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Investing in rural people

President's Report on a Proposed Grant under the Global/Regional Grants Window to the Africa Rice Center for Strengthening the Rice Sector in East Africa for Improved Productivity and Competitiveness of Domestic Rice

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 13.

President's Report on a Proposed Grant under the Global/Regional Grants Window to the Africa Rice Center for Strengthening the Rice Sector in East Africa for Improved Productivity and Competitiveness of Domestic Rice

I. Background and compliance with IFAD Policy on Grant Financing

1. The Strengthening the Rice Sector in East Africa for Improved Productivity and Competitiveness of Domestic Rice (EARiSS) project aims to enhance both the productivity and the competitiveness of locally produced rice, through technologies and innovations, capacity-building and the establishment of functional linkages between rice value chain actors in Kenya, Madagascar and Uganda. To enhance the quality and competitiveness of locally produced rice, the capacity of the rice value chain actors will be built in production, post-harvest and marketing strategies. The project is in line with the broader agricultural productivity strategy of the participating countries and has direct linkages with their national rice development strategies, which were developed by the Coalition for African Rice Development, with technical backstopping by the Africa Rice Center (AfricaRice). The key mechanisms in the agricultural research-for-development processes will be as follows:
 - (i) Africa-wide task forces;
 - (ii) National rice sector development hubs; and
 - (iii) Innovation platforms in the rice value chain.

Together, these will aim to generate and disseminate technologies, create access to markets and change policies for the benefit of value chain actors in the rice hubs.
2. The first activities will comprise baseline studies and yield gap and diagnostic surveys to determine current level of production and production practices, the varieties in use and their suitability, based on the traits preferred by farmers, challenges in the seed system and traits preferred by consumers. These research activities will inform the design, testing and dissemination of appropriate technologies and innovations for target farmers.
3. The proposed project is in line with the goal and objectives of the IFAD Policy on Grant Financing (2015),¹ since it would:
 - (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.

¹ See EB 2015/114/R.2/Rev.1.

4. The project will contribute to the three objectives of IFAD's Strategic Framework 2016-2025 and directly respond to IFAD's strategic priority put on agricultural research for development to sustainably increase production and productivity for food security, nutrition and income generation (4.1). In addition, the project will contribute to IFAD11 commitment 3.3 (mainstreaming the key cross-cutting themes of nutrition, gender, youth and climate). Based on discussions with Africa Harvest and the Kenya Agricultural Livestock Research Organization, the EARiSS intervention areas would be in Embu and Meru counties, where the system will complement existing programmes such as the Project for Restoration of Livelihoods in the Northern Region and the Agricultural Technology and Agribusiness Advisory Services Project. In Madagascar, the project will support the deliverables of the ongoing Vocational Training and Agricultural Productivity Improvement Programme and the Project to Support Development in the Menabe and Melaky Regions - Phase II. In Uganda the project will complement the Project for Restoration of Livelihoods in the Northern Region and the Agricultural Technology and Agribusiness Advisory Services Project.

II. The proposed project

5. The overall goal of the project is to enhance food security and poverty reduction through improved productivity, market access and functional linkages in the rice value chains in East Africa. The objective is to improve the productivity and competitiveness of rice value chains and sustainably increase the income of value chain actors, with a focus on women and youth. The specific objectives of the project are to:
 - (i) Adapt appropriate rice technologies and innovations to address emerging rice value chain constraints;
 - (ii) Strengthen functional linkages between key rice value chain actors; and
 - (iii) Improve the capacity of farmers and other value chain actors (input dealers, rice millers and rice marketers).
6. The direct beneficiaries will include 3,000 farmers (18,000 beneficiaries in total in the three countries; 2,000 in Madagascar and 500 each in Kenya and Uganda who cultivate less than 2 ha of land), national agricultural research system (NARS) staff, seed producers, extension services and rice processors. Of the total beneficiaries, about 40 per cent will be women and 20 per cent youth aged between 15 and 35 years. The indirect beneficiaries will include other rice value chain actors such as farm input dealers, equipment fabricators, transporters, traders, finance and microfinance institutions, insurance providers, rice millers, NGOs and policymakers. Capacity-building for all project stakeholders will be a priority, as part of ensuring the sustainability of the project interventions.
7. The project will be implemented over three years in three countries; Kenya, Madagascar and Uganda.

III. Expected outcomes/outputs

8. The project is expected to contribute to the following outcomes:
 - (i) Enhanced large-scale adoption of appropriate rice technologies and innovations;
 - (ii) Improved knowledge on the part of farmers and other value chain actors on improved agronomic, post-harvest and marketing practices;
 - (iii) Increased availability of quality domestic rice;
 - (iv) Increased creation of income-generating opportunities for women and youth; and
 - (v) Enhanced access to markets on the part of rice producers.

IV. Implementation arrangements

9. AfricaRice's approach is to work in partnership with national and international partners. All work done on the ground is carried out in consultation and collaboration with the NARS, and as much as possible is demand-driven. The research-for-development tools employed by AfricaRice comprise:
 - (i) Africa-wide task forces,
 - (ii) National rice sector development hubs, and
 - (iii) Innovation platforms in the rice value chain.
10. Project activities will be implemented in rice sector development hubs or "rice hubs". Rice hubs are zones selected by the countries' rice value chain stakeholders. So far, more than seventy hubs have been set up across Africa, greatly surpassing the target of establishing at least 30 hubs by 2020. The hubs have already been determined in Uganda (West Nile, Olweny and Doho) and Madagascar (Ambohibary and Ankazomiriotra). In Madagascar, project activities will also be carried out in the Menabe and Melaky regions, where phase II of the IFAD-funded Project to Support Development in the Menabe and Melaky Regions (AD2M-II) is being implemented. Participatory research will be conducted in the new hubs to have a better understanding of the context, including productivity and institutional constraints, and to identify suitable technologies and innovations for dissemination.
11. There are no deviations from the standard procedures for financial reporting and audits. The recipient will keep separate accounts, in line with international accounting standards, and will submit an unaudited semi-annual statement of expenditures and yearly audit reports to IFAD, prepared on the basis of international auditing standards or the equivalent.

V. Indicative project costs and financing

12. The total project cost is US\$2 million, of which the IFAD contribution is US\$1.5 million, while in-kind cofinancing is made available by the grant recipient in the amount of US\$0.5 million.

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

<i>Components</i>	<i>IFAD</i>	<i>AfricaRice</i>	<i>Total</i>
1. Crop management practices	439	148	587
2. Seed production	445	31	476
3. Capacity enhancement	252	175	427
4. Project management and monitoring and evaluation	364	146	510
Total	1 500	500	2 000

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

<i>Expenditure category</i>	<i>IFAD</i>	<i>AfricaRice</i>	<i>Total</i>
1. Salaries and allowances	358	368	726
2. Consultancies	177	30	207
3. Equipment and materials	46	13	59
4. Operating costs	88	15	103
5. Goods, services and inputs	200	0	200
6. Travel and allowances	264	0	264
7. Training	65	0	65
8. Workshops	163	0	163
Subtotal, direct costs	1 361	426	1 787
9. Overhead/management fee	109	74	183
10. Cost share percentage (2 per cent)	30	0	30
Total	1 500	500	2 000

VI. Recommendation

13. 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 Strengthening of the Rice Sector in East Africa for Improved Productivity and Competitiveness of Domestic Rice, shall provide a grant of one and a half million dollars (US\$1,500,000) to the Africa Rice Center for three years, upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board herein.

Gilbert F. Houngbo
 President

Results-based logical framework

	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Goal	Enhanced food security and poverty reduction through improved productivity, market access and functional linkages in the rice value chains in East Africa	<ul style="list-style-type: none"> ▪ At least 20% increase in rice productivity in the countries involved ▪ At least 50% of direct target group adopt new rice varieties, crop management practises, or post-harvest technologies ▪ Increased income for rice value chain actors (by gender and age group) - at least 10% for women and youth, and at least 5% for adult men ▪ At least 40% of the direct target group are women, at least 20% of the direct target group are youth 		
Objectives	<ol style="list-style-type: none"> 1. Determine rice value chain constraints and identify and adapt suitable technologies and innovations to address them 2. Facilitate large scale adoption of suitable technologies and innovations 3. Establish functional linkages among key rice value chain actors 4. Facilitate training of farmers and other value-chain actors (input dealers, rice millers and rice marketers) 	<ul style="list-style-type: none"> ▪ Number of innovations identified to improve rice productivity and competitiveness ▪ Number of rice value chain actors exposed to “proven” technologies (at least 5000 per country) ▪ Number of new business ventures/solutions and promoted innovations and technologies ▪ Number of farmers adopting the new improved knowledge and technologies (at least 20 % increase in the Hub and 10% IFAD-funded projects sites), ▪ Increase rice yield obtained in farmers’ fields (at least 20 % increase in the Hubs and 10% in IFAD-funded projects sites) ▪ Number of effective and functional linkages established among rice value chain actors ▪ Number of farmers and other value-chain actors trained 	<ul style="list-style-type: none"> ▪ National agricultural statistics ▪ Project Report ▪ IFAD mission reports ▪ RICE CGIAR Research Program (CRP) progress reports 	<ul style="list-style-type: none"> ▪ Project has started as planned and funds available to implement all planned activities ▪ Sufficient human resources available at NARS level ▪ Political stability, ▪ Good weather and climatic conditions, ▪ Value chain actors are willing to learn and adopt new improved knowledge and technologies ▪ Trained actors are willing to apply acquired knowledge and skills ▪ Trained actors have access to sufficient means to apply knowledge gained
Outcomes/ Outputs	<ol style="list-style-type: none"> 1. Varieties and agronomic practices for enhanced productivity and yield gaps reduction identified, tested and promoted in the rice hubs 2. Seed system constraints diagnosed and appropriate seed production practices and delivery mechanisms developed. 3. Capacity of rice value chain actors enhanced in post-harvest management and marketing of quality rice whilst promoting gender related activities 4. Project implemented as scheduled and Monitoring, Evaluating, and Learning (ME&L) systems in place 	<ul style="list-style-type: none"> ▪ List of the appropriate agronomic and rice crop management practices introduced ▪ Number of farmers adopting the appropriate agronomic and rice crop management practices introduced by the project ▪ Increase in rice yield obtained in farmers’ fields (at least 20 % increase in the Hubs and 10 % in IFAD-funded projects sites) ▪ Manuals and training curricula for appropriate seed production practices ▪ Number of farmers and development staff trained (increase by 5 % in each country) ▪ Increased availability of improved rice seed quality by 25 % ▪ Number of capacity building activities/training organized for each category of actors in the value chain (at least one specific training per year) ▪ Number of value chain actors trained disaggregated by discipline and gender and age group 		