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Investing in rural people

President's report on a proposed grant under the global/regional grants window to Transtec to Improve Dryland Livelihoods in Djibouti and Somalia through Productivity-enhancing Technologies

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For: Approval

Recommendation for approval

The Executive Board is invited to approve the recommendation for the proposed grant as contained in paragraph 19.

President's report on a proposed grant under the global/regional grants window to Transtec to Improve Dryland Livelihoods in Djibouti and Somalia through Productivity-enhancing Technologies

I. Background and compliance with IFAD Policy for Grant Financing

1. Climate change severely affects the semi-arid/arid areas of Djibouti and the north-western Somaliland region of Somalia. Rainfall is erratic and unevenly distributed, ranging from an average of less than 60 mm in coastal areas to 500 mm in the higher elevations of Somaliland. Smallholder agriculture and livestock production are constrained by water scarcity, soil and water degradation, overgrazed rangelands, low-productivity rainfed dryland farming practices and poor livestock performance, leading to food insecurity and low incomes.
2. Two recently completed IFAD-funded initiatives – the North-western Integrated Community Development Programme–Phase II (NWICDP-II) in Somalia and the Programme for the Mobilization of Surface Water and Sustainable Land Management (PROMES-GDT) in Djibouti – built valuable assets for improving livelihoods. The proposed activities will build on these results and work with the communities in the same target areas. In particular, it will directly and sustainably address crop-productivity issues related to suboptimal on-farm water management and associated land-preparation practices, inappropriate use of poor quality seeds and seeding rates, and poor fertility, weed, pest and disease management. Livestock-related activities will seek to enhance the productivity of small ruminants, including reproductive performance and flock off-take, through improved technology packages to reduce kid/lamb mortality, increase growth rates and nutritional status, and enhance the controlled breeding and culling of poorly performing females.
3. The proposal is in line with the goal and objectives of the IFAD Policy for Grant Financing. It will: (i) promote innovative activities, technologies and approaches developed by and supporting two of IFAD's target groups – nomadic pastoralists and agropastoralists; (ii) promote awareness, advocacy and policy dialogue on issues of importance to poor rural people in arid and semi-arid lands; (iii) strengthen the capacity of partner institutions to deliver a range of services in support of poor rural people, in particular government agriculture, livestock and environment bodies providing services to rural people in arid and semi-arid lands, and grassroots organizations; and (iv) promote the dissemination of lessons learned and the management of knowledge and information on issues related to rural poverty reduction among stakeholders within and among regions, in particular information and knowledge on nomadic pastoralists and agropastoralists.
4. The project is aligned with IFAD's medium-term plan 2016-2018 fourth thematic cluster and the related 2016 priority area of agricultural research for development to enhance sustainably the intensification and resilience of smallholder agriculture. The anticipated technology packages will constitute regional public goods related to IFAD's mandate and relevant to the Horn of Africa and beyond in terms of knowledge-sharing and benefits.

5. An open competition was held following a rigorous and transparent evaluation process in line with the IFAD Policy for Grant Financing implementing procedures. Following thorough legal and financial due diligence, Transtec was selected as the grant recipient. The proposal was developed and will be implemented by a consortium comprising Transtec, Veterinarians without Borders-Switzerland (VSFS) and the School of Agricultural, Forest and Food Sciences (HAFL). There was clear consensus among all evaluation panel members that Transtec's was the leading bid. The quality enhancement panel noted Transtec's very strong performance in implementing NWICDP-II, demonstrating its capacity to work in complex and fragile situations and respond effectively to target group priority needs. Given Transtec's experience in the region and record of close collaboration with line ministries in Djibouti and Somaliland, the difficulty of finding partners with such adequate experience, expertise and networks in the region, and IFAD's previous experience with non-governmental organizations (NGOs) and private sector actors in Somalia, Management recommended Transtec be awarded the grant.
6. The recipient of the grant is the private sector entity Transtec — a limited company registered in Belgium, active in international development for 30 years, implementing projects across Africa, the Middle East and Asia. The proposal is aligned with IFAD's Private-Sector Strategy and scales up the successful achievements of a private sector partnership contributing directly to improved project outcomes and country-level results. The proposal is likewise aligned with IFAD's approach to engagement in fragile situations in its choice of implementing agency, indicating a flexible and differentiated approach; the modalities being developed through the consortium; the focus on institutional partnership; and the targeting of vulnerable communities.

II. The proposed project

7. The project's goal is to improve the livelihoods of pastoralist and agropastoralist communities in the NWICDP II and PROMES-GDT areas by increasing productivity through the adoption of improved technologies for farming and the sustainable management of water, watersheds, rangelands and small ruminants. The objectives are to: (i) deliver technological packages to increase and stabilize the productivity of sorghum/maize-based rainfed production and of irrigation-based fruit/vegetable farming systems; (ii) deliver technological packages to increase and stabilize the productivity of rangelands and small ruminants; (iii) demonstrate and promote efficient watershed-management technologies; and (iv) improve the capacities of national research and extension staff to provide support services to pastoralists, agropastoralists and irrigation farmers.
8. The direct target groups will comprise 5,190 households in north-western Somalia and 1,445 households in Djibouti. New technology-dissemination platforms will be formed within existing community-based organizations. Women will be fully mainstreamed within activities, 1,110 of whom will be engaged in income-generating activities.
9. Implementation will span four years and comprise the following components:
 - (i) Technology packages for rainfed agriculture and small-scale irrigation;
 - (ii) Technology packages for increased rangeland and small ruminant productivity;
 - (iii) Watershed-management technologies; and
 - (iv) Capacity development.

III. Expected outcomes/outputs

10. The overall goal is to improve the livelihoods of pastoralist and agropastoralist communities in Djibouti and Somalia. Increased livelihoods will be reflected in

increased ownership of assets among participating households and the increased area of common land under improved management practices.

11. The grant-financed activities are expected to achieve the following outcomes/outputs:
 - (i) Increased yields of rainfed and irrigated crops through:
 - Improved water retention on rainfed farms
 - Increased intercropping and crop rotations
 - Improved yields of staple and possibly some cash crops
 - Higher water-use efficiency/water productivity
 - (ii) Improved productivity per animal head:
 - Reduced kid/lamb mortality
 - Increased turnoff of small ruminants to market
 - Increased live weight and prices for animals sold
 - (iii) Protected watersheds:
 - Improved soil and water conservation
 - Reduced runoff and nutrient losses in pilot areas
 - Increased vegetation cover and biomass production
 - Increased income from rangeland products
 - (iv) Enhanced capacity of domestic institutions and performance of research and extension staff:
 - Research programmes established that match the needs of land users
 - Travelling workshops and farmer field schools initiated
 - Research officers and extension agents with increased skills
12. To assure that their benefits delivered are sustainable and can be scaled up, the activities will incorporate institutional strengthening (for relevant ministries and NGOs in the target areas) and community empowerment (for pastoralist communities). Linkages with the interventions of the Somaliland Development Fund¹ (SDF) will expand soil and conservation activities.

IV. Implementation arrangements

13. While the grant recipient is Transtec, a private sector entity, activities will be implemented by a consortium comprising Transtec, VSFS and HAFL. The inclusion of a private sector consulting firm adds the value of its managerial flexibility and technical capability in implementing complex long-term programmes in fragile situations. The consortium will establish a project coordination unit (PCU) in Hargeisa responsible for the overall management, coordination and monitoring of implementation.
14. The majority of implementation will be outsourced to implementing partners and qualified service providers under implementation agreements with the PCU detailing their duties and responsibilities as below:
 - In Somaliland, the local the Ministry of Agriculture will appoint a senior officer each in the Crop Production Department and Land and Water Department; the local Ministry of Environment will appoint a senior officer responsible for

¹ A channel for development funding to support projects aligned with the National Development Plan, supported by Denmark, the Netherlands, Norway and the United Kingdom.

activities related to rangelands; and the local Ministry of Livestock will appoint a senior officer from the Livestock Production Department to coordinate livestock improvement activities with VSFS.

- The Djibouti Ministry of Agriculture, Livestock and Marine Resources will appoint a senior manager to coordinate all components in Djibouti and establish and maintain linkages with the relevant line departments.
15. A project steering committee, comprising representatives of implementing partners and community-based organizations in each country, will meet biannually, and a technical coordination committee, comprising the PCU staff and focal points in the relevant ministries, will meet quarterly, alternating between Hargeisa and Djibouti so as to combine meetings with field visits to beneficiaries.
 16. The implementing consortium and the results achieved through their activities will be subject to clear performance standards. Further detail regarding disbursement arrangements and financial reporting and audit requirements is provided in Appendix II. Background on the evaluation and selection process and further detail on the selected recipient are provided in Appendix III.

V. Indicative project costs and financing

17. The total cost to IFAD, including physical and price contingencies but excluding duties and taxes, is estimated at US\$2.0 million. Component 3 is the costliest, accounting for 35 per cent of base costs, followed by components 1, at 28 per cent, 2, at 13 per cent, and 4, at 11 per cent. Project coordination, which accounts for an estimated 16 per cent of base costs, is integrated within the component costs. Of the US\$4.0 million in total financing, IFAD will contribute 50 per cent (US\$2.0 million), Transtec 10 per cent (US\$0.4 million), beneficiaries 3 per cent (US\$0.1 million) and SDF 37 per cent (US\$1.5 million).
18. In terms of the value-for-money of IFAD's contribution, the highest cost relates to field operations (38 per cent), which involves beneficiaries directly, followed by costs relating to research to improve their productive capacity (25 per cent). Management and technical support account for 16 per cent of direct costs, and overhead and management fees have been contained at 7.5 per cent.

Table 1
Costs by component and financier
(Thousands of United States dollars)

<i>Components</i>	<i>IFAD</i>	<i>Transtec</i>	<i>Beneficiaries</i>	<i>SDF</i>	<i>Total</i>
1. Technology packages for rainfed agriculture and small scale irrigation	370	50	50	650	1 120
2. Technology packages to increase range and small ruminant productivity	475	50	-	-	525
3. Efficient and affordable watershed-management technologies	567	50	52	745	1 414
4. Capacity development	280	150	-	-	430
5. Overheads and project management	148	100	-	105	353
Total base costs	1 840	400	102	1 500	3 842
Contingencies	160	-	-	-	160
Total cost including contingencies	2 000	400	102	1 500	4 002

Table 2
Costs by expenditure category and financier
 (Thousands of United States dollars)

<i>Expenditure category</i>	<i>IFAD</i>				<i>Total</i>	<i>Transtec</i>	<i>Beneficiaries</i>	<i>SDF</i>	<i>Total</i>
	<i>PY1</i>	<i>PY2</i>	<i>PY3</i>	<i>PY4</i>					
1. Works	30	30	30	14	104	-	102	914	1 120
2. Equipment and services	36	36	0	0	72	20	-	95	187
3. Goods, services and inputs	90	65	65	32	252	-	-	40	292
4. Consultancies	100	100	100	40	340	170	-	54	564
5. Training	130	130	130	43	433	-	-	57	490
6. Operating costs	45	105	105	104	359	-	-	130	489
7. Salaries and wages	36	85	85	84	290	-	-	105	395
8. Overheads and management fees	37	38	38	37	150	210	-	105	465
Total	504	589	553	354	2 000	400	102	1 500	4 002

VI. Recommendation

19. I recommend that the Executive Board approve the proposed grant in terms of the following resolution:

RESOLVED: that the Fund, in order to finance, in part, the Improve Dryland Livelihoods in Djibouti and Somalia through Productivity-enhancing Technologies project, shall provide a grant in the amount of two million United States dollars (US\$2,000,000) to Transtec for a four-year period and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board herein.

Kanayo F. Nwanze
 President

Results-based logical framework

Results Hierarchy	Indicators					Means of Verification			Assumptions
	Name	Base-line	YR1	Mid-Term	End Target	Source	Frequency	Responsibility	
Goal Improved livelihoods of pastoralists and agro-pastoralists in Somalia and Djibouti through increased productivity.	No. poor households whose assets have increased.	-	1,630	3,260	6,635	Region/District socio-economic surveys.	YR1, Mid-term, End	PCU M&E	Government strategy for poverty alleviation and environmental conservation.
Objectives 1. Increased/stabilized productivity of rainfed and irrigated farming systems. 2. Increased/stabilized productivity of rangelands and small ruminants. 3. Efficient watershed management. 4. Enhanced capacities of domestic institutions.	• % Increase in food self-sufficiency and earnings of poor households.	-	10%	25%	100%	District records.	Each year	District, MoA	Commitment of Government to land and water management. Contingency planning and environmental early warning systems streamlined in policy.
	• % Decrease in soil erosion rates annually	-	10%	25%	25%				
	• % Operational community organization.	-	10%	20%	95%				
Outputs Increased yields of rainfed and irrigated crops	• % Increase in crop production.	-	10%	15%	30%	District records. Programme reports. Crop assessments.	Each year	MoA PCU M&E	Commitment among local authorities and communities to agricultural development.
	• No. Farmers with secure access to irrigation.	-	100	200	400				
Improved productivity per animal health	• % increase in market sale of small ruminants.	-	5%	10%	30%	Market surveys Programme reports.	Each year	MoL PCU M&E	The beneficiaries will use improved practices.
Protected watersheds	• Ha under improved management.	-	4,000	12,000	24,000	GIS mapping. Programme reports.	Continuous Each year	MoA, PCU PCU M&E	Strategic support from the donor community continues.
Better performing research-extension	• No. Extension plans.	-	6	9	12	Programme reports.	Each year	PCU M&E	Financial support to MoA
Key Activities under technology packages for rainfed agriculture and for small scale irrigation component:						Community records. Extension records. Annual assessments.	Each year	CBO District MoA PCU M&E	MoA has the resources to support Extension Units. District Agriculture Extension
- Seed production and on-farm crop trials.	• No. Farmers in seed banks.	-	270	540	2,700				
- Introduction of low cost SWC methods. - Irrigation methods to improve efficiency	• No. farmers with improved irrigation.	-	60	120	230				
Key Activities under technology packages to increase range and small ruminant productivity component:						Community records. Ministry records.	Each year	CBO MoL, MoE	MoE and MoL have to capability to work in the field.
- Rehabilitation of rangelands - Improved small ruminant technology.	• No. Communities with grazing plans.	-	15	45	90				

Activities under efficient and affordable watershed management technologies component:

- Crop production and rangeland based watersheds characterized for SWC.
- Runoff and nutrient balance analysis.
- Income generating activities with SWC.

• No. Land use plans agreed by communities.	-	10	20	70
• No. women with IGA.	-	-	370	1.110

Community records.
MoA records.

Each year

CBO
MoA

MoA researchers and Soil and Water Conservation Department surveyors have technical skills.

Key Activities under capacity development component:

- Enhanced capacity of Ministry staff
- Collaboration between agricultural research and extension.
- Pastoralists' traveling workshops.

• No. Extension research-based services.	-	9	12	12
• No. men/women with technical/mgmt. skills.	-	240	600	1 200
		64	160	320

Community records.
Ministry records.
Beneficiary assessment.

Each year

MoA
PCU M&E

Researchers are prepared to work off-station with extension services

Appendix II: Financial Governance

1. Given the selection of a private sector entity as the recipient (see appendix II for details on the competitive selection process), the strictest financial management and governance frameworks are being set in place. These will ensure that IFAD resources are being used most efficiently to achieve the objectives of the project. This appendix covers some details on: a. financial management overview, b. procurement procedures, c. financial management systems, and d. audit arrangements.

a. Financial management

2. **Financial Management.** The programme financial management arrangements and internal control systems will be designed to satisfy IFAD's minimum requirements to provide accurate and timely information on the progress of programme implementation and guarantee the separation of functions through several levels of independent controls to implement appropriate risk mitigation measures to ensure accountability of funds.
3. The programme will carry out implementation in accordance with the 2005 IFAD Policy for Preventing Fraud and Corruption in its Activities and Operations and the Prevention of Corruption and Economic Offences Act No.5 of 1999 which established the Directorate on Corruption and Economic Offences (DCEO).
4. The implementing consortium and the results achieved through their activities will subject to clear performance standards. Payment schedules will be based on deliverables and performance indicators. This will be reflected in the final contract.
5. A separate grant designated account will be opened for the programme in USD in a commercial bank to receive funds from IFAD and will be managed by Transtec. Transtec will open, through its financial intermediary for Somaliland, a separate operating account in USD for the use of the PCU. The operating account will receive funds from the programme designated account with an initial allocation to allow for six months of projected programme expenditures.
6. The MoADJ (Ministry of Agriculture, Water, Fisheries, Animal and Marine Resources) will open a separate operating (imprest) account in Djiboutian Franc in Djibouti, to receive funds from the programme operating account, based on expenditure forecasts and a Subsidiary Agreement with the PCU. All payments for eligible expenditures to be incurred by MoADJ under the approved budget will be made from this bank account.

b. Procurement procedures for goods, services and human resources

7. All procurement by Transtec/VSF/HAFL consortium and other implementing partners will be undertaken on the basis of the IFAD Procurement Guidelines. While specific thresholds for procurement financed under the programme by IFAD will be stipulated in AWPBs and related procurement plans, the general recommendation is the following:
 - **Goods** estimated to cost more than USD 100,000 equivalent per contract shall be procured through the International Competitive Bidding (ICB) method using the World Bank's applicable Standard Bidding Documents (SBDs). Goods estimated to cost less than USD 100,000 equivalent per contract may be procured through the National Competitive Bidding (NCB). Goods estimated to cost less than USD 25 000 equivalent per contract may be procured through National Shopping method.
 - **Works** estimated to cost more than USD 25,000 shall be procured through the National Competitive Bidding (NCB) method using the World Bank's applicable Standard Bidding Documents (SBDs). While works estimated below USD 25 000 may be procured through National Shopping method. Direct contracting will have to be identified and approved by IFAD in advance for those cases which justify use of such method.

- **Consultancy services** generally estimated to cost more than USD 50 000 for firms and USD 20 000 for individuals will be on the basis of Quality and Cost Based Selection method. However, the specific nature of the assignment will finally determine the method of procurement to be followed.
8. **Prior Review Thresholds.** The following shall be subject to prior review by the Fund:
 - Award of any contract for goods, works and non-consulting services estimated to cost USD 50,000 equivalent or more;
 - Award of any contract for consulting services or service providers estimated to cost USD 25 000 or equivalent or more;
 - Award of any contract through direct contracting or Sole Source Selection.
 9. Procurement methods and prior review requirements will be clearly identified in annual procurement plans to be submitted to the project steering committee (PSC) and IFAD together with the AWPBs. The bid evaluation committee will consist of staff of the project coordination unit (PCU) and the respective Programme Party in each country, and its composition will be determined depending on the nature of the contract. The Project Coordinator will be the signatory of all contracts.
 10. The programme will be managed by the PCU and implemented by contracted service providers on performance related contracts. Service providers will include: (i) preselected public institutions (such as MoA, MoE, MoL, MoADJ) who may have the status of Programme Parties and be required to ensure that procurement actions undertaken by them and financed by IFAD or Government be undertaken in compliance with the stipulated procedures of IFAD and Government; and (ii) non-preselected civil society or private sector entities (e.g. NGOs). Service providers not pre-selected will be procured on the basis of IFAD procurement guidelines. Details of partnerships will be agreed in Memoranda of Understanding or formal contractual relationships.

c. Financial Management System, including accounting specifications

11. The financial management system will comply with international accounting standards. All financial transactions will be recorded by Transtec/VSF/HAFL in a separate ledger established for the programme. Transtec has in-house accounting software that records expenditures by components and activities and financial source, which has been found adequate for IFAD's purposes in NWICDP II. Transtec/VSF/HAFL will prepare financial statements for each quarterly progress report. Consolidated financial statements for the programme for each calendar year will be prepared and delivered to IFAD within 3 months of the end of each calendar year.

d. Audit arrangements

12. Transtec/VSF/HAFL will appoint, with the prior approval of IFAD, independent auditors to audit the financial statements of the programme. Transtec/VSF/HAFL will have the financial statements related to the programme audited each calendar year by the approved auditor in accordance with International Standards on Auditing and in line with IFAD's Guidelines for Project Audits. The terms of reference of the audit will be submitted to IFAD for no-objection.
13. The auditors will provide: (i) an opinion on the statements of expenditure, the operation of the Programme Designated Account, and the adequacy of the accounting and internal control systems of the programme, including compliance with IFAD's Procurement Guidelines and such matters as IFAD may notify Transtec/VSF/HAFL to include in the audit, and (ii) a separate management letter addressing the adequacy of the accounting system and internal control systems.

Appendix III: Overview of selection process and rationale for selection of private sector recipient

1. Somalia does not have access to the PBAS (performance based allocation system, since the country is in arrears. All IFAD operations are funnelled through both Regional/Global grants and supplementary funds. Also, the country is in a uniquely fragile context: it is currently ranked the worst in the world in the Fund for Peace Fragile States Index and highlighted as the most-failed state by The Economist, Sep 8, 2016. Most of the country is in active conflict, with the African Union Mission in Somalia still very active. There are also long-standing and complex issues with regard to the different regions of the country and the recognition of representative institutions between the different regions. IFAD has continued to provide support to communities in need in the region through this period of instability. Given the unique context, IFAD has partnered with non-government and private entities. The experience with Transtec in the previous project, the NWICDP-II (North Western Integrated Community Development Program, Phase II), has been positive with the company displaying a clear ability to deliver benefits in complex and fragile contexts.
2. In line with the context outlined above, and the fragile situations strategy being submitted to the Executive Board in December 2016, IFAD is being flexible in the choice of partners in the Somalia context. Also, as recommended by the implementing procedures under the new Policy for Grant Financing, a transparent rigorous competitive selection process was launched. The clear value added of Transtec, as displayed in its proposal, resulted in the company being unanimously chosen by the evaluation panel as the best bidder. Further, the positive experience in the previous program provided reassurance to the sponsoring division. In order to contribute to the drivers of fragility in the region, the project will also contribute to enhanced capacities of national institutions, and through the primary objective of enhancing pastoralist livelihoods contribute to sustainable governance of natural resources (another key contributor to conflict and fragility in the region). In terms of achieving IFAD's objectives and serving communities in great need in these extremely fragile contexts, it is imperative that IFAD partners with the most effective and efficient partners (and not rely on low capacity institutions which may lead to crucial resources and efforts being squandered). Therefore, the selection of a private sector recipient is seen in this context as the choice most coherent with IFAD's mandate.

Overview of selection process and rationale

3. As per the implementing procedures under the new Policy for Grant Financing, the Near East, North Africa and Europe division (NEN) launched an invitation to bid to select the most qualified recipient to implement the grant-funded project "Productivity enhancing technologies to improve pastoralists and agro-pastoralists livelihoods in dry lands (Somalia/ Djibouti)", approved under the 'Agricultural Research for Development' priority area. The Quality Enhancement panel noted that the process was set up with a professional approach and fully in line with grant procedures.
4. The competitive process was set up in consultation with the Grants Secretariat and the Procurement division to ensure that the documentation and the process was in line with the implementing procedures under the new Grant Policy and procurement processes. The observer panel also included the financial management department and the legal department. The bidding for the grant was opened for 4 weeks. The invitation to bid was published on the IFAD website. Some partner organizations were also identified, based on capacities and experience.
5. The evaluation team and observer panel were set up with representation from the regional division, the technical advisory division (PTA), financial management (FMD), legal (LEG) and procurement colleagues.
6. Four proposals were received from the following bidders by the closing date (proposals shared with panel and observers):

- a. ICARDA (International Center for Agricultural Research in the Dry Areas)- ILRI (International Livestock Research Institute) consortium
 - b. IGAD (Intergovernmental Authority on Development)
 - c. Transtec- VSF Switzerland (Vétérinaires Sans Frontières Suisse) – HAFL (The School of Agricultural, Forest and Food Sciences) consortium
 - d. VSF Germany- CEFA (European committee for training and agriculture)- Procasur consortium
7. The bids were evaluated independently by the members of the evaluation team. All four panelists had the same ranking, with a clear decision on the winning bidder.
 8. The key principles of inclusiveness, impartiality, transparency and rigour have been met throughout the process, as summarized below:
 - **Inclusiveness:** The call was published on the IFAD website and therefore open to all bidders. The website external link was accessed about 400 times (as per the records of the communication division), indicating clear access to external parties. In addition, the link was forwarded to selected organizations based on established capacities in the sector and the region.
 - **Impartiality:** Bidders have been rated with the same criteria as published in the Request for Proposals (evaluation methodology and rating criteria were included in the Request for Proposals/ RFP). The RFP was issued with around four weeks for the invitees to develop the bids.
 - **Transparency:** All documents under the RFP were disclosed to all bidders. The competitive screening team rated all bids independently, and also discussed in a joint meeting. The ranking for the winning proposal was clear and rated the highest by all evaluators.
 - **Rigour:** There was a balance of technical and regional expertise in the evaluation team. The observer panel, that guided the process, included colleagues with expertise on financial management (CFS/ FMD), legal issues (LEG), procurement and process structuring (procurement specialist). The decision, details of the evaluation and details of the design were also reviewed and approved through the quality enhancement and quality assurance reviews (QE and QA).
 9. The panel noted that Transtec's performance in implementing the NWICDP-II was very positive and demonstrated an ability to work in complex and fragile situations, and respond effectively to target groups' priority needs. Given their experience in the region, the track-record of close collaboration with line Ministries in Somaliland and Djibouti and the difficulty in finding agencies with adequate experience, expertise and networks in the region, IFAD's previous experience with non-government/ private players in Somalia, Management recommended awarding the grant to Transtec.
 10. The overall approach and implementation details were well articulated in the detailed design report. The LogFrame contained clear quantitative targets at all levels. The targets have been established through clear economic and financial analyses based on project implementation and experience in the target communities.
 11. The efficiency of Transtec's proposal was the highest in terms of value for money and project administrative costs (more efficient than any of the other proposals received). Transtec also mobilized parallel financing of USD 1.5 million from the SDF- Somaliland Development Fund. These funds, through the Soil and Water Conservation Project, will also contribute to the results to be achieved by the project given the synergies in activities and results. The value for money was found to be very high, and clearly higher than all other options (including collaboration with international research institutions) by the evaluation panel.

Brief overview of private sector recipient and consortium

12. The grant will be implemented through a consortium comprising Transtec, Vétérinaires Sans Frontières Suisse (VSF-Switzerland) and The School of Agricultural, Forest and Food Sciences in Bern (HAFL).

13. **Transtec** is a limited company registered in Belgium. It is an international development company active for 30 years in the implementation of Official Development Assistance (ODA) programmes and projects funded by international agencies in complex environments. Headquartered in Brussels, Belgium, the company currently employs 45 professionals of international backgrounds speaking 17 languages (West and Eastern Europe, Africa, Middle East, Asia). The Company has regional representative offices in Tunisia (Tunis), Beirut (Lebanon), Nairobi (Kenya/Somalia), Gaziantep (Turkey/Syria), Yangon (Burma) and Paris (France).
14. Annually, approximately 600 professionals are deployed in the field on Transtec-led assignments worldwide. The company has successfully conducted over 5,000 short and long-term projects and programmes across 150 countries worldwide.
15. The specific value that Transtec brings to this specific programme include managerial flexibility and technical capability to implement complex long term programmes in fragile situations. Recently Transtec has demonstrated its capacities in these two complementary requirements in the successful implementation of ;
- a. Soil & Water Conservation, crop production and communication organization structure of the Maroodijeh Upper Catchment (Somaliland Development Fund, 2015-2016)
 - b. North Western Integrated Community Development Programme (IFAD, 2010-2104)
16. **Vétérinaires Sans Frontières Suisse (VSF-Suisse)** is a recognized NGO in Switzerland since 1988. VSF-Suisse's vision is: "Healthy people derive their livelihoods from healthy livestock in a sustainable environment" and its mission is to improve the well-being and resilience of vulnerable populations by promoting the health and productivity of their livestock within a sustainable environment. VSF-Suisse is registered in and has been operational for the last 26 years in the Horn of Africa (Kenya, Somalia, South Sudan, Ethiopia) as well as West Africa (Mali and Togo).
17. VSF-Suisse's implementation strategy is related to four areas:
- a. Rural development, food sovereignty improvement, nutrition security and livelihoods
 - b. Strengthened community resilience
 - c. Improved animal and human health
 - d. Capacity building
18. In the countries of operation, VSF-Suisse has long-term and positive working relations with stakeholders-communities, public and private sectors, civil society, local professional and user associations, teaching and research institutions to ensure broad stakeholder participation in all its interventions. VSF-Suisse is an active member of coordination networks at local, national, regional and global arenas for information sharing, building of synergies and to avoid duplication of efforts. Regarding personnel, VSF-Suisse has qualified and experienced technical staff in animal health and production, livestock value chains, natural resources management and community development.
19. The **School of Agricultural, Forest and Food Sciences (HAFL)** is a department of the Bern University of Applied Sciences in Switzerland, offering Bachelor and Master degree programs in those three domains. At the international level, HAFL experts conduct and coach research projects and provide consulting services for many private companies, government institutions, development agencies, and the civil society. HAFL research and services primarily focus on application, implementation and dissemination (including e.g. cost-benefit analyses of R&D projects). The services principally comprise strategic and program/project planning, program and project review and evaluation, and technical as well as methodological support and backstopping. The School's applied research activities and services combine specific competencies in the fields of agriculture, livestock production and pastoral management, forests and food sciences, coupled with themes from social and educational sciences to enhance a client-oriented, needs-based support. Furthermore, specific research and development projects are coordinated by HAFL and implemented together with partners in the South and East. Experts from HAFL are involved in international collaboration covering five areas of expertise:
- a. Sustainable agricultural and livestock production
 - b. Capacity development and knowledge management approaches and methods

- c. Access to markets
- d. Society and policies with a focus on changes in rural societies
- e. Project cycle management expertise including gender- and conflict-sensitive approaches

20. Overall, the consortium will work through local partners, including the Ministries and relevant NGOs and civil society in Somaliland and Djibouti.