JUIFAD Investing in rural people

Executive Board

Second update on IFAD's Crisis Response Initiative

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Useful references: Protecting Rural Livelihoods and Resilience - IFAD's Response to the Impacts of the War in Ukraine: A Crisis Response Initiative (CRI) (<u>EB 2022/135/R.39</u>); Update on IFAD's Crisis Response Initiative (<u>EB 2023/OR/3</u>)

Action: The Executive Board is invited to review the update provided on IFAD's Crisis Response Initiative

Technical questions:

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Second update on IFAD's Crisis Response Initiative

I. Overview of the initiative

- 1. In April 2022, IFAD launched the Crisis Response Initiative (CRI) to protect productive rural livelihoods and promote their resilience in a global crisis affecting food, agricultural input and fuel markets and prices, resulting from the war in Ukraine and other factors. The initiative was designed to leverage and complement existing projects in the programme of work of IFAD, with a view to allowing small-scale rural producers to benefit from new local market opportunities that may result from the crisis and to protect development gains made through existing projects.
- 2. The CRI was designed to direct grant funding towards activities under one or more of the following four pillars: (i) ensuring small-scale farmers, fishers and livestock producers have affordable access to inputs such as breeding stock, seeds, fodder, fuel, fertilizer and technology; (ii) improving food systems and production by investing in small-scale infrastructure to improve productive capacity and reduce post-harvest losses; (iii) supporting access to finance; and (iv) facilitating access to markets and market-related information. These pillars address specific needs and build on the areas of focus of the Rural Poor Stimulus Facility, which was set up in response to the COVID-19 pandemic.
- 3. Based on the criteria laid out in document EB 2022/135/R.39, the intended target group of the initiative was rural communities in 22 countries, who were prioritized on the basis of an analysis of needs and vulnerabilities. The Executive Board document also indicated that IFAD would aim to support investments in the first 11 countries on the list and consider the remaining ones depending on funding availability. Finally, the funding raised allowed for 16 countries to be included in the CRI. Initially, all CRI project activities were expected to be completed between the end of 2023 and mid-2024, to allow for financial closure by the end of 2024. After consulting and obtaining approval from the donors, the initiative was extended by a further six months, bringing the completion date to December 2024 and closure to June 2025.
- 4. The design of the CRI project activities was anchored mainly to IFAD-supported projects in 12 of the 16 countries. The other countries have implemented the CRI projects through third-party actors with a comparative advantage in efficient and rapid delivery in the remaining four country contexts, or that have links to the IFAD-funded country portfolio and/or that have had previous involvement in the Rural Poor Stimulus Facility.
- 5. The CRI projects and project activities are overseen mainly through the supervision and implementation support provided for the anchor projects or, in exceptional cases, through ad hoc missions. A full-time CRI coordinator has been in place since September 2023 to support the country and to liaise with other IFAD divisions with roles in CRI implementation, including for communication activities and rapid assessments.
- 6. IFAD is committed to reporting annually to donors and to the Executive Board on the CRI. The first update was submitted in August 2023 (<u>EB 2023/OR/3</u>). This second update for the Executive Board provides an overview of progress made on the implementation of the activities under the CRI.

II. State of progress of the Crisis Response Initiative

A. Resource mobilization

7. In late summer 2022, the first two CRI contribution agreements were signed for a total of EUR 11 million, of which 1 million was contributed by Ireland and 10 million by the Kingdom of the Netherlands. Towards the end of 2022, two more contribution agreements were signed, with Germany for EUR 30 million and the

United States for US\$10 million. In March 2023, Norway notified IFAD of its intention to cofinance ongoing projects under the CRI in countries facing multiple crises with demonstrated absorption capacity. On 22 June 2023, an additional contribution agreement was signed with the Norwegian Agency for Development Cooperation for 300 million Norwegian Krones (NOK).

Table 1
Financial contributions to the CRI as of 31 August 2024

Member State	Local currency	Management fees (local currency)	Net amount (local currency)	Management fees (US\$)	Net amount (US\$)	Total contribution (US\$)
Ireland	EUR	80 000	920 000	80 984	931 316	1 012 300
Netherlands (Kingdom of the)	EUR	800 000	9 200 000	799 144	9 190 151	9 989 295
Germany	EUR	2 400 000	27 600 000	2 534 622	29 148 153	31 682 775
United States	US\$	800 000	9 200 000	800 000	9 200 000	10 000 000
Norway	NOK	24 000 000	276 000 000	2 211 774	25 435 404	27 647 178
Total				6 426 524	73 905 024	80 331 548

B. Design process, allocations and extensions

- 8. The staggered timing of the financial contributions allowed for the gradual design and implementation of CRI project activities as funding became available. The first donor contribution arrived in June 2022, the last in June 2023. Of the 16 selected countries, seven benefited from this last round of funding in addition to funding from earlier contributions.
- 9. By taking this approach, the last design was completed in November 2023 and the seven projects benefiting from additional funding had less than a year to be fully implemented. This was one of several factors that prompted a request to donors to extend the initiative by six months. To date, all designs have been finalized, all agreements with implementing partners have been signed, and extensions of between two and six months have been requested for 13 projects. Table 2 provides an overview of the different stages of the design process, the allocations and the requested extensions.

Table 2

Overview of the timing of the design process, the allocations and the requested extensions (AF = additional financing)

Availability of	•	Allocation	Approval of	Initial	After
funding	Country design	(US\$)	design	completion	extension
June 2022	Somalia	3 000 000	10/2022	06/2024	12/2024
	Eritrea	3 300 000	10/2022	12/2023	06/2024
	Afghanistan	3 300 000	10/2022	12/2023	06/2024
Nov. 2022	Yemen	3 300 000	08/2023	06/2024	12/2024
	Ethiopia	3 299 850	01/2023	03/2024	N/A
	Burundi	3 000 000	01/2023	06/2024	12/2024
	Madagascar	3 000 000	01/2023	05/2024	11/2024
	Mozambique	3 008 036	03/2023	06/2024	12/2024
	Haiti	3 245 000	03/2023	06/2024	12/2024
	Central African Republic	3 003 608	03/2023	06/2024	09/2024
	Malawi	3 000 000	02/2023	06/2024	N/A
	Mali	2 887 000	05/2023	06/2024	12/2024
	Niger	3 000 000	10/2023	06/2024	12/2024
	Chad	3 253 000	05/2023	06/2024	11/2024
	Uganda	3 210 000	04/2023	06/2024	12/2024
June 2023	Afghanistan AF	2 024 000	09/2023	06/2024	08/2024
	Somalia AF	7 000 000	08/2023	06/2024	12/2024
	Mozambique AF	2 766 118	09/2023	06/2024	12/2024
	Burundi AF	1 841 771	08/2023	06/2024	12/2024
	Central African Republic AF	2 765 392	09/2023	06/2024	09/2024
	Malawi AF	5 060 000	10/2023	06/2024	N/A
	Uganda AF	1 840 000	08/2023	06/2024	12/2024
	Gambia (The)	2 760 000	11/2023	06/2024	12/2024
Total		72 863 775			

C. Disbursement rate

10. **Disbursement rate**. By the end of August 2024, **US\$61.7 million** of the total US\$72.86 million allocated to projects **had been disbursed (85 per cent of the total)**. Following the extension of the completion and closing dates, a disbursement rate of around 97 per cent is expected by December 2024. An overview of the cumulative disbursements by country can be found in table 3.

Table 3

Cumulative disbursements by country as of 31 August 2024

Country	Grant amount	Amount disbursed	Balance not yet disbursed
Somalia	10 000 000.00	8 250 000.00	1 750 000.00
Yemen	3 300 000.00	1 023 504.66	2 276 495.34
Afghanistan	5 324 000.00	4 791 600.00	532 400.00
Eritrea	3 300 000.00	3 300 000.00	0.00
Burundi	4 841 771.00	2 143 790.83	2 697 980.17
Madagascar	3 000 000.00	3 000 000.00	0.00
Ethiopia	3 299 850.00	3 299 850.00	0.00
Central African Republic	5 769 000.00	5 685 666.67	83 333.33
Malawi	8 060 000.00	8 060 000.00	0.00
Haiti	3 245 000.00	1 750 000.00	1 495 000.00
Mozambique	5 774 154.00	5 774 154.00	0.00
Uganda	5 050 000.00	5 034 293.90	15 706.10
Chad	3 253 000.00	1 740 578.16	1 512 421.84
Mali	2 887 000.00	2 745 308.00	141 692.00
Niger	3 000 000.00	3 000 000.00	0.00
Gambia (The)	2 760 000.00	2 070 000.00	690 000.00
Total	72 863 775.00	61 668 746.22	11 195 028.78

Note: Data compiled by IFAD's Financial Controller's Division using IFAD's Oracle Business Intelligence platform on 31 August 2024.

D. Rapid assessment and communications

- 11. The Research and Impact Assessment Division has designed a rapid assessment of the CRI and is providing technical support for these activities. A total of eight of the 16 projects were chosen with a view to achieving geographical balance as well as coverage of the different pillars of the CRI. The selected countries are Afghanistan, Chad, Ethiopia, Malawi, Mali, Mozambique, Somalia and Uganda.
- 12. For the rapid assessment of each selected project, a representative sample of 500 beneficiary households are interviewed. The main characteristic of rapid assessments is to design a short and standardized questionnaire to collect self-reported information on Tier 1 indicators¹ (production, sales, income, number of meals consumed and number of assets owned). Thus, harmonized, standardized and scalable results can be reported on the projects.
- 13. The rapid assessments were designed to survey a sample of beneficiary households for each selected project or country in order to assess the contribution that CRI project activities have made to rural households. The rapid assessments will collect timely and high-quality data that are comparable across countries. It is important to note that, in the absence of information on a control group, rapid assessments measure IFAD's performance or contribution in relation to the objective, rather than the causal effects.
- 14. In collaboration with IFAD's Communications Division, four CRI countries have been selected to communicate the CRI activities and results to a wider audience. So far, Afghanistan and Malawi have been covered, with Chad and Yemen to be covered by December 2024.

¹ The Tier 1 indicators are the indicators that measure the development results in the results-based framework of the CRI and are as follows: number/percentage of households reporting (yes/no) that the following was maintained or improved during the CRI implementation period: household income / value of production / value of market sales / food security.

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E. Overview of the implementation of the CRI by country²

- 15. CRI projects and project activities are being implemented in Afghanistan, Burundi, Central African Republic, Chad, Eritrea, Ethiopia, The Gambia, Haiti, Madagascar, Malawi, Mali, Mozambique, Niger, Somalia, Uganda and Yemen. As noted above, several of the CRI projects and project activities required an extension of the completion and closing dates, which was granted by donors in March 2024. This was due to them benefiting from additional CRI funding from the last contribution in June 2023, or due to a number of crisis factors, including high inflation and price shocks, severe drought or flooding, cyclones, political instability and growing insecurity. For example, the civil unrest and turmoil in Haiti over the past year has significantly delayed implementation of the CRI project activities. In Niger, after the political events of July 2023, the project was redesigned, and implementation was reassigned to the Food and Agriculture Organization of the United Nations (FAO).
- 16. The CRI projects and project activities in the 16 countries are at different stages. Over the coming months, the progress made in each country will be closely monitored to ensure the delivery of results by the end of 2024. While most countries are on track, uncertainties in a number of country contexts will require particularly careful monitoring and adaptive solutions. Overall, the CRI has covered an estimated 450,000 beneficiaries in the various countries.
- 17. In **Afghanistan**, the CRI project is being implemented by the Dutch Committee for Afghanistan. At completion in August 2024, the project included 178,000 households, 409 veterinary field units, 40 community fodder banks, 47 milk collection centres, 105 village and district sales points and five milk processing plants. Over 50,000 farmers and pastoralists were trained, and 4.5 million animals were vaccinated, 1.8 million treated and 4.5 million dewormed. A rapid assessment was conducted to learn from the implementation. A video was also produced.
- 18. In **Burundi** (Agricultural Production Intensification and Vulnerability Reduction Project [PIPARV-B]), the CRI project activities have so far benefited 9,660 households through the provision of inputs and small equipment, such as 701 kg of climate-resilient vegetable seeds, 600 backpack sprayers and 1,200 watering cans. Additional inputs such as seeds, fertilizer and crop protection products are currently being distributed for the upcoming agricultural season. The inputs financed by the CRI have filled a gap in the availability of seeds and fertilizer in the country. The project has been extended until December 2024 to cover the next agricultural cycle.
- 19. In the **Central African Republic** (Project to Improve Productivity and Access to Markets for Agropastoral Products in the Savannah Zones [PRAPAM]), 3,198 smallholders have so far benefited from capacity-building in livestock production. The main achievements are as follows: 1,000 market gardening kits distributed to beneficiaries, 1,500 rainfed crop kits distributed, 1,886 breeding pairs for small stock production and 40,290 chicks distributed, 100 irrigation kits installed, 10 warehouses built, and 209 groups structured as village savings and credit associations. The project was extended until September 2024.
- 20. In **Chad** (Strengthening Productivity and Resilience of Agropastoral Family Farms Project [RePER]), completion will be reached in November 2024. Around 5,000 households have benefited so far, 1,550 ha of irrigated perimeter have been developed, three market garden plots have been equipped with a solar pump, 27 farmer field schools have been set up and irrigation works are ongoing. Training of trainers has taken place on plant and crop protection, and technicians will oversee the training of 300 producers. The project faced delays due to late rains, which impacted the timing of ploughing and land preparation. On the post-harvest side, activities are ongoing for the members of 11 farmers' organizations and

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² The information for the CRI updates by country was collected in June 2024 for the CRI progress report to donors and is based on supervision mission reports and progress reports on the anchor projects or by implementing partners. Therefore, not all information provided has been verified through an IFAD mission. Final data and reporting will be available after completion.

- matching grants have been mobilized to equip drying units. The project activities will be subject to a rapid assessment.
- 21. In **Eritrea** (Integrated Agriculture Development Project [IADP]), activities were completed in June 2024. A total of 33,995 households benefited from improved yields in wheat and rapeseed crops, increased household incomes and improved nutrition. The CRI project activities included the production of organic liquid fertilizer based on seaweed and fish waste. This biofertilizer has been widely accepted by local farmers, including those that were not direct beneficiaries.
- 22. In **Ethiopia** (Participatory Small-scale Irrigation Development Programme II [PASIDP II]), project activities were completed in March 2024 and benefited 52,744 households. Some 2,683 tons of fertilizer, 365 tons of improved seeds, 4,070 tons of agricultural lime and 171,800 fruit seedlings were distributed. The Rural Savings and Credit Cooperative (RUSACCO) prepared and distributed the agricultural input vouchers. The RUSACCO also administers a revolving fund to provide loans to the beneficiaries with flexible terms to ensure the sustainability of the revolving fund and enable continued access to agricultural inputs. Activities will be subject to a rapid assessment.
- 23. In **The Gambia** (Resilient Organizations for Transformative Smallholder Agriculture Project [ROOTS]), around 3,000 households have benefited from the project activities, and 53 village farmers' associations have been supported with inputs and ploughing services to support their production processes. Activities have so far focused on ploughing 3,615 ha to support rice production and on providing 3,529 tons of rice seeds, 631.4 tons of nitrogen, phosphorus and potassium (NPK) fertilizer, 322.55 tons of urea, 7,647 litres of herbicide and 265 knapsack sprayers and protective gear kits. The project also foresees further irrigation activities and the installation of cold storage facilities. The project will be completed in December 2024.
- 24. In **Haiti** (Inclusive Blue Economy Project [I-BE]), the start-up of the CRI project activities has encountered significant delays due to difficulties in procuring goods and services in the country as a result of civil unrest and turmoil over the past year. Consequently, progress has mainly consisted in identifying potential service providers and working on procurement processes and preparatory activities. In addition, the country faced a change in Government in mid-June 2024, shifting priorities within the various ministries. The CRI in Haiti is also anchored to a new project that required a start-up period to put the project team in place. IFAD has organized two remote implementation and support missions to the anchor project and a third is to take place in September to ensure that identified issues are adequately addressed. The project has been extended until December 2024.
- 25. In **Madagascar** (Vocational Training and Agricultural Productivity Improvement Programme [FORMAPROD]), the project picked up momentum after a support mission in March 2024. In total, 1,240 beneficiaries received input kits, 5,800 chicks were distributed, and producers' organizations were supported to participate in business-to-business events to connect with private sector operators or to organize group sales. Fourteen producers' organizations and cooperatives will benefit from a revolving fund, while the distribution of livestock and inputs and the provision of training are ongoing. Project activities have been extended until November 2024.
- 26. In **Mali** (Multi-energy for Resilience and Integrated Territorial Management Project [MERIT]), the CRI project activities included the provision of 149 biodigesters to meet the need for fertilizer in rehabilitated market gardens, targeting mainly women producers. Activities include capacity-building in climate-smart and agroecological practices and agroforestry. Community groups are also being put in place and strengthened to ensure the sustainability of the results. The project activities in Mali were extended till December 2024 and will be subject to a rapid assessment.

- 27. In **Malawi** (Sustainable Agricultural Production Programme [SAPP]), project activities had benefited a total of 103,878 farmers at completion in June 2024. Two seed storage cold rooms were installed, and activities included the production of seeds for multiplication, the planting of soya beans and groundnuts and the establishment of irrigation schemes. Some 16,875 small stocks with assorted drugs and vaccines, 6,360 tons of inorganic fertilizer, 45 tons of certified maize seeds, 25 tons of certified groundnut seeds and inoculants, 40 tons of certified soybeans, and bundles of orange-fleshed sweet potatoes, assorted agroforestry trees and fruit seedlings were distributed. A communications mission resulted in an online story, video and podcast. A rapid assessment of the activities will be conducted.
- 28. In **Mozambique** (Inclusive Agrifood Value Chain Development Programme [PROCAVA]), 25,789 households have so far benefited from the allocation of agricultural inputs, the establishment of seed multiplication plots, the allocation of 320 improved barns and training of 17 natural resource management committees. Contracts were awarded to support mechanization and irrigation through the supply of 10 grain threshers, the installation of 6 irrigation kits operated through renewable energy and 9 input stores. Extension officers are currently providing training on institutional development and agribusiness for farmers' organizations. The project activities have been extended until December 2024. The project will be subject to a rapid assessment.
- 29. In Niger, the CRI project is implemented by FAO, building on existing collaboration with IFAD. So far, 15,000 households have received 1,425 kg of vegetable seeds, 100 tons of potatoes, 10,000 bundles of cassava cuttings and 180 tons of NPK fertilizer to support productivity. Activities also include the distribution of goat kits and the provision of health services to livestock producers. Some 500 motor-driven pumps have been used to increase the surface area cultivated for off-season crops, and households have been trained in the management of the new irrigation systems. The project has been extended until December 2024, with the next planned activities to include the setting up of agro-input shops and post-harvest and marketing work.
- 30. In **Somalia**, the CRI project is implemented by the NGO Sadar Development and Resilience Institute. So far, it has benefited 4,768 households and distributed 3,000 production support packages. Some 1,768 households have also benefited from the distribution of 3,535 breeding goats, while 118 walking tractors and 3,000 knapsack sprayers have been distributed to cooperatives. The project has been extended until December 2024, and in the coming months it will focus on small-scale infrastructure and the consolidation of productive activities supported to date. Project activities will be subject to a rapid assessment.
- 31. In **Uganda** (National Oil Palm Project [NOPP]), the CRI project activities focus on supporting the beneficiaries of the anchor project to access inputs for maize and soybean for both human consumption and livestock feed, to mitigate the impact of the crisis on local livelihoods. About 14,000 farmers have been mobilized to grow maize and soybeans. The project has been extended until December 2024, to ensure proper training and post-harvest activities. The activities will be subject to a rapid assessment.
- 32. In **Yemen**, the CRI project is implemented by the Social Fund for Development. It focuses on water infrastructure and land rehabilitation and improvement, and is expected to benefit 2,700 households. Detailed watershed assessments have been carried out to diagnose hydrology-related threats and vulnerabilities and to prioritize interventions in affected communities, local environmental and social management plans have been drawn up, and community committees have been trained to ensure the sustainability of the planned infrastructure and rehabilitation works. The procurement of contractors has been completed and civil works are under implementation. The CRI project has been extended by six months until

December 2024, including a buffer for unpredictable interruptions in the works during the rainy season.

III. Conclusions and next steps

- 33. Following the extension of the completion date for the CRI, over the coming months progress in each country will be closely monitored to ensure the delivery of results by the end of 2024. As noted above, while most countries are on track to meet this target date, uncertainties in a number of countries will require adaptive monitoring and solutions.
- 34. After completion, the projects will have up to six months before closure. During this period, the country teams will carry out completion missions and reporting and will finalize the results of the rapid assessments and the communication products. The final report on the CRI will be submitted to the Executive Board in December 2025.