

Document: EB 2012/LOT/G.17
Date: 14 November 2012
Distribution: Public
Original: English

E



Enabling poor rural people
to overcome poverty

President's report on a proposed grant under the global/regional grants window to a CGIAR-supported international centre - AfricaRice

Note to Executive Board representatives

Focal points:

Technical questions:

Luyaku Loko Nsimpasi
Country Programme Manager
Tel.: +39 06 5459 2147
e-mail: l.nsimpasi@ifad.org

Dispatch of documentation:

Deirdre McGrenra
Head, Governing Bodies Office
Tel.: +39 06 5459 2374
e-mail: gb_office@ifad.org

For: Approval

Contents

Abbreviations and acronyms	i
Recommendation for approval	1
Part I – Introduction	1
Part II – Recommendation	2
Annexes	
Strengthening Rice Value Chains in West and Central Africa	3

Abbreviations and acronyms

AfricaRice	Africa Rice Center
INERA	Institut National pour l'Etude et la recherche Agronomiques
IRAG	Institut de Recherche Agronomique de Guinée
ISRA	Institut Sénégalais de Recherche Agronomique
NARS	National Agricultural Research Services
SLARI	Sierra Leone Agricultural Research Institute

Recommendation for approval

The Executive Board is invited to approve the recommendation for grants under the global/regional window to CGIAR-supported international centres as contained in paragraph 8.

President's report on a proposed grant under the global/regional grants window to a CGIAR-supported international centre – AfricaRice: Strengthening Rice Value Chains in West and Central Africa

I submit the following report and recommendation on a proposed grant for agricultural research and training to Consultative Group on International Agricultural Research (CGIAR)-supported international centres – Africa Rice Center - in the amount of US\$1.47 million.

Part I – Introduction

1. This report recommends the provision of IFAD support to the research and training programmes of the following non-CGIAR-supported international centres: Africa Rice Centre (AfricaRice).
2. The documents of the grants for approval by the Executive Board are contained in the annexes to this report:
 - (i) Africa Rice Center (AfricaRice)– Strengthening Rice Value chains in West and Central Africa.
3. The objectives and content of these applied research programmes are in line with the evolving strategic objectives of IFAD and the Fund's policy for grant financing.
4. The overarching strategic goal that drives the Revised IFAD Policy for Grant Financing, which was approved by the Executive Board in December 2009, is to promote successful and/or innovative approaches and technologies, together with enabling policies and institutions, that will support agricultural and rural development, empowering poor rural women and men in developing countries to achieve higher incomes and improved food security.
5. The policy aims to achieve the following outputs: (a) innovative activities promoted and innovative technologies and approaches developed in support of IFAD's target group; (b) awareness, advocacy and policy dialogue on issues of importance to poor rural people promoted by, and on behalf of, this target group; (c) capacity of partner institutions strengthened to deliver a range of services in support of poor rural people; and (d) lesson learning, knowledge management and dissemination of information on issues related to rural poverty reduction promoted among stakeholders within and across regions.
6. The proposed project is in line with the goal and outputs of the revised IFAD grant policy. The grant aims to promote innovative technologies and approaches in support of the target group. It also strengthen the capacities of NARS to provide adequate inputs to smallholders rice producers. It also aims at increasing their productivity and improving value addition.
7. The proposed grant will be disbursed through the CGIAR Fund, which is a Multi-Donor Trust Fund administered by the World Bank, as Trustee, and governed by the

Fund Council¹. The CGIAR Fund has been established within the framework of the CGIAR reform. Channelling the grant through the CGIAR Fund Trustee entails an inclusion of an incremental 2% charge, payable as a cost sharing contribution to the World Bank, in its capacity as Trustee of the CGIAR Fund as required by the Fund Council's rules and regulations, in addition to the Recipient's overheads.

Part II – Recommendation

8. I recommend that the Executive Board approve the proposed grant in terms of the following resolutions:

RESOLVED: that the Fund, in order to finance, in part, the Strengthening Rice Value Chains in West and Central Africa, shall provide, through the Trustee of the CGIAR Fund, a grant not exceeding one million four hundred seventy thousand United States dollars (US\$1,470,000) to the Africa Rice Centre for a three year programme 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

¹ The Fund's Council is the CGIAR's Fund decision making body representing all Fund Donors

Strengthening Rice Value Chains in West and Central Africa

I. Background

9. Africa is highly exposed to international market shocks with grave consequences for its food security and political stability as demonstrated by events during the 2008 food crisis. Nearly 40% of rice consumed in Africa is imported. Imports represent about one third of the volume of rice traded in the world market. Rice imports in 2010 were estimated at 10.6 million tons.

II. Rationale and relevance to IFAD

10. The proposed project is fully aligned to IFAD's grant policy (2009) and supports its four main outputs. In terms of corporate priorities, the proposed project directly supports two objectives: (i) A natural resource and economic asset base for poor rural women and men that is more resilient to climate change, environmental degradation and market transformation; (ii) Poor rural women and men and their organizations able to manage profitable, sustainable and resilient farm and non-farm enterprises or take advantage of decent work opportunities.

III. The proposed project

11. The overall goal of the project is to contribute to food security and reduce poverty in West and Central Africa by strengthening the rice value chain. The project's objectives are to improve the productivity and efficiency of rice value chains and increase income of the value chain actors. The proposed Phase II of the project will be implemented in four countries, of which are three initial countries involved in the project first phase (Democratic Republic of Congo, Guinea, and Sierra Leone) and one Senegal, where a Hub has already been established.
12. The target group who will benefit from the project activities are principally the first, second, and third generations of villages/rice communities and other value-chain actors, such as rice producers and millers, input dealers and rice marketers.
13. The project will be of a three year duration and will comprise three main components:
 - Productivity Enhancement
 - Improvement of Value Addition
 - Capacity Strengthening

IV. Expected outputs and benefits

14. These are the following:
 - Appropriate agronomic and rice crop management practices enhanced;
 - Appropriate seed production practices through training of farmers and development staff tested and validated;
 - Appropriate small agriculture equipment (mini combine harvesters, paddy cleaners, rotary shifters, small to medium scale modern rice mills) tested and validated;
 - The capacity of rice value chain actors to enhance efficiency along the value chain whilst promoting gender related activities is reinforced.

V. Implementation arrangements

15. The project will be managed by the Africa Rice Centre, responsible for the overall implementation of the project, as well as for financial and technical reporting to IFAD. The project will be implemented in compliance with IFAD financial management procedures and guidelines on procurement, audit, as well as with specific fiduciary arrangements. These will be included in the Contribution Agreement that will be entered into between IFAD and the World Bank (as CGIAR Fund Trustee) setting forth the terms and conditions for the administration of the grant by the Trustee, as well as in the Grant Implementation Agreement to be entered into between IFAD and the Africa Rice Centre, establishing the implementation modalities of the project, as well as detailed fiduciary arrangements.
16. Grant funds will be transferred in instalments to the Africa Rice Centre, through the Trustee, conditional to the signature of both the Contribution Agreement and the Grant Implementation Agreement. Disbursement would be made on the basis of withdrawal applications from the Trustee. For the first advance, this would be supported by an approved Annual Work Plan and Budget (AWPB) and, for subsequent instalments, a statement of expenditures from the Africa Rice Centre and annual audited financial statements of the Africa Rice Centre. The disbursement instalments will include both the amount to be transferred by the Trustee to the Africa Rice Centre, covering the expenditures approved in the relevant AWPB, as well as the 2% portion to be retained by the Trustee. At the end of the project, the Africa Rice Centre will provide to IFAD an external audit opinion letter on the final statement of expenditures covering the totality of the grant amount. Any grant balance remaining unutilised at the completion of the project will be returned by the Africa Rice Centre directly to IFAD within 4 months from project completion.
17. Emphasis will be placed on strengthening the platform of institutional collaboration between AfricaRice, the National Agricultural Research Services (NARS), and IFAD-funded investment programmes in the participating countries. An overall project coordinator will be appointed at AfricaRice, assisted by a full-time project assistant. NARS partners will designate a national coordinator who will collaborate closely with local participating institutions. National coordinators will be responsible for drawing up and monitoring in-country annual work plans and budgets indicating details of activities to be implemented, budgetary and human resource requirements, and performance indicators subject to the review and approval of the project coordination unit at AfricaRice. The main national institutional partners of AfricaRice in the target countries are the following: Democratic Republic of Congo: Institut National pour l'Etude et la Recherche Agronomiques (INERA) ; Guinea: Institut de Recherche Agronomique de Guinée (IRAG) Sierra Leone: Sierra Leone Agricultural Research Institute (SLARI) Senegal: Senegal Agricultural Research Institute (ISRA) and Each of these partners will mobilize the necessary partners required for project implementation in their respective countries.

VI. Indicative project costs and financing

18. The total cost of the project is US\$ 1,766,000, of which IFAD contribution amounts to US\$ 1,470,000 and AfricaRice contribution to US\$ 296,000. The AfricaRice Center in kind contributions will be in terms of research support services, facilities, experience sharing and synergies with other relevant project activities being carried out in target countries or other AfricaRice member countries.

Summary of budget and financing plan

Number	Type of expenditure	IFAD	Co-financing
1	Personnel (including subcontractors)	200 000	70 000
2	Professional services / Consultancies	110 000	30 000
3	Travel costs	120 000	30 000
4	Equipment	245 000	20 000
5	Operational costs,	90 000	20 000
6	Knowledge Management, Reporting and Publications	160 000	22 000
7	Training / Capacity building	350 000	65 000
8	Africa Rice Centre Overheads	165 000	39 000
9	CGIAR Trust Fund cost sharing (2%)	30 000	
Total		1 470 000	296 000

Results-based logical framework

	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Goal	Improve food security and reduce poverty in West and Central Africa by strengthening the rice value chain	Increased rice productivity. Increased adoption rate of new rice varieties and post-harvest technologies. Increased income for rice value chain actors	National agricultural statistics, Project Report IFAD mission reports	Availability of funds and sufficient human resources available at NARS level. Political stability in all countries
Objectives	1.Facilitate a large adoption of new improved knowledge and technologies, 2.Improve functional linkages among actors along the rice value chain, 3.Facilitate training of farmers and other value-chain actors input dealers, rice millers and rice marketers),	At least 20% farmers adopting the new improved technologies in the Hub and at least 10% of farmers adopting it in the IFAD-funded projects sites At least 20% of increase rice yield in the Hubs and 10% of increase yield in IFAD-funded projects sites	National agricultural statistics, Project and Mission Reports.	Political stability, Good Weather and Climatic conditions. Sufficient Human resource available at NARS level, Trained value chain actors willingness adopt new improved knowledge and technologies
Outputs	1) Appropriate agronomic and rice crop management practices for enhanced productivity are promoted, 2): Appropriate seed production practices are tested and validated, 3 Appropriate small-scale agriculture equipment are tested and validated, 4: Capacity of rice value chain actors to enhance efficiency reinforced,	At least 25% of farmers adopted appropriate agronomic and rice crop management. 20% rice yield increase in farmers' fields in the Hubs and 10 % in IFAD-funded projects sites. 25% increase of improved rice seed quality in each country Number of appropriate small post- harvest equipment being used in each country.	National agricultural statistics,-Project reports,-IFAD mission reports	Political stability,- Good Weather and Climatic conditions, Farmers are willing to learn new practices and adopt them. Sufficient Human resource available at NARS level;
Key Activities	Participatory diagnostic and baseline surveys. Training of farmers, national governmental and NGOs staff Production, multiplication and dissemination of improved rice seeds Fabrication of small scale equipment Introduction of parboiling techniques.	Diagnostic and baseline conducted in each country. Yield gap survey conducted in each country. Number of stakeholders platforms formed and functional in the participating countries Number of farmers, national government and NGOs staff trained in agronomy practices, seed production techniques, post-harvest technology.	Diagnostic surveys reports. Baseline studies reports, Yield Gap Analysis reports Projects reports IFAD reports.	Farmers and other value chain actors participate in the surveys and in the project activities Hubs are effectively established in each country by NARS partners. Good weather and climatic conditions

