement at the regional level and involvement of partnerships with supranational organisations and private sector.

#### 19. Monitoring & Evaluation, KM and Learning:

Monitoring and Evaluation is key to the success of this programme as are knowledge management and learning. Careful monitoring of activities will be needed to share lessons learned at early stages of programme implementation and allow for structural adjustment to happen while implementation takes place, keeping stakeholders and their feedback at the centre of activities.

## **20. Supervision modalities:**

The supervision of the grant activities will be done through direct supervision of the WCA regional team and the three regional IFAD Hubs involved. Regular project supervision of the ongoing/future projects in the targeted countries will also assure adequate follow up and supervision of the Grant's funded activities. If needed, additional supervision can take place to address certain grant objectives or outstanding issues. In addition, regular skype calls or meetings can take place between the grant recipient and IFAD grant manager for updates and planning of activities.

## **21. Linkages:**

The IFAD's Projects directly integrated in/supported by the Grant and the regional programme are as follows (but still to be confirmed in a more advanced design stage):

- Senegal: PADAER II
- Guinea Bissau: new project under design
- Guinea: *Projet Agriculture Familiale, Résilience et Marchés* (AGriFARM)
- Gambia: ROOTS
- Mali: FIER, INCLUSIF
- Mauritania: PRODEFI
- Côte d'Ivoire: *not defined at this time*
- Burkina Faso: *not defined at this time*
- Niger: *Programme de Développement de l'Agriculture Familiale* (ProDAF)
- Nigeria: Climate Change Adaptation and Agribusiness Support Programme (CASP)

These projects will work in partnership with regional farmers organisations (e.g. ROPPA) to ensure ownership and adoption of the different activities as set forward by the grant. In addition, this grant will serve to better identify how to work on coordinated regional initiatives in IFAD, in order to better integrate IFAD operations and ensure their sustainability. This Grant will also be a flagship activity in implementing the RBA Action Plan in the Sahel.

The countries projects identified here are a preselection. More projects can be included at the design stage and by the selected grantee once the proposal is developed further.

## **22. Scaling up:**

Scaling up will be facilitated by regional hubs; the regional approach will be implemented and built into new investment projects throughout the region by Governments, IFAD and others financial partners (co-financing). Learning from the different experiences will allow for similar activities to be scaled up later in other areas.

## **23. Sustainability:**

The sustainability of the activities will be ensured through the client feedback loop and the adjustments being made during implementation. The customer feedback loop will give ownership and credibility to the approach which by definition will make the approach sustainable. Also the utility of the activities and of an organised and economically profitable value chain should motivate some important interest in activities and ensure further the sustainability of actions. The sustainability will also depend on the proper monitoring and learning from the experiences and availability of information.

Profitable value chains and functioning market linkages are unlikely to disappear after project activities, as it will create greater wealth, employment and stronger livelihoods.

## **24. Other aspects:**

This is an example of SSTC mobilised from within the user circle to improve production trade and employment in the region.