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Investing in rural people

President's report on a proposed grant under the global/regional grants window to the International Centre for Biosaline Agriculture

Note to Executive Board representatives

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For: Approval

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Recommendation for approval

The Executive Board is invited to approve the recommendation for a proposed grant under the global/regional grants window to the International Centre for Biosaline Agriculture (ICBA) for the Rehabilitation and Management of Salt-Affected Soils to Improve Agricultural Productivity in Ethiopia and South Sudan as contained in paragraph 5.

President's report on proposed grant under the global/regional grants window to the International Centre for Biosaline Agriculture (ICBA)

Part I – Introduction

1. This report recommends the provision of an IFAD grant in the amount of two million United States dollars (US\$2,000,000) under the global/regional grants window to the International Centre for Biosaline Agriculture (ICBA) for the Rehabilitation and Management of Salt-Affected Soils to Improve Agricultural Productivity in Ethiopia and South Sudan.
2. The goal of IFAD grants is to significantly broaden and add value to the support provided to smallholder farming and rural transformation, thereby contributing to rural poverty eradication, sustainable agricultural development, and global food security and nutrition. In order to achieve these goals, IFAD grants should adhere to three basic principles: (i) make a significant contribution to a global, regional or national public good related to IFAD's mandate; (ii) focus on interventions where grant financing has clear added value and a comparative advantage over regular loans; and (iii) not be used as a substitute for resources from IFAD's administrative budget.
3. The objectives of IFAD grant financing are to: (i) promote innovative, pro-poor approaches and technologies with the potential to be scaled up for greater impact; (ii) strengthen partners' institutional and policy capacities; (iii) enhance advocacy and policy engagement; and (iv) generate and share knowledge for development impact. Rural poor people and their organizations should be squarely positioned at the centre of each grant submission to fulfil IFAD's mandate to enable poor rural people to improve their food security and nutrition, raise their incomes and strengthen their resilience.
4. The proposed project is in line with the goal and objectives of IFAD grant financing, as stated in the IFAD grant policy. Indeed, the proposed grant seeks to increase agricultural productivity, contribute to food security and incomes for smallholder farmers, agropastoral/pastoral communities and commercial farms in Ethiopia and South Sudan in irrigated salt-affected farming areas. Support will also be provided to develop, test and promote appropriate technologies and practices for rehabilitation and sustainable management of irrigated salt-affected farming systems and draw lessons for scaling up. Thus the grant will contribute directly to both the goals and objectives of the IFAD Policy for Grant Financing.

Part II – Recommendation

5. 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 Rehabilitation and Management of Salt-Affected Soils to Improve Agricultural Productivity in Ethiopia and South Sudan shall provide a grant not exceeding two million United States dollars (US\$2,000,000) to the International Centre for Biosaline Agriculture for a four-year period 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

Rehabilitation and Management of Salt-Affected Soils to Improve Agricultural Productivity in Ethiopia and South Sudan

I. Background

1. Increasing salinity limits the sustainability of irrigated agriculture in Ethiopia and South Sudan by reducing natural biodiversity and crop and livestock productivity. To date, an estimated 11 million hectares (ha) of land is exposed to salinity and sodicity in Ethiopia's Tigray region and Awash river basin; this situation could be exacerbated by the effects of climate change. In South Sudan, saline areas of irrigation schemes in White Nile state have scarcely been utilized for agricultural production despite having great potential. Other factors that constrain agriculture include low soil fertility and a lack of quality seeds for crops and forage. With a 3 per cent average population growth per annum in these countries, future food security and livelihood sources remain a challenge for governments.
2. The soil salinity problems in both countries stem from poor on-farm irrigation and drainage practices. It is therefore of paramount importance to restore existing salt-affected soils and protect newly developed irrigated areas from the spread of salinity through improved irrigation and crop management. This project will: identify, test and promote adaptation and mitigation strategies for the rehabilitation and management of saline soils, increase farmers' incomes and improve their livelihoods. Through improved crop yields and a reduction in land degradation, the project will build farmers' resilience to salinity-related agricultural production, boosting productivity and food security, and tackling rural poverty challenges.

II. Rationale and relevance to IFAD

3. The project is aligned directly to the:
 - (i) IFAD Strategic Framework 2011-2015¹ by meeting the overarching goal of enabling rural poor people to improve their food security and nutrition, raise their incomes and strengthen their resilience.
 - (ii) New Policy for Grant Financing by seeking to broaden and add value to the support provided to smallholder farming and rural transformation, thereby contributing to rural poverty eradication, sustainable agricultural development and global food security and nutrition.
 - (iii) Three of IFAD's grant financing objectives: (i) promote innovative, pro-poor approaches and technologies with the potential to be scaled up for greater impact; (ii) strengthen partners' institutional and policy capacities; and (iii) generate and share knowledge for development impact.
 - (iv) Ongoing IFAD-funded projects that focus on vulnerable poor farmers in marginalized environments such as the Middle East and North Africa region in order to generate international public goods as agricultural research for development (AR4D) programmes.
 - (v) The overall goals of AR4D grants, which finance adaptive research as a public good by promoting innovation, learning and partnerships.

¹ The current Strategic Framework expires in 2015 and a new one will be submitted to the Executive Board in December 2015. The new Strategic Framework will capitalize on the global political will emerging from post-2015 discussions to eradicate extreme poverty, hunger and malnutrition within a generation. It will also be cognizant of the prevailing investment climate in rural areas along with IFAD's institutional and programme requirements. Therefore, the project will contribute to the new Strategic Framework 2016-2025.

- (vi) National agricultural research systems (NARS). Over 50 per cent of the IFAD grant is allocated to supporting research and institutional capacity strengthening at the local level through NARS.

III. The proposed project

4. The overall goal of the project is to attain higher agricultural productivity, food security and incomes for smallholder farmers. The project's objectives are to develop tests and promote appropriate technologies and practices for rehabilitating and sustainably managing irrigated salt-affected farming systems in Ethiopia and South Sudan, and to draw lessons for scaling up.
5. The target group includes 5,000 farming households in salinity-prone areas of Ethiopia and South Sudan.
6. Strategy, approach and methodology.

The project will:

- (i) Adopt an integrated approach to soil and water management to tackle salinity problems within the irrigated areas of Ethiopia and South Sudan;
- (ii) Work with smallholder farmers to conduct field trials in order to test and promote local and imported genetic resources that will revitalize the productive capacity of salt-affected soils;
- (iii) Integrate livestock into forage-production systems in order to create opportunities for diversifying farmers' incomes through the sale of animal products and forage in local markets, thus making the production systems economically sustainable (in partnership with the International Livestock Research Institute); and
- (iv) Address gender mainstreaming in line with the IFAD Policy on Gender Equality and Women's Empowerment and ensure social inclusion as cross-cutting themes in all activities.

IV. Expected Outputs

7. Key activities are listed under each output:
 - (i) Output 1: Qualitative and quantitative trends in salt-affected areas are identified.
 - Collect and analyse baseline data to understand the relationships between groundwater levels, soil salinity, irrigation activity and crop yields;
 - Develop geographic information system maps for the characterization of salt-affected soils; and
 - Identify the most significant salt-affected areas using appropriate indices.
 - (ii) Output 2: Alternative and modified crop and forage production systems for the salt-affected areas are identified, tested and disseminated.
 - Establish field trials (in partnership with NARS) to introduce and test resilient local and new genetic resources of alternative crops and forage for diversification and intensification of farming systems;
 - Introduce salt-tolerant varieties and traditional crops already tested in other marginal farming systems; and

- Promote non-traditional resilient crops and forage across 5,000 farming households and scale up successful varieties within a 200,000 ha area in Ethiopia and South Sudan.
- (iii) Output 3: Impacts of salt-affected soils on livelihoods and socio-economic conditions of farming communities within the affected areas are evaluated.
- Undertake socio-economic surveys to assess the impacts of salt-affected soils on the incomes, livelihoods and health of rural communities in the target areas;
 - Determine social, policy and institutional constraints to the adaptation of successful crop and forage varieties, and develop guidelines for scaling up; and
 - Evaluate the socio-economic impacts of alternative production packages and prepare a position paper on the management of salt-affected soils in both countries.
- (iv) Output 4: Capacity and skills of farming communities, extension workers and partners' technical staff are enhanced and an information management system is established for long-term project sustainability.
- Manage data and information for future use in development projects;
 - Devise a robust monitoring system to track project progress; and
 - Develop educational materials in local dialects and organize farmer field schools to educate farmers and extension workers about alternative crop and forage production systems for the rehabilitation of salt-affected soils.
- (v) Output 5: Policy guidelines and recommendations for the management of salt-affected soils and scaling up are developed and shared with the policymakers.
- Develop extension materials and training packages for farmers and extension workers;
 - Organize four brainstorming sessions with different stakeholders and decision makers for the development of policy recommendations; and
 - Conduct four workshops and seminars to raise decision makers' awareness of project outcomes and solicit political support for scaling up.
8. Project benefits will include (i) improved incomes; (ii) improved food security; and (iii) strengthened community resilience to climate variability.

V. Implementation arrangements

9. ICBA is the grant recipient and executing agency for the project, and is accountable to IFAD for the use of grant funds. ICBA will collaborate with NARS during project implementation for complementarities and synergies. NARS will be subcontracted by ICBA to carry out specific tasks in their areas of expertise. All subcontracts will be subject to IFAD's prior review and approval before the first disbursement.
10. ICBA will ensure that:
- (i) The entire project implementation period is audited;
 - (ii) ICBA's institutional accounts are audited yearly in accordance with international audit standards and in compliance with IFAD financial

guidelines, and that a copy of its audited financial statements is submitted to IFAD within six months after the end of the fiscal year;

- (iii) An audit opinion letter on the statement of expenditures submitted to IFAD is completed by independent auditors, disclosing the amount of funds from various sources received and spent under this operation; and
- (iv) The annual audit report submitted to IFAD shall include IFAD funds and any cofinancing funds, and shall consolidate expenditures incurred by sub-grantees, which will be accountable for the use of sub-grant funds and be subject to normal audit oversight.

VI. Indicative project costs and financing

11. The total project budget is US\$4 million over four years. This comprises an IFAD grant of US\$2 million, ICBA's indirect, in-kind contribution of US\$1.2 million and NARS partner budgets of approximately US\$800,000. The budget is summarized in the tables below:

Table 1
Costs by activity / output and financier
 (Thousands of United States dollars)

| <i>Activity / Output</i> | <i>IFAD grant</i> | <i>Cofinancing in-kind</i> | <i>Total</i> |
|---|-------------------|--------------------------------|--------------|
| 1. Qualitative and quantitative trends in salt-affected areas are identified. | 350 | 200 | 550 |
| 2. Alternative and modified crop and forage production systems for the salt-affected areas are identified, tested and disseminated. | 575 | 200 | 775 |
| 3. Impacts of salt-affected soils on livelihoods and socio-economic conditions of farming communities within the affected areas are evaluated. | 350 | 200 | 550 |
| 4. Capacity and skills of farming communities, extension workers and partners' technical staff are enhanced and an information management system is established for long-term project sustainability. | 425 | 1 000 | 1 425 |
| 5. Policy guidelines and recommendations for the management of salt-affected soils and scaling up are developed and shared with the policymakers. | 300 | 400 | 700 |
| Total | 2 000 | 2 000 | 4 000 |

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

| <i>Expenditure category</i> | <i>IFAD grant</i> | <i>Cofinancing in-kind</i> | | <i>Total</i> |
|-----------------------------|-------------------|----------------------------|-------------|--------------|
| | | <i>ICBA</i> | <i>NARS</i> | |
| Salaries and allowances | 600 | 350 | 250 | 1 200 |
| Equipment and materials | 180 | 300 | 200 | 680 |
| Operation costs | 160 | 100 | 65 | 325 |
| Goods, services and inputs | 210 | 100 | 60 | 370 |
| Travel and allowances | 190 | 85 | 50 | 325 |
| Consultancies | 182 | 0 | 0 | 182 |
| Training | 170 | 100 | 70 | 340 |
| Workshops/annual meetings | 160 | 80 | 50 | 290 |
| Subtotal | 1 852 | 1 115 | 745 | 3 712 |
| Management fee | 148 | 85 | 55 | 288 |
| Total | 2 000 | 1 200 | 800 | 4 000 |

Results-based Logical Framework

| | Description | Verifiable Indicators | Means of verification | Risks / Assumptions |
|----------------|---|--|--|---|
| Goal | Achieve higher agricultural productivity, food security and income for smallholder farmers, agropastoral/pastoral communities and commercial farms in Ethiopia and South Sudan through the rehabilitation and sustainable maintenance of soils in irrigated salt-affected farming areas. | <ul style="list-style-type: none"> - 30%, increase in economic returns in salt-affected areas. - Improved livelihood of farmers. - Capacity of NARS is enhanced. - Agricultural policies are modified. | <ul style="list-style-type: none"> - Government reports. - Project reports and policy briefs. | <ul style="list-style-type: none"> - NARS commitment and data availability - Policy support to technological adoption and scaling up. - Security situation |
| Objectives | To develop, test and promote appropriate technologies and practices for rehabilitation and sustainable management of irrigated salt-affected farming systems in Ethiopia and South Sudan and draw lessons for scaling up. Output 1: Qualitative and quantitative trends in salt-affected areas are identified. | <ul style="list-style-type: none"> - Multi-temporal and spatial maps of salt-affected. - About 30 salt-tolerant crops and forages are adapted - 50,000 farmers adopt the technologies - 200 technical and extension staff trained in new technologies. - Salt-affected areas identified. - 10 alternative technology packages tested and disseminated. - 10 seed production and multiplication units established for scaling up technologies to 300,000 ha. - Train minimum of 40 technical staff & 400 farmers. - One position paper and 4 policy briefs prepared. - 20 detailed maps prepared. - 50 salinity tolerant crop varieties selected for field trials. - 10 seed production and multiplication units established. - Livelihood impact analyses undertaken - Socio-economic and policy constraints identified, discussed and documented. | <ul style="list-style-type: none"> - Project reports - Published technical papers - Policy briefs. | <ul style="list-style-type: none"> - Support and participation of NARS in seed production and scaling up. - Govt. support to large scale technology transfer |
| Key Activities | Output 2: Alternative crop and forage production systems for the salt-affected areas are identified, tested and disseminated. | <ul style="list-style-type: none"> - 20 detailed maps prepared. - 50 salinity tolerant crop varieties selected for field trials. - 10 seed production and multiplication units established. | <ul style="list-style-type: none"> - Project reports - Government reports - Publications in peer-reviewed journals - Policy briefs | |
| | Output 3: Impact of salt-affected soils on livelihood and socio-economic conditions of the farming communities within the affected areas are evaluated. | <ul style="list-style-type: none"> - Livelihood impact analyses undertaken - Socio-economic and policy constraints identified, discussed and documented. | | |
| | Output 4: Capacity and skills of rural farming communities, extension workers and technical staff of relevant organizations is enhanced and information management system is established. Output 5: Policy guidelines and recommendations for the management of salt-affected soils and further scaling up are developed and shared with the policymakers. | <ul style="list-style-type: none"> - Database and monitoring system established, - Extension material is developed. - Extension and adoption plans to promote best practices/techniques are developed. - 6 Seminars/workshops are organized. | | |