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President's report on a proposed grant under the global/regional grants window to the International Centre of Insect Physiology and Ecology (icipe) for Alternative livelihoods for Food and Income Security in Four Indian Ocean Island Nations and Zanzibar – Phase II

Note to Executive Board representatives

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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 18.

President's report on a proposed grant under the global/regional grants window to the International Centre of Insect Physiology and Ecology (icipe) for Alternative Livelihoods for Food and Income Security in Four Indian Ocean Island Nations and Zanzibar – Phase II

I. Background and compliance with IFAD Policy on Grant Financing

1. This grant application is for a follow-up phase to the project on Alternative Livelihoods for Food and Income Security in Four Indian Ocean Island Nations and Zanzibar. Phase I targeted island nations Comoros, Madagascar, Mauritius and Seychelles) and Zanzibar (in the United Republic of Tanzania), which have a significant portion of land area covered by forests. Therefore, bee-keeping has potential as an important source of livelihoods for many rural and low-income communities. In Madagascar for example, 20 per cent of the country is under forest cover and 1 million people live in bee-keeping families. In Mauritius, significant bee-keeping potential exists in Rodrigues Island, where eucalyptus re-afforestation efforts have been successful. Zanzibar has over 20,000 hectares of mangrove forest and clove plantations, offering significant potential for apiary development.
2. Bee-keeping industry development on these islands can complement environmental conservation efforts through both the pollination services that are important to forest rejuvenation and the economic benefits of honey marketing, which increase local communities' incentives for forest conservation and protection. Phase I of the project, implemented by the International Centre of Insect Physiology and Ecology (icipe) in conjunction with national agricultural research and extension systems (NARES) and other IFAD-funded projects, introduced improved bee-keeping technologies and management practices to 1,500 smallholder farmers (30 per cent women), reaching more than 120 per cent of the initial target.
3. Improved hives, such as Langstroth hives, have an average honey yield at least two times greater than traditional hives. In addition to introducing improving bee-keeping technologies and practices directly to smallholder farmers, the most transformative intervention of phase I was the dissemination of best practices, especially training and capacity-building of farmers and NARES.
4. An external evaluation of phase I rated its overall performance as satisfactory, with a positive assessment of evaluation criteria such as relevance and impacts. However, the duration of phase I was not long enough to address all bottlenecks to increasing food security and incomes. Given the low initial level of institutional development in these islands' honey value chains, there is a need for continued icipe engagement to develop the capacity of national scientists and extension workers for sustainably providing expertise and advisory services to bee-keepers and other value-chain actors.

5. The proposed project is in line with the goal and objectives of IFAD's Policy on Grant Financing (2015).¹ In particular, the project responds to three of this policy's outputs:
- (i) Innovative activities, technologies and approaches promoted: The project will promote the adoption of improved bee-keeping technologies (including improved beehives, queen rearing and colony management, stingless bees and the production of new generation of high-value hive products (royal jelly, propolis, etc.) along with an innovative marketplace model for value addition and organic certification of beehive products.
 - (ii) Capacity of partner institutions strengthened: The project will build the capacity of partner institutions (including officers from ministries in charge of agriculture and livestock, NARES, farmer organizations and staff of IFAD-funded projects) to understand and prevent the introduction and spread of bee pests and diseases, which threaten the survival of bee colonies in the targeted countries.
 - (iii) Lesson learning, knowledge management and dissemination of information promoted: Phase II is designed to scale up the adoption of innovative bee-keeping technologies among smallholder farmers. Therefore, lesson learning, knowledge management and dissemination of information will be crucial. The focus will be on dissemination of: (i) improved bee-keeping technologies; (ii) a new generation of beehive products; (iii) bee health and pollination services, and biodiversity conservation; (iv) value addition, organic certification and branding of beehive products; and (v) organization and capacity-building of smallholder bee-keeper groups.
6. The project is also aligned with several commitments to the Eleventh Replenishment of IFAD's Resources (IFAD11). Comoros, Madagascar and the United Republic of Tanzania (in which Zanzibar is located) are low-income countries and all of the targeted counties are in sub-Saharan Africa (commitment 2.1). Honey is a highly nutritious natural food and beneficiaries of the project will comprise 40 per cent women and 20 per cent youth; bee-keeping has substantial positive impacts on the environment and climate (commitment 3.3). The project involves South-South and Triangular Cooperation among the targeted islands and there are strong linkages with ongoing IFAD-funded projects in Comoros, Madagascar and Seychelles (commitment 3.4). As in Phase I, icipe will generate knowledge and scientific publications from project interventions (commitment 3.5).

II. The proposed project

7. The overall goal of the project is to contribute toward increased food security and income-generation opportunities for smallholder farmers in the four Indian Ocean island nations and Zanzibar through improved bee-keeping technologies and pollination services. The objective is to create the conditions for a sustainable pro-poor honey value chain in the targeted Indian Ocean island states.
8. Phase II will directly target 2,500 smallholder farming households in the five island nations, including 1,000 additional farmers and 1,500 beneficiaries previously targeted in the first phase. The project is estimated to reach a total of 12,500 individuals. Special emphasis will be given to women and youth: the project team will ensure that 40 per cent of participating farmers are women and at least 20 per cent are young. To complement IFAD country programmes in these island nations, the grant will indirectly target communities in areas covered by previous and current IFAD-supported projects: Comoros (Family Farming Productivity and Resilience Support Project); Madagascar (Support Programme for the Rural Microenterprise Poles and Regional Economies, and Inclusive Agricultural Value

¹ See EB 2015/114/R.2/Rev.1.

Chains Development Programme), Mauritius (Marine and Agricultural Resources Support Programme), Seychelles (Innovations for Small-Scale Agriculture and Fisheries Project) and Zanzibar (Agricultural Sector Development Programme).

9. The project will be implemented over 30 months and will have the following components:
10. Component 1: Consolidation and scaling up of improved technologies and practices. This component aims to consolidate the exchange of adapted bee-keeping technologies and practices that have been successfully employed in other African countries. The adoption of these innovative systems by targeted smallholder farmers will increase the productivity of their honey enterprises as an alternative livelihood source and enhance their farming activities through crop pollination.
11. The main activities to be undertaken under this component include: (i) extension services to bee-keepers; (ii) training for smallholder farmers on bee-keeping technologies and practices; (iii) strengthening the capacity of bee-keeper associations; and (iv) capacity-building for honey quality monitoring.
12. Component 2: Developing marketplaces. This component aims to: ensure the existence of a central point for bulking, processing and packaging honey and hive-based products; and facilitate market access in order to provide sufficient returns to farmers. Activities will include: (i) operational support to honey marketplaces established during phase I and establishment of new marketplaces in order to add value to honey and hive-based products; (ii) providing additional post-harvest equipment to ensure that honey marketplaces function effectively; (iii) facilitating organic certification, which assures customers a quality product and helps to build trust between consumers and the bee-keepers; and (iv) fostering market linkages.
13. Component 3: Strengthening capacity of partner institutions to manage honey bee health and honey quality control. This component aims to create awareness and train officials and students from partner institutions to spearhead the development of a modern bee-keeping industry. It will emphasize the diagnosis and management of honey bee pests and pathogens, and the development of management strategies in each of the targeted island nations. This will be achieved through collaborative research by icipe scientists, local universities, masters-level students and NARES extension staff. The research results and knowledge gained will serve as a baseline for the development of bee-keeping management strategies and other innovations that can be disseminated within communities and used to inform private-sector engagement. Finally, factors influencing institutional development will be identified in order to map institutional strengths and facilitate collective action to cope with constraints and formulate mitigation strategies.

III. Expected outcomes

14. The expected outcomes of phase II are categorized as immediate and intermediate.
 - (i) Immediate outcomes:
 - Increased knowledge of improved bee-keeping technologies and management;
 - Strengthened practices of farmers, partner institutions and extension staff;
 - Enhanced adoption of modern bee-keeping technologies (hives, accessories, etc.); and
 - Increased honey yields and improved honey quality.
 - (ii) Intermediate outcomes:
 - Increased honey production;
 - Increased incomes from honey sales;
 - Enhanced capacity for colony management and hive-product processing; and

- Improved honey value chains.

IV. Implementation arrangements

15. icipe will be the lead implementing agency. This centre was selected as grant recipient based on the success of phase I and because it is the only international institution in Africa working primarily on arthropods and using insect science for sustainable development. Within icipe, the project will be managed by a team of technical experts led by a project coordinator. For implementation in each of the targeted countries, the lead partner institution will continue to be the government ministry in charge of agriculture. icipe will be fully responsible for financial management of the grant and will support partner institutions in implementing grant-funded activities through its financing procedures, internal controls and audit function. All procurement of goods and contracting for services will be undertaken by the centre. The partner institutions will follow up with beneficiaries to ensure delivery. The project will continue to implement the harmonized system of data collection at project sites in each targeted country.
16. There are no deviations from the standard procedures for financial reporting and audits.

V. Indicative programme costs and financing

17. The total project cost is US\$1.5 million. Of this total, US\$1.25 million will be financed by an IFAD grant and US\$250,000 will be funded in kind by icipe, NARES and the private sector.

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

<i>Components</i>	<i>IFAD</i>	<i>icipe/ NARES/ private sector</i>	<i>Total</i>
1. Consolidation and scaling up of improved technologies and practices	337	16	353
2. Developing marketplaces	194	24	218
3. Building capacity of partner institutions	112	20	132
4. Project coordination and management	607	190	797
Total	1 250	250	1 500

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

<i>Expenditure category</i>	<i>IFAD</i>	<i>icipe/ NARES/ private sector</i>	<i>Total</i>
1. Salaries and allowances	222	150	372
2. Consultancies	80	0	80
3. Travel and allowances	100	0	100
4. Equipment and materials	170	40	210
5. Operational costs	200	20	220
6. Training/capacity-building	215	20	235
7. Overhead	92	20	112
8. Goods, services and inputs	46	0	46
9. Workshops	50	0	50
10. Works	75	0	75
Total	1 250	250	1 500

VI. Recommendation

18. 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, Alternative Livelihoods for Food and Income Security in Four Indian Ocean Island Nations (Comoros, Mauritius, Seychelles and Madagascar) and Zanzibar (United Republic of Tanzania) – Phase II, shall provide a grant of one million two hundred and fifty thousand United States dollars (US\$1,250,000) to the International Centre of Insect Physiology and Ecology (icipe) for a 30-month project upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board herein.

Gilbert F. Hougbo
President

Results-based logical framework

	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Goal	Increase food and income security of targeted rural smallholder households through improved bee-keeping technologies and pollination services.	<ul style="list-style-type: none"> Targeted 1 000 farmers increased their gross revenue from bee-keeping by at least 50 % on average 	<ul style="list-style-type: none"> Project M&E 	Political stability and no major natural disasters (drought, floods, diseases, pests, conflict)
Objectives	Create the conditions for a sustainable pro-poor honey value chain in the targeted Indian Ocean Islands States.	<ul style="list-style-type: none"> 60% beneficiaries have adopted bee-keeping technologies and practices Colonisation of at least 50% of the improved hives 	<ul style="list-style-type: none"> Project M&E 	<ul style="list-style-type: none"> No political disturbance delaying programme progress. No adverse environmental conditions leading to decline in bee populations No bee disease outbreaks
Outcomes/ Outputs	Outcome 1: Disseminate improved bee-keeping technologies and management practices	<ul style="list-style-type: none"> 1 000 new farmers are exposed to improved bee-keeping technologies and management practices Yield per hive increase by 50% 	<ul style="list-style-type: none"> Project M&E 	<ul style="list-style-type: none"> Project beneficiaries show ability and willingness to engage in technology adoption
	Outputs 1.1 Targeted smallholder farmers trained in the utilization of improved beehives.	<ul style="list-style-type: none"> 1 000 smallholder farmers trained. 	<ul style="list-style-type: none"> Project M&E 	<ul style="list-style-type: none"> Project beneficiaries are motivated and devoted to learning new skills
	1.2. Strengthened capacity of beekeepers' associations	40 bee-keeper associations have their capacity strengthened		
	Outcome 2 Promote proven approaches for marketing honey by strengthening the capacity of farmers organizations, adding value, and creating linkages with market	<ul style="list-style-type: none"> 1 Organic certificate issued for honey and hive-based products produced by the farmers in each Island Nation 	<ul style="list-style-type: none"> Project M&E 	<ul style="list-style-type: none"> Continued strong demand for honey and bee hive products
	Outputs	<ul style="list-style-type: none"> Completion and operationalization of 5 		<ul style="list-style-type: none"> Government/community willingness

	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
	2.1 Marketing infrastructure available to targeted farmers is improved	<ul style="list-style-type: none"> • fully equipped marketplaces for processing honey and hive-based products • Completion of 5 honey collection centres 	<ul style="list-style-type: none"> • Project M&E • 	<ul style="list-style-type: none"> • to support marketplace infrastructure • Farmer commitment to participate in organic certification process
	2.2 Training of farmers in organic certification	<ul style="list-style-type: none"> • 1,000 farmers aware of organic bee-keeping standards 	<ul style="list-style-type: none"> • Project M&E 	<ul style="list-style-type: none"> •
	2.3. Negotiations of contractual arrangements between farmers and traders	<ul style="list-style-type: none"> • At least 1 data base of buyers of honey and hive products in each marketplace • At least 10 contracts negotiated between beekeepers/association traders 	<ul style="list-style-type: none"> • Project M&E 	<ul style="list-style-type: none"> •
	Outcome 3 Enhanced capacity of partner institutions on bee-keeping industry	<ul style="list-style-type: none"> • Informed policies developed to create an sustainable and enabling environment for bee-keeping industry 	<ul style="list-style-type: none"> • Project M&E 	<ul style="list-style-type: none"> • Government commitment to development of bee-keeping industry
	Outputs 3.1 National NARES capacities are enhanced on key issues in bee health and sustainable development of bee-keeping industry	<ul style="list-style-type: none"> • 25 staff members of key institutions in targeted Island Nations trained on improved technologies in bee-keeping 		
	3.2 Publication of knowledge products	<ul style="list-style-type: none"> • 3 manuals on Bee Health, Pollination Services and Honey Quality developed • Fliers/brochures on 10 thematic areas prepared <p>5,000 printed fact sheet copies of bee health, Pollination services and honey quality control</p>	<ul style="list-style-type: none"> • Project M&E 	<ul style="list-style-type: none"> • Minimal employee turnover in targeted institutions