

ACTION FICHE FOR BANGLADESH

1. IDENTIFICATION

Title/Number	Support to vulnerable farmers in southwest and southeast of Bangladesh		
Total cost	<i>EU contribution: €7.5 million joint co-financing with the Food and Agriculture Organization of the United Nations (FAO)</i> and <i>EU contribution: €7.5 million joint co-financing with the United Nations Development Programme (UNDP)</i>		
Aid method / Method of implementation	Project approach – joint management		
DAC-code	52010	Sector	Food Security

2. RATIONALE

2.1. Sector context

Bangladesh is a low income country ranking at the 147th place in the Human Development Index-table. Bangladesh counts more than 150 million people and is one of the densest populated countries in the world (11th) with more than 40% living below the poverty line of \$1 a day. The country has known over the last decade an economy growth rate on average of 5% supported by export-oriented manufacturing, remittances and the service sector. Agriculture (crops, livestock and fisheries) is a critical sector in Bangladesh, accounting for 23% of Gross Domestic Product (GDP) and employing more than 50% of the labour force.

The main sources of livelihood for the rural population are agriculture and non-farm activities that directly or indirectly depend on agriculture. Approximately half of the agricultural land is owned by only 10% of the nation's farmers and some three-quarters of the rural population consist of landless labourers and marginal farmers with less than 0.2 hectare of land¹, which is below the size needed for adequate subsistence farming. Rice production accounts for more than 70% of the sector's value-added and productivity and, since the mid-1970s, has grown by more than 200%, making the country nearly self-sufficient in food production. The growth is forecast to slow down factoring in the losses of the July/August 2007 floods, November 2007 Cyclone Sidr and May 2009 Cyclone Aila, rising prices of agricultural inputs, and climate variability and change.

However for most small farmers agricultural productivity is low. This is caused by insufficient investment in the agricultural sector, and in particular, in agricultural infrastructure during previous decades. Other contributing factors to the problem

¹ “landless” farmers are considered as having access to less than 0.02 ha of land, while “marginal farmers” have access between 0.02 and 0.2 ha of land and “small” farmers from 0.2 to 1.0 ha

include the inequitable distribution of land and pressures on the land associated with both population density and competing land-use practices.

Bangladesh has been facing the challenge of attaining and sustaining food security through a strategy of self-reliance. This strategy has provided support and benefit to the country during the normal years and most importantly during the years of natural disasters like floods in 1998 and 2004. In 2007, 2008 and 2009, Bangladesh faced consecutive floods, and cyclones. Loss of food production due to the natural calamities was expected to be met up through imports from the international markets. This strategy became problematic when major rice exporting countries, including India, imposed export restrictions. The present government has declared that the country will achieve self-sufficiency in food production by 2013. As mentioned earlier, high food prices and natural disasters have significantly increased food insecurity and the incidence of poverty since 2007.

In this action fiche 2 projects are presented which are going to work in extreme vulnerable regions of the country. The Food and Agriculture Organisation (FAO) is going to work in the southwest, flood prone areas where, in the last 2 years, 2 devastating cyclones have ruined the agriculture assets of the people. This project will complement the on-going rehabilitation and livelihood projects already under implementation by FAO. The UN Development Programme (UNDP) is working in the Chittagong Hill Tracts, located in the southeast of Bangladesh and known as a very instable region still recovering from military actions and violations of human rights. UNDP has already long standing history of development support in this particular region.

Each geographical area has its own particularities in terms of agriculture and food security which are described hereunder.

Context in FAO project area

Poverty is widespread in Bangladesh and recent studies have shown that it is acute in the south-western region of the country, the target region for the FAO-project. Poverty rate in the southwest is higher than national average. Most recent data on poverty at the district level relates to the year 2005. In 2005, fifteen south-western districts (Bagerhat, Barguna, Barisal, Bhola, Faridpur, Gopalganj, Jessore, Jhalokathi, Khulna, Madaripur, Narail, Patuakhali, Pirojpur, Shariatpur and Satkhira) of Bangladesh had 15.37% of the total population of the country, but 18.56% of all poor and 20.50% of extreme poor of the country lived in these districts. On the other hand, 49.62% of the total population of these districts were poor (against 41.11% at the national level) and 35.14% of the population were extremely poor (against 26.35% at the national level). These districts are also vulnerable to the effects of climate change particularly intrusion of saline water, prolonged submergence and flood in the rainy season, and frequent cyclones. They lag behind other parts of the country mainly because of lack of irrigation facilities, limited spread of modern agricultural technologies, infrastructure, under performance of the agricultural sector, higher vulnerability to natural disasters and shocks emanated from soaring food prices. To ensure food security in the country, Bangladesh needs to increase production of agricultural commodities along with priority for development of lagging and vulnerable districts.

Context in UNDP project area

The Chittagong Hill Tracts (CHT), located in South-eastern Bangladesh and target region for the UNDP project, consists of three districts: Khagrachari, Rangamati and Bandarban. The total area of the CHT is 13,295 square kilometres and the estimated population is 1.3 million. The region is geographically distinct from the plains, made up of very steep, rugged hilly terrain and in many places, dense bamboo jungle. The rough terrain, remoteness of villages and various political issues associated with a protracted conflict have seriously impeded the economic development of the region. The majority of CHT people live in chronic poverty; extremely high rates of unemployment and illiteracy and an overall lack of economic opportunity exists; and the proper functioning of social services is inhibited, with serious consequences for all inhabitants. This is highlighted in the recent Social Economic Baseline Survey commissioned by UNDP in 2008.

Despite having approximately 3 million acres of land, the region is one of the most land scarce regions in Bangladesh in terms of availability of land for habitation. Most of the land (88%) is either non-inhabitable due to topography or belongs to restricted by-law territories (reserve or protected forest areas). Because of the steep and rugged terrain plough cultivation is extremely difficult. Traditionally, the indigenous communities practice *Jum* cultivation, a local form of 'shifting' or 'rotational' slash and burn cultivation. Out of an estimated 364,000 acres of available cultivable land, 27% is used for *Jum*, 20% is under plough cultivation, 18% is set aside for homesteads and 35% is set aside for plantation or left to fallow.

About 62% of households in the region, irrespective of ethnicity according to direct calorie intake (DCI) are living below the absolute poverty line (below 2,122 kcal) while 36% are hard core poor (below 1,850 kcal). Poverty in rural CHT is highly pronounced as compared to rural Bangladesh (about 1.6 times higher poverty in CHT). The poverty status of women in the CHT is of even greater concern. Almost all women in CHT (94%) are living below the absolute poverty line and about 85% below the hardcore poverty line.

Most indigenous people in the CHT are not secured throughout the year in relation to food availability; Ashar (June-July) and Sravan (July-August) being the worst months. Harvests are often affected by extreme weather conditions, rats, boars and other pests. Excessive rains and flooding during the summer monsoon often results in localized crop losses and it is predicted that the current ongoing rat infestation will result in further reductions in harvests and seed stocks, and in some cases has already led to 85% loss of the harvest.

Both proposed projects aim to ensure food security, improve nutritional status and reduce the poverty of landless, marginal and small rural households through boosting agricultural production and improving income generating opportunities at the household and community levels.

2.2. Lessons learnt

Two external evaluations have been assessing the EU country strategy and food security. Good results were observed where the EU operated directly through non-governmental organisations, as in the rural development programmes, food security and disaster relief and rehabilitation.

A fundamental lesson was drawn on the low absorption capacity of the Government of Bangladesh institutions, as a result of which disbursement levels have been rather low. Therefore it is important to ensure involvement of the Government at the early stage of the programme design so as to ensure high degree of ownership. Moreover continuous investment in the strengthening of the Government's capacity is a prerequisite for the successful implementation of the national food security policy and of the Poverty Reduction Strategy Paper. FAO and UNDP pay a lot of attention towards training of relevant government departments and services in order that they can become major implementers of the projects.

Other attention points are:

- beneficiary targeting is a major issue and community self-targeting is the best mechanism;
- focus on ultra poor women is important as they are the most vulnerable;
- food insecurity is often linked to shocks, crisis coping mechanisms are needed (linking relief, rehabilitation and development- LRRD).

Lessons learnt by FAO

The FAO-project will take advantage of the technologies identified by the second phase of the “Improved Adaptive Capacity to Climate Change for Sustainable Livelihoods in the Agricultural Sector (LACC2)” Project² which is finalising a menu of adaptation practices and extension methodologies for coastal areas, which will provide further lessons learned for the cyclone-prone areas supported by the project. The FAO-project will also demonstrate and extend improved technologies developed by the DANIDA-funded Agricultural Programme Support Project and World Bank-funded National Agricultural Technology Project.

Lessons learnt by UNDP

In the CHT, UNDP is implementing the ‘Promotion of Development and Confidence Building in the Chittagong Hill Tracts Project’, commonly referred to as the Chittagong Hill Tracts Development Facility (CHTDF). CHTDF is a multi-donor facility directly implemented by UNDP, with cooperation from the Ministry of Chittagong Hill Tracts Affairs (MoCHTA) and local government institutions in the CHT. MoCHTA assumes responsibility as the Co-Operating Agency of the programme. The programme has been running since 2003 and will continue to September 2013.

The scope of CHTDF covers 4 broad themes: Capacity Development, Confidence Building, Regional Initiatives (economic development, health and education), and Community Empowerment in the CHT. The Agriculture and Food Security Project (AFSP) will be delivered through the existing Community Empowerment Programme (CEP) under which the majority of the crop, livestock and fishery interventions are carried out.

Following recommendations have been made by an EU evaluation team and will be taking into account in the design of the full project:

- no expansion to new groups and phase out of capable groups

² LACC1 and LACC2 are FAO projects under UNDP-implemented Comprehensive Disaster Management Programme (CDMP) co-funded by the EU.

- prior assessment of the context (technical, environmental, economical) for different target groups;
- appoint international and national specialists to guide UNDP and its implementing partners;
- set up a better performing monitoring and evaluation (M&E) system

2.3. Complementary actions

2.3.1 On-going programmes include:

- (i) National food policy capacity strengthening programme (EU and USAID) and emergency livelihoods programme (UN/CERF, FAO, Belgium, Spain and Switzerland, and UK/DFID); (2004 to 2010).
- (ii) World Bank-funded budget support to water management improvement (includes Netherlands grant), agriculture technology (includes IFAD loan) and social investment programme; (2007 to 2015).
- (iii) ADB-funded emergency assistance for food security, crop diversification, participatory livestock development, agri-business development and integrated water resources planning and small-scale irrigation development (includes Netherlands grants); (2001 to 2011)
- (iv) UK/DFID-funded chars livelihoods and rural poverty reduction; (2005 to 2015).
- (v) USAID-funded food security, strengthening household abilities and post-cyclone livelihood restoration and aquaculture rehabilitation; (2005 to 2009).
- (vi) DANIDA-funded agricultural sector support and rural roads; (2006 to 2011)
- (vii) Government has declared to implement a social safety net programme amounting Tk169.32 billion (€1.85 billion; 2.8 % of GDP).

2.3.2 EU commitments/intentions:

- (i) REOPA, €23.3 million, alternative employment for 22.000 women for 2 years (UNDP);
- (ii) IFSUP, €1.09 million increase income level for 4.800 women for 2 years;
- (iii) VGDUP, €20 million, income generating activities for 80.000 women for 4 years;
- (iv) Micro-finance support (capacity building of local MFI to increase membership from the most vulnerable groups), €3.5 million for 2 years
- (v) FOOD/2006/018-250 (EU): Food Security Programme: €33.6 million
- (vi) FOOD/2007/019-091 (EU): Food Security Programme: €36.5 million
- (vii) DCI - €24 million: central call of proposal (2009) with objective to improve the food security of rural ultra-poor small/marginalised farmers and rural day labourers and their dependants and in particular of women-headed households in the Northern and North-Western districts of Bangladesh;
- (viii) 9 ECHO projects committed for €10 million: food assistance;
- (ix) DCI-FOOD/2009/209-732 Food Facility, EC-WFP I: "Enhancing livelihoods among agricultural workers", contract with World Food Programme (WFP) for €19.95 million
- (x) 5 selected projects under the Food Facility Call for Proposals for at total amount of €15.7 million

2.3.3. In relation to proposed projects

FAO

Since December 2007, FAO has been implementing 7 emergency livelihoods and rehabilitation programmes in both flood and cyclone affected areas with a view to reduce poverty of landless, small and marginal farmers for a total amount of US\$9.7 million and (see Annex 1 for relevant FAO projects). At present there are three on-going projects. All these projects are aiming towards livelihoods rehabilitation, food security, and self-employment. Islamic Development Bank (IsDB) with total funding of US\$3 million has been implementing rehabilitation and agricultural development programmes in Jhalokathi and Pirojpur districts. FAO in Bangladesh is now implementing the second phase of the EU- and USAID-funded (US\$10.7 million) *National Food Policy Capacity Strengthening Programme (NFPCSP)*. In May 2009, the National Food Policy Plan of Action for 2008 – 2015 was launched, with the assistance of NFPCSP. The proposed project meets the requirements of the envisaged actions under the said Plan of Action. This project will be benefitted from the activities carried out under the EU funded project *Improving Food Safety, Quality and Food Control in Bangladesh* (US\$10.24 million).

UNDP

UNDP-AFSP comprises two separate but complementary projects funded by the EU and the Embassy of Denmark (EoD). The funds of the Embassy of Denmark, totalling in the region of €2.7 million, will be available from September 2009 and will be used primarily to fund preparatory technical assistance, capacity building and training to support Government extension services and the establishment of at least 450 Farmer Field Schools. The EU funds will be used primarily to support village based agricultural development projects and community social safety net programmes (rice banks, savings schemes etc). The two projects will run alongside each other and will be complementary in nature. A second intervention following the recent rodent infestation is being carried out by ECHO/WFP (€2 million - 12 months) with as main objectives to reduce hunger and increase livelihood opportunities for 8,000 rodent-affected families in CHT. The WFP programme in the CHT is an emergency response to food insecurity.³ It is intended that the UNDP intervention will provide a developmental response to food insecurity and poverty reduction in the District through a package of grant aid, training and technical assistance to support farm diversification and local income generation initiatives.

2.4. Donor coordination

At national level there is the Local Consultative Group (LCG) as the main coordinating body for the 32 Bangladesh-based representatives of bilateral and multilateral donors and the Secretary, Economic Relations Division (ERD) from the Ministry of Finance representing the Government. The broader coordination mechanism for high food price response is the LCG-forum on Agriculture and Rural Development (ARD) in which the Commission actively participates.

The external coordination of the portfolio of the food security interventions of the Commission happens through the LCG-ARD, inter-project coordination and M&E structures, regular meetings and exchanges with the Government of Bangladesh and the technical Ministries, as well as with representatives of MS, international organisations and non-state actors.

³ Food Facility project (€ 20 million) which partly covers the same districts as the UNDP project.

Coordination and collaboration will be sought by the FAO-project with similar or related interventions of Government of Bangladesh and other agencies such as WFP and UNDP within the UN joint framework of delivering as one in the implementation of projects relating to long term food security needs. This will particularly be the case with the WFP-project and the BRAC-project (local NGO) both supported by the Food Facility and have both partial similar target areas selected. Collaboration, synergies, complementarities and exchanges of experiences will be constantly reviewed and adjusted during project implementation in order to avoid assistance gaps and duplications. Likewise for the UNDP project in cases, where WFP beneficiaries have been selected from communities with existing PDCs, UNDP will ensure that beneficiaries are given opportunity to access technical support and training from line agencies and local NGOs beyond the WFP intervention. Additionally, the PDCs will play an important role in monitoring the results of both WFP and UNDP Agriculture and Food Security interventions throughout the lifetime of the CHTDF project.

3. DESCRIPTION

3.1. Objectives

3.1.1 FAO Project: "Support to Assist Landless, Marginal and Small Farmers to Overcome Soaring Input and Food Prices in Impoverished Areas of Bangladesh"

The overall objective is to enhance food security and support marginal and small farmers to overcome volatility in prices for agricultural inputs and food prices in areas at risk of natural disasters in Bangladesh.

The purpose of the project is to increase production of agricultural commodities in the south-western region of Bangladesh, in 15 districts – 69,510 households, through the distribution of critical inputs, the promotion of livelihoods and capacity building of the farmers.

3.1.2. UNDP project: "Agriculture and Food Security Project (AFSP) in the Chittagong Hill Tracts"

The overall objective of the EU support is to improve food security and poverty reduction in 1,250 remote communities in the CHT, affected by high food prices and food insecurity.

The purpose of the EU support is to reduce acute food shortages for at least 50,000 households (250,000 beneficiaries) and improve overall sustainable livelihoods in the CHT.

3.2. Expected results and main activities

3.2.1 FAO project

In order to achieve this objective, the outputs that the project expects to deliver are the following:

1. Increased production of food crops (rice, maize, pulses, fruits and vegetables) through increased capacity of 53,200 farmers and landless and supply of key inputs.

2. Increased production of meat, dairy and poultry-based products by some 7,700 landless, marginal and small-scale livestock farmers.
3. Increased coastal fish production through aquaculture and capture fishery by some 8,610 small scale fish farmers and landless fishers.

Sub-component	Number of Farmers' Groups	Number of Beneficiaries (Households, HHs)	Type of intervention	Type of inputs
Crop production	400 Farmers' Groups	400 Farmers' Groups (25/group = 10,000 farmers)	Machinery, equipment	Power tillers, threshers (pedal type), batch dryers, seed/grain storage
	400 Farmers' Groups	10,000 farmers	Crop seed & fertilizer	Hybrid rice & pulses' seed & fertilizer (MOP, TSP, Urea)
	400 Farmers' Groups	3,200 farmers (1/3 of maize seed beneficiaries – 8 farmers/group)	Crop seed & fertilizer	Hybrid maize seed + fertilizer
	1,600 Farmer's Groups	40,000 landless/small farmers	Horticulture	(5 fruit tree saplings, vegetable seed, fertilizer (NPK), hand tools, watering cans, cutters
	100 Water User Associations	100 Water User Associations (2,500 beneficiaries)	Low-lift irrigation pumps, construction material for irrigation channels	
	1,200 Farmer Field Schools (FFS)	1,200 FFS (for all groups above)	Capacity building /Training	
Animal husbandry	308 Groups/FFS	7,700 landless/marginal livestock rearers (small ruminants 2,000 HHs+ large ruminants 700 HHs + poultry 5,000 HHs)	4 goats/HH + improved shed + feed or, 1 cow/buffalo/ female HHH + improved shed + feed or, 18 female chicken + 2 cocks + improved shed + feed per HH	
		7,700 landless/marginal livestock rearers	Training in animal husbandry	
Capture fishery & aquaculture	538 groups (comprising 312 groups of capture fishers and 226 groups of fish farmers)	8,610 landless/small-scale fishers (66 x5 fishers/ mechanized boat & 160 x 3 fishers/ non-mechanized boat) and fish farmers (carp packages 4,700 HHs + Golda packages 1,500 HHs + Bagda packages 1,600 HHs)	Non-mechanized boats (3 fishers/boat), mechanized boats (5 fishers/boat) with for each boat nets, floats, sinkers, insulated containers, safety equipment, Packages for carp, Golda & Bagda shrimp culture (with lime, fertilizer, feed for each package)	
		8,610 landless/small-scale fishers and fish farmers	Training in capture fishery and aquaculture production	
	650 FFS	650 FFS (for all groups under animal husbandry and fisheries)	Capacity building /Training	

3.2.2 UNDP project

Expected Result 1: Increased food security and improved nutritional status

Villagers will have improved food security throughout the year through the establishment of rice banks, improved preservation of local produce and use of rat proof storage.

- Indicators: In at least 40,000 households, food deficit is reduced by 50%
In at least 40,000 households Daily calorie intake increased by 10%
- Activities: Rice banks will be established in communities where these are required and do not currently exist. All communities will receive training on the use of rat proof storage and methods to preserve local produce.
- Outputs: 1,000 rice banks established

Expected Result 2: Production, yields and returns increased

Farmers will have diversified their income base, increased farm production and profits from cash crops.

- Indicators: 15% increase in crop yields in targeted communities
37,500 families with at least 15% increased income from agriculture diversification and improved marketing of produce/products
- Activities: Communities will receive grant for small scale agriculture development projects and women only projects (homestead and poultry). In addition to the grant, training and technical support will be provided by local NGOs and Government line department agencies to assist communities to develop and implement projects.
- Outputs: 1,250 agriculture development projects implemented
600 women only projects implemented (7,200 beneficiaries)
37,500 farmers (including women) received marketing training

Expected Result 3: Demand driven, integrated and decentralized extension system developed

Farmers will have improved farming practices through active participation in village based Farmer Field Schools (FFS) and will have improved access to agriculture extension services. FFS will be established in communities benefitting from small scale agriculture grants.

- Indicator: 37,500 families with increased access to extension services
- Activities: Farmer Field schools will be established, supported by Field School Facilitators recruited from within the community, and will be linked to Government extension services. Training modules will be developed on a range of topics including, for example jhum cultivation, livestock rearing, poultry management. Field School Facilitators will complete modules relevant to FFS activities in their locality.
- Outputs: 150 Farmer Field Schools (FFS) established
150 Field School Facilitators (FSF) recruited
75 Extension officers trained in FFS and upland cultivation
37,500 farmers have received training from line agencies on small scale agricultural activities, such as poultry/cow rearing, diversified crop reduction, food processing and other income generating activities
4,500 farmers are involved in a FFS and have received support from a locally recruited and trained Field School Facilitator

Expected Result 4: Improved research and knowledge dissemination on new technologies and practices in upland cultivation

Indicator: Extension officers in 3 districts applying findings of project funded research on new technologies and practices in upland cultivation

Activities: Consultants will undertake research on new technologies and practices in upland cultivation. Research findings will be published and shared with Government extension officers, NGOs and other stakeholders. Government extension officers will be supported to establish demonstration plots at Upazila level in a controlled environment and farmers will test the new technologies and practices in their FFS learning plots.

Outputs: 20 demonstration plots established at Upazila level by Government extension officers

150 community trials undertaken on FFS learning plots

3.3. Risks and assumptions

3.3.1 FAO project

Impact and outcome-level assumptions (conditions required for the achievement of the project's impact and outcome) include:

Assumption	Impact/Likelihood	Mitigation Measure
Long-term recurrent funding remains available for building capacity of national seed system, quality inputs for livestock and fisheries development	impact: high likelihood: low	FAO support Ministry of Agriculture (MoA), Ministry of Fisheries and Livestock (MoFL) efforts to secure domestic/international funding support
Political and security situation remains stable enough to allow project operations to proceed uninterrupted	impact: high likelihood: low	monitor political and security situation closely to ensure effective preparedness
Benefits of the productivity increases are equitably distributed within households and communities such that enhanced productivity effectively translates into food security	impact: medium likelihood: medium	identify appropriate selection criteria; ensure all implementing partners (IPs) and FFSs follow selection criteria

Output-level assumptions (conditions required to the proper implementation of the project and delivery of the outputs) include:

Assumption	Impact/Likelihood	Mitigation Measure
Timely availability of inputs and services on the international and national markets	impact: high likelihood: medium	Necessary preparations such as tendering and contracts will be done ahead of time. Progress will be monitored to ensure timely supply.
Funding for project components and partner activities received when required	impact: high likelihood: low	ensure transparent communication with partners and donors regarding funding requirements and sequencing
Extension agents are appointed by Ministry of Agriculture (MoA), Fisheries and Livestock (MFL) in all sub-districts	impact: medium likelihood: medium (For Livestock and Fisheries): low	Commitments from concerned ministries will be obtained. Full participation of all engaged in fisheries in all sub districts to MoA, MoFL.
High-quality human resources are available to strengthen national capacities, such as seed production and MoA coordination functions	impact: medium likelihood: medium	ensure effective recruitment search for candidates, involving advertising and rigorous selection procedures
MOA, MOFL capacities are in place to	impact: high	ensure strong capacity in PMU to allow for

Assumption	Impact/Likelihood	Mitigation Measure
ensure effective project implementation	likelihood: high	effective and timely project implementation
Effective coordination ensures complementarities among agencies' specific outputs	impact: medium likelihood: low	provide effective support to joint programme coordination mechanisms
Retention of key agents within the structure of MoA	impact: medium likelihood: medium	highlight importance of key individuals within MoA structure

3.3.2 UNDP project

Risks:

- Line ministries are not fully aware on CHT issues, the role of the Ministry of CHT Affairs (MoCHTA) and local government structures in the CHT – mitigation action: TAC and Advisors to the relevant line ministries will orientate key staff on CHT issues and local government structures. Line Ministries (Agriculture, Fisheries and Livestock) will be co-opted on the CHTDF National Steering Committee.
- Communities will not be fully engaged in the project if the interventions are too rigid in design resulting in low household participation in Farmer Field Schools and community agricultural development activities – mitigation action: communities will identify their own needs, manage resources and plan for their own futures, facilitated by existing Para Development Committees.
- During periods of political and militant activity staff movements might be restricted – mitigation action: CHTDF will foster transparent and open support between Government of Bangladesh and CHTDF and recognition of non partisan nature of UNDP.
- Beneficiaries unable to realise good profit from produce/products due to over production and/or spoiling of goods – mitigation action: Beneficiaries will receive training in produce preservation, processing and marketing.
- Rodent damage of crops and stores - mitigation action: Farmers will be advised on how to protect their crops from damage/land degradation and households will be trained in the construction of rat proof storage.

Assumptions:

- Natural disasters and severe flooding in CHT will not exceed normal levels.
- Political situation, especially in CHT, remains favourable.
- Issues related to land tenure in CHT will remain at least at the present status.

3.4. Crosscutting Issues

3.4.1. FAO

Sustainability

The project will enhance capability of the government, local level organizations, farmer groups in terms of knowledge, management ability, exposure and dissemination of improved technologies and inputs. Successful implementation of the project will provide adequate income, knowledge and confidence to the participating farmers to continue their crop, livestock and fisheries enterprises operated under the project.

Since the project is conceived in conformity with the National Food Policy Plan of Action (2008-2015) and jointly with the concerned government agencies and line ministries of the government of Bangladesh, it is anticipated that the decentralised offices of the government will follow-up through periodic visits and activities in the region and through annual development plans and allocate the necessary resources through annual budgets.

Environment

Environmental issues will be properly addressed by selecting appropriate farming practices particularly use of balanced fertilisers and considering the integrated pest management practices. The proposed interventions are already verified and accepted as environmentally safe ones (e.g. fisheries interventions are acceptable to the World Fish Centre). This will be fully documented in the full project document.

Through the distribution of fruit tree saplings, the project will enhance and rehabilitate the tree cover of the affected areas and thus contribute positively to an improved environment. Similar environmental improvements are expected to be achieved through the supply of other project interventions such as for instance inputs for composting.

Gender

Small-scale and marginal farmers/fishermen will constitute the target beneficiaries of the project. By including marginal and vulnerable beneficiaries (both male and female) into the mainstream of the farmer field school (FFS) in a participatory manner and by providing them with the opportunity to strengthen and diversify their livelihood opportunities, the project will provide them with new sources of income and better levels of resilience and protein intake. When establishing and/or convening the FFS, due attention will be exerted to ensure full women's participation either by adjusting the hours/days of the training programs and/or by establishing women-specific FFS, as the case may be. With the exception of the capture fishery component of the project (which is an entirely male dominated productive activity) the project will target both vulnerable and marginal small scale farmer's, be they male or female beneficiaries, young or aged. During project implementation due effort will be exerted to ensure that women and other gender groups (e.g. vulnerable farmers and livestock rearers) are included in project activities and input distributions.

3.4.2. UNDP project

Gender

Women's participation in planning and decision making is essential. The project recommends a series of practical measures to promote gender perspectives in the context of food security, agriculture development, and family health and nutrition, including the following:

- Developing gender sensitive training material
- Supporting the existing Para Nari (women) Development Groups (PNDG)
- Providing agricultural grants to the PNDGs for projects prioritized by women
- Allocating key roles to women in activities with direct linkages to production, food preparation and family nutrition
- Gender disaggregated monitoring and approaches that incorporate gender perspectives

Environment

The project will promote environmentally sound farming technologies, erosion control, water conservation, the use of natural fertilizers and pesticides, and will seek to preserve the biodiversity of different crops. CHTDF has commissioned an Environmental Impact Assessment on activities related to the project and the results will be fed into AFSP.

Human Rights and Good Governance

It is now recognised that a major factor in poverty reduction is to ensure human rights and access to social, economic, political and natural resources, as well as promoting improved governance. CHTDF already works closely with local CHT institutions to build their capacities in support of grass root community development and improved service delivery. This project will continue to work closely with the three Hill District Councils to improve participatory planning, delivery and monitoring of extension services. The project will also work closely with village based organizations (PDCs) and will build the capacities of these organizations to mobilize villagers, plan and develop community extension services, manage grants, establish participatory monitoring systems and assess the impacts of community led action.

3.5. Stakeholders

3.5.1. FAO

The 69,510 beneficiaries will be selected from the 20 sub-districts of the selected 12 districts (Bagerhat, Barguna, Barisal, Bhola, Faridpur, Gopalganj, Khulna, Madaripur, Narail, Patuakhali, Shariatpur and Satkhira).

Eligibility criteria for *project beneficiaries* may include the following:

- small farmers (up to 1.0 ha) and marginal farmers (0.02-0.20 ha);
- landless households (below 0.02 ha);
- small-scale fishers and livestock owners;
- members of both formal and informal farmer organizations and other production groups;
- women, female-headed households and youth; and
- communities located in remote and the least accessible areas.
- Not receiving any other external support, such as assets from other sources/projects or remittances from outside the district.

Project beneficiaries will be identified and selected through a process involving community self-identification and selection, with support from –and, where necessary, control and verification by – local authorities (e.g. Union Parishads) and service providers and project staff based in the field.

Project Implementing Partners: Department of Agricultural Extension (DAE) of the Ministry of Agriculture and Department of Fisheries (DoF) and Department of Livestock (DLS) of the Ministry of Fisheries and Livestock and NGOs will be the partners in implementation of the project. A technical and institutional review of international and national non-government organizations (NGOs) operating – or able to operate – in the project areas will be carried out at the start of the project to select the most appropriate partners to FAO and government agencies in the implementation of the project. NGO activities will be monitored by the Project Management Unit, with support of local authorities and DAE, DoF and DLS at sub district level. The selection of the implementing partners will be initiated through a public invitation for “expression of interest” and their selection will be based on

delivery capacity, field presence in the project area, previous experience with the local communities and in community mobilization.

3.5.2. UNDP

Direct participants

At least 1,250 communities will be selected across the three Hill Districts. A scoring matrix will be developed to assist area and community selection, based on indicators of food security, poverty and nutrition. Existing CHTDF committees (UnFCs) at Union (led by Union Parishads), Upazila (led by Upazila Parishads) and District level (led by District Councils) will be involved in the selection of communities.

At least 50,000 families (250,000 beneficiaries) from within the 1,250 communities will be selected by the community, (PDCs).

Other stakeholders:

The Hill District Councils will supervise and coordinate supports provided to AFSP by line departments and extension services. A Project Support Unit will be established within each Hill District Council to support planning, monitoring and reporting functions. Additionally, at least 75 Government extension officers will be trained in the Farmer Field School approach, facilitation skills and upland farming, relevant to the physical and cultural context of the CHT.

Existing partner NGOs with extensive field experience in the project areas will be used for project implementation and monitoring in the field. The NGOs have already recruited additional staff with expertise in livestock, fisheries and agriculture.

4. IMPLEMENTATION ISSUES

4.1. Method of implementation

The projects will be jointly managed through the signature of 2 Contribution Agreements under the Financial and Administrative Framework Agreement (FAFA) respectively with FAO and UNDP.

4.1.1 FAO project

FAO will have overall responsibility for project co-ordination through a Project Management Unit (PMU) established within FAO-Bangladesh office and Field Operations Offices in Barisal (already existing) and Khulna to manage operations related to the implementation of the project. The PMU will also be responsible for the overall project management, including the selection of communities to benefit from training and grants for improved food production, appointment of implementing partners and service providers, procurement of inputs, and monitoring and evaluation. The PMU would comprise part-time representatives of the department of Agriculture, Fisheries and Livestock and full-time international and national project management and technical assistance consultants appointed by FAO, all under the guidance of the FAO Chief Technical Adviser/Emergency Coordinator under cost-sharing (details are provided in the Project Budget). The PMU will work in close collaboration with relevant government department at national, district and sub-district levels to identify preliminary needs and co-ordinate the distribution of inputs and training of beneficiaries from the highest priority areas. Likewise, the PMU will liaise with development partners and other government and non-government agencies on food production, livelihood rehabilitation and other crosscutting matters to ensure

complete co-ordination of stakeholders and have no duplication or conflict of project interventions.

Project Steering Committee

A PSC would be established within the FAO Representation in Bangladesh. The PSC would be chaired by the FAO Representative in Bangladesh and include the focal points of the Ministries of Agriculture, Fisheries and Livestock, and Planning, European Commission (EU), and representatives of civil society at the district level from the project areas. The FAO Senior Emergency Co-coordinator (working as the Chief Technical Adviser) and Project Manager would be ex officio members of PSC, responsible for meeting organisation and minute taking.

The PSC will provide oversight and co-ordination in implementation of the Project. The PSC will have direct responsibility for ensuring that the Project is implemented as designed and efficiently and effectively according to agreed work plans, particularly through full co-ordination with all relevant agencies in their respective districts and sub-districts, and to minimise bureaucratic bottlenecks. In this respect, the PSC would approve work plans and review progress and results achieved. But the PSC will have no role in the day-to-day operation of the Project. The PSC would meet on a monthly basis for the first quarter and then on a quarterly basis thereafter.

Implementing Partners and Service Providers

Project Implementing Partners: Ministry of Agriculture and the Ministry of Fisheries and Livestock and NGOs will be the partners in implementation of the project. A technical and institutional review of international and national non-government organizations (NGOs) operating – or able to operate – in the project areas will be carried out at the start of the project to select the most appropriate partners to FAO and government agencies in the implementation of the project. Under contract with FAO, NGOs will assist the delivery of project activities and supplies in the different interventions, in particular:

- An awareness/communication campaign to disseminate information on project criteria and processes;
- Community mobilization and facilitation, including in beneficiary identification;
- Assessment of communities' needs and interests in terms of choice of crops, adoption of improved technologies and practices, etc.;
- Delivery of inputs and other goods and services to beneficiaries (farmer groups or individuals);

NGO activities will be monitored by the PMU, with support of local authorities and the relevant government services.

The selection of the implementing partners will be initiated through a public invitation for “expression of interest” and their selection will be based on delivery capacity, field presence in the project area, previous experience with the local communities and in community mobilization.

4.1.2 UNDP project

AFSP will be embedded within the existing Community Empowerment Programme (CEP) of the CHTDF. The project will take advantage of existing Para Development Committees (PDC) established through CEP, to identify beneficiaries, plan and prioritize activities, manage funds, implement and monitor project activities. The PDCs are elected by the community and consist of 1/3 women, 1/3 poorest of the poor in the community, and 1/3 from the remainder of the community. Meetings are

held monthly and all decisions are recorded. CHTDF provides grant to the PDC through a Memorandum of Understanding. The process of transferring grant in this way has been approved by the UNDP Country Office Grant Selection Steering Committee.

AFSP will use the existing local governance structure of PDCs to coordinate development activity, manage grants and monitor the results of the EU intervention. PDCs will mobilize farmers, support the formation of FFS (including the allocation of land for learning plots) and support the formation of Para Nari Development Groups (women only groups). Lastly, the PDCs will be responsible for facilitating linkages with local NGOs and government line agencies.

In addition, the project will give special attention to building the capacities of Government extension officers at sub-district level to improve the assistance provided by Government to Farmer Field Schools and farming communities. Line department extension officers (crops, livestock and fisheries) will receive a series of trainings in facilitation skills and improved upland farming practices. It is expected that most of the trained extension officers will be used as trainers for the Field School Facilitator training and will contribute to the technical backstopping of agriculture and food security initiatives in the CHT.

One of the recommendations of the last evaluation on CHTDF is an increased supervision of the EU on the overall implementation of the development facility. There are on-going discussions between EU and UNDP on how this can be realised. One option could be the full participation in the national steering committee. The final result will be detailed in the full project proposal.

4.2. Procurement and grant award procedures

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents lay down and published by FAO and UNDP respectively.

4.3. Budget (in €) and calendar

4.3.1 *FAO project*

Human resources	€ 655,913
Travel	€ 100,448
Equipment and Supplies	€ 4,809,466
Local Office	€ 205,646
Other services	€ 798,500
Other	€ 351,361
Contingencies	€ 103,820
Indirect costs	€ 474,846
Total	€ 7,500,000

Implementation period: 1 January 2010 – 30 June 2011: 18 months⁴

⁴ Prior approval on retro-activity will be requested to the Authorising Officer

4.3.2 *UNDP project*

Human resources	€ 1,012,510
Travel	€ 32,000
Equipment and Supplies	€ 21,500
Local Office	€ 18,900
Other services	€ 22,590
Other (training+ cash grants)	€ 5,867,500
Contingencies	€ 36,750
Indirect costs	€ 488,250
Total	€ 7,500,000

Implementation period: 1 January 2010 – 30 September 2011: 21 months⁵

4.4. Performance monitoring

4.4.1 *FAO project*

Oversight and reviews of the project will be carried out at two levels. At country level, the Project Management Unit (PMU) will carry out implementation under the overall guidance of a Project Steering Committee. At global level, the project will be supervised by the FAO Emergency Operations and Rehabilitation Division (TCE) building on its extensive experience in project implementation. Operations Officers will liaise with the local FAO representative, the PMU and the Project Steering Committee on a regular basis to ensure smooth and timely implementation of the project. The local FAO representative will be a member of the Project Steering Committee.

An EU Food Facility Programme Implementation Unit (PIU), established at FAO Headquarters, will act as overall coordinator and facilitator of operations and liaise with FAO technical and administrative units to ensure provision of adequate and timely support to project operations. The PIU will also have special responsibility for ensuring regular monitoring of activities and reporting to the donor and will facilitate evaluation and audit of the programme. Monitoring of project progress will be carried out by FAO and will focus on upward accountability (i.e. towards the EU, government agencies, development partners and society at large) and downward accountability (i.e. towards project beneficiaries and primary stakeholders). Monitoring will be against indicators identified in the project logical framework. During inception phase the indicators, assumptions and risks will be further refined. These indicators will be further developed in consultation with project stakeholders and approved by the Project Steering Committee. The EU Delegation in the country will also ensure adequate monitoring on the basis of key indicators established in the Logical Framework, progress reports and participation in relevant meetings/committees. External Results Oriented Monitoring missions by the EU may be carried out.

⁵ Prior approval on retro-activity will be requested to the Authorising Officer

4.4.2 *UNDP project*

A monitoring system will be put in place for data collection and analysis. CHTDF will facilitate and monitor the implementation of this operation in collaboration with government counterparts and NGOs. Monthly reports will contain data on the number of beneficiaries (disaggregated by gender) and the grants distributed.

Monitoring of the delivery of the services and inputs is to be done by the district project staff jointly with the NGOs, Government staff and other key stakeholders, certified by the beneficiary PDC and households. Monitoring of the impact of the interventions is proposed to occur through annual surveys, to be jointly conducted by the project staff, consultants and Government staff. One of the recommendations of the last evaluation on CHTDF was the need to improve the M&E system very much at this at all intervention levels. In the full project proposal this recommendation will be well documented.

The performance of the project will be closely monitored by UNDP. The EU will also ensure adequate monitoring on the basis of key indicators established in the Logical Framework, progress reports and participation to relevant meetings/committees. External Results Oriented Monitoring missions by the EU may be carried out.

4.5. Evaluation and audit

The project will undergo a final evaluation, to be carried out by the EU.

Audits will be carried out by FAO and UNDP respectively according to their Financial Regulations, Rules and directives. In addition, expenditure verifications may be carried out by the EU.

4.6. Communication and visibility

In accordance with the visibility provisions under the European Commission-UN Financial and Administrative Framework Agreement (FAFA) and with the EC-UN Joint Action Plan on Visibility signed in September 2006, the European Commission and FAO and UNDP will work respectively together to ensure appropriate visibility actions for the programme as a whole, as well as for specific interventions and activities under the programme.

Standards regarding visibility will be derived from the "EU visibility guidelines for external actions" http://ec.europa.eu/europeaid/work/visibility/index_en.htm.

ACTION FICHE FOR BURMA - MYANMAR

1. IDENTIFICATION

Title/Number	Livelihoods and Food Security Trust Fund (LIFT)		
Total cost ⁶	Overall budget : €71.43 million <i>EU contribution :</i> €10 million (Food Facility- 1° set of measures) €9.5 million (FSTP budget line 2009) €14.4 million (Food Facility – 4° set of measures) €2.86 million - Australia €3.57 million - Denmark €2.14 million - the Netherlands €2.14 million - Sweden €0.36 million - Switzerland €6.79 million - UK		
Aid method / Method of implementation	Project approach – centralised joint management with United Nations Office for Project Services (UNOPS)		
DAC-code	52010	Sector	Food Security

2. RATIONALE

2.1. Sector context

Burma - Myanmar is one of the least developed countries in the world, with a population of approximately 50 million people, bordering Thailand, Laos, China, India and Bangladesh. With explain HDI ranking at 130 it suffers from deep-rooted structural poverty. In terms of food security more than 37% of the households are consuming below the daily requirements. Proxy indicators for malnutrition and food insecurity, such as stunting and underweight, are among the highest in the world. This food insecurity results mainly from socio-economic vulnerability. 45 to 55% of rural households fall into the very poor landless labourers' category. They generate income from farm labour, sales of produce from backyard gardens, small livestock, and off-farm activities such as salt making and fishing.

In 2008, Burma-Myanmar seriously suffered from the soaring of food prices due to the global increase, and the devastation caused by cyclone Nargis, which hit the Ayeyarwady Delta in May 2008. The economic downturn and the effects of the cyclone in its richest and most economically dynamic region have greatly affected the country's economic situation. The cyclone-affected area has the highest population density and is considered as the rice granary of Burma-Myanmar (25% of the national production). Most families lost their food/seed stock and livestock, and physical access to food markets has been disrupted. In the aftermath of the cyclone,

⁶ Contribution from other LIFT donors were announced on 25 November 2009 in the occasion of the 4th LIFT Donor Consortium meeting

the loss of assets and destruction of communication networks have resulted in the non-functioning of a majority of rural markets and limited supply of basic goods and services, leading to increasingly high prices of food commodities. The market price for rice has increased 50% than pre-cyclone situation, while other products, such as salt, edible oil and other culinary commodities, have known a huge increase just after the cyclone but have gone down to its pre-cyclone levels.

Considerable support is required to enable people to rebuild their livelihoods and to secure the means to strengthen their resilience in terms of food security in the country as a whole. This situation is exacerbated by the lack of a clear and relevant national strategy to reduce poverty and support food and livelihoods security. Only on early 2008 the Government of Burma/Myanmar has started the preparation of the National Medium Term Priority Framework (NMTPF) in collaboration and with the support of the Food and Agriculture Organisation (FAO). The NMTPF is expected to define key thematic areas to be prioritised in the provision of support to boost the agricultural production and rural economy. In cyclone Nargis-affected areas, the strategy in support of livelihoods and food security for the next three years (2009-2011) has been defined in the Post Nargis Recovery and Preparedness Plan (PONREPP) through in depth consultations among stakeholders involved in the sectors.

This project proposal is a multi-donor Trust Fund in support of livelihoods and food security in Myanmar, called LIFT. The Donor Consortium (DC), made up by all participating donors, is the highest authority in terms of LIFT governance and is responsible for reaching consensus decisions regarding the Fund overall policy as well as for the Fund commitment and replenishment. Currently the DC comprises 10 donors⁷. The DC appoints a Fund Board, made up by representatives of participating donors and independent experts, to act as a managing committee on its behalf. The operational management of LIFT's resources and the implementation of LIFT's activities is delegated to a Fund Manager. UNOPS has been appointed for this role. The allocation of financial resources to implementing partners will be through competitive (Call for Proposals) and, exceptionally, direct grants.

The overall objective of the project is progress towards the achievements of Millennium Development Goal 1⁸: the eradication of extreme poverty and hunger in Burma/Myanmar. To this end LIFT aims to improve the livelihoods and food security of the poorest and most vulnerable populations in urban and rural areas in the country. Along with that and in order to link emergency aid and early recovery with long term and sustainable recovery in Cyclone Nargis-affected areas, LIFT will prioritise support in the year 1 to the 8 prioritised townships in the Ayeryarwady Delta. That would enable the victims of Cyclone Nargis to re-establish food security and sustainable livelihoods. In these areas, LIFT will align to the Post Nargis recovery and Reconstruction Plan (PONREPP) and with the recently developed PONREPP Prioritised Action Plan to focus assistance to existing critical needs. In other parts of the country the project will align to the "National Medium-Term Priority Framework for Food Security" which is in process of finalisation.

⁷ EU, Australia, UK, Denmark, the Netherlands, Norway, France, Germany, Sweden and Switzerland.

⁸ Reduce by half the proportion of people living on less than a dollar a day; achieve full and productive employment and decent work for all, including women and young people; reduce by half the proportion of people who suffer from hunger.

The establishment of LIFT started on early 2008. Two consultants were hired to carry out consultations with stakeholders to define the most appropriate architecture of the Fund and its thematic areas. The consultations ended in March 2009 with the organisation of a workshop aimed to identify the geographical coverage, prioritised actions and thematic areas of the Fund. Participants in the workshop included representatives of the government, UN agencies, NGOs, donors and embassies.

In parallel with these activities, the EU carried out regular consultations with interested donors to prepare the relevant documentation for the set up of LIFT. At the beginning of this process, DFID and AusAID have been the most active among donors: others donors have expressed interest in LIFT but took a more silent approach, while been kept regularly informed on LIFT's activities. These activities included:

- the negotiation process for the signing of the agreement between the Fund Manager – UNOPS and the government to allow LIFT to be operational in the country. Because in Nargis-affected areas the Ministry of Social Welfare, Relief and Rehabilitation (MoSWRR) has been appointed to coordinate the relief and recovery operation in parallel with the mandate of the Tripartite Core Group (TCG), two separate agreements had to be negotiated: one with the MoSWRR for Nargis areas, and one with the Ministry of Agriculture and Irrigation (MoAI) for the rest of the country. The Ministry of Planning had also to be involved given its oversight and coordination role. The negotiation process implied several meetings with the Ministers and representatives of both the MoSWRR and MoAI. For Nargis-affected areas, the TCG played an important facilitating role.
- the preparation of LIFT key documents (description of action, budget, log-frame, Terms of Reference (ToR) ...) to finalise the contract with the Fund Manager
- the preparation of the documents for the 1st Call for Proposals (ToR, budget format, description of the proposal, log frame ..)

Information sharing and discussion on LIFT's key issues and documents with all interested donors have been ensured through the Donor Consortium meetings, the first organised on 18 May 2009. During these meetings, all key documents on the Fund and concerning the preparation of the 1st Call for Proposals for fund disbursement have been discussed and finally endorsed by donors.

Achievements so far:

- One of the biggest achievements during this preparatory period has been the engagement of an increasing number of donors that, from a wait and see approach, have finally joined LIFT and pooled funds. As a result, up to now, the Donor Consortium is made up of 10 donors (including the European Commission) and total committed funds for LIFT totals about € 60 million.
- In the finalisation of LIFT budget, the negotiation of the overheads costs to be shared between UNOPS and future implementing partners (IPs) was an issue of major concern. The negotiations between donors and UNOPS ended successfully with the agreement of UNOPS to retain only 1% of overheads costs and to channel the remaining 6% to IPs. This agreement has benefitted also the “Three Diseases Fund – 3DF” where the issue of overheads costs was

creating major difficulties in the relations with 3DF IPs. A similar arrangement has been taken also for the 3DF.

- The agreement between the Fund Manager – UNOPS and the MoSWRR to operate in Nargis-affected areas was signed on 11 August 2009. Consultations with the Ministry of Agriculture and Irrigation for a nation-wide agreement have resulted in the authorisation to launch the 1st LIFT Call for Proposals with the understanding that a final agreement will be finalised after the selection of the proposals. The MoAI rests committed and is fully supported to facilitate the process.
- The 1st contract of the Food Facility financial decision was signed in October 2009 between the European Commission and UNOPS.
- The 1st LIFT Call for Proposals (CfPs) was launched on 11 November 2009 and an information session with interested implementing partners was organised on 13 November 2009. About 170 people participated in the event. The CfPs has two different streams and timeframe, which reflect the negotiations with the GoM and allow a quick fund disbursement in Nargis-affected areas:
 - 8 Nargis prioritised townships⁹: up to 12 months implementation period and deadline for submission of proposals 2 December 2009.
 - 5 country-wide prioritised areas¹⁰: up to 36 months implementation period and deadline for submission of proposals 18 January 2010.

2.2. Lessons learnt

To date, most donor-supported interventions have been executed and implemented by UN agencies and NGOs, both international and local, often in collaboration with local actors and community-based organisations. Outreach of interventions has remained small compared to overall needs, highlighting the need for increasing donor assistance, scaling up activities and developing a more strategic donor approach. Confronted with a similar situation in the health sector, (The National Strategies for the 3 diseases already existed, developed by the Ministry of Health, and the 3DF simply aligned to them) the establishment of the Three Diseases Fund¹¹ has had a major impact both in terms of donor approach cohesion and in terms of results. It is acknowledged amongst the development actors – including the government - that the lack of a comprehensive strategic framework for food and livelihoods security is reducing the efficiency (in terms of cost-benefits) and the effectiveness (in terms of both target and coherence) of the aid assistance. LIFT aims to support the development of policies and strategic planning in this respect through policy dialogue and awareness rising from evidence generated by the supported projects.

⁹ Bogalay, Laputta, Kyailat, Mawlamyinegyun, Ngapudaw, Pyapon, Dedaye and Kungyangon

¹⁰ Dry Zone (Magwe Division, Mandalay Division, Northern Bago and Souther Sagain), Chin State, Rakhine State, Kachin State and Shan State. These are the priority areas identified by the FAO/WFP Crop and Food Security Assessment Mission of October/November 2008 which was undertaken at the request of the Ministry of Agriculture and Irrigation.

¹¹ Three Diseases Fund is a joint program financed by 6 donors (EC, Australia, UK, the Netherlands, Norway, Sweden) and coordinated by UNOPS

UNOPS has been selected as LIFT Fund Manager by the donors because of its capacity to operate in the Burma/Myanmar (authorization already granted by the Ministry of Foreign Affairs) and long term experience in the country in the provision of financial and project management services. UNOPS has provided services to the UN agencies operating in the country and is also the Fund Manager of the 3DF. As 3D Fund Manager, UNOPS has delivered to the satisfaction of the Donors, the authorities and the implementing partners.

2.3. Complementary actions

The **European Union** is currently supporting 20 projects in the area of Livelihoods and Food Security in the most food insecure areas of the country: 10 are under the (former) Food Security Budget Line and current Food Security Thematic Programme and 10 under the Regional Programme, Aid for Uprooted People ((€ 8 million allocated annually in 2007 and 2008, €9 million allocated for 2009-2010).

Support for livelihoods activities countrywide is also provided through the thematic programme: Non-State Actors (€2 million allocated in 2008, €2.5 million on 2009, and additional €2.5 million planned for 2010) which supports activities to strengthen the capacity of local actors to contribute to poverty alleviation, particularly in the social sector (education, health and social welfare) and sustainable environment development.

In response to the high needs after the cyclone Nargis ECHO has provided € 39 million in live-saving assistance to the affected population. In November 2008, the EU launched a *Call for Proposals for the 2008 Food Security Programme for areas affected by cyclone Nargis*. Two projects of about €1 million each were awarded and will ensure the linking between relief and recovery.

LIFT is also getting a contribution of €9.5 million through the DCI-FOOD/2008/20381.

DFID Burma has been contributing to food security and livelihoods activities through international organisations and NGOs and has an allocation of £14.77 million for relief and rehabilitation activities.

AusAID has provided total AUD55 million for Cyclone Nargis relief activities, AUD30 million of which focused on relief work, early recovery and the re-establishment of livelihoods. Funds are allocated to implement priorities identified through the Consolidated Appeal and with a mind to the Post-Nargis Recovery Programme.

Other donors, such as Denmark, Sweden, the Netherlands, Norway and Switzerland (SDA) have been mainly involved in Nargis-affected areas where they substantially increased their support for relief and early recovery assistance. While been interested in LIFT since the beginning of its preparation, these donors have increased their participation in the LIFT's establishment process only from mid-2009.

The positive negotiations with the GoM for authorising LIFT to operate country-wide and the request from the TCG for additional and urgent assistance for Nargis-affected areas to meet still existing critical needs have convinced some of the interested donors to finally join LIFT and pool funds. On 25 November 2009, about € 17 M were committed to LIFT by the government of UK, Denmark, the Netherlands, Australia, Sweden and Switzerland, as below:

€2.86 million - Australia
€3.57 million - Denmark
€2.14 million – the Netherlands
€2.14 million - Sweden
€0.36 million - Switzerland
€6.79 million - UK

France, Germany and Norway have also confirmed their interest to join LIFT soon.

2.4. Donor coordination

The EU in Burma/Myanmar has committed towards a leading role in the implementation of the Paris Declaration on Aid Effectiveness, as provided by the European Consensus on Development, and the Accra Agenda for Action by advancing co-ordination, harmonisation and alignment. The EU Delegation and EU Member States are active participants in various co-ordination mechanisms such in the Partnership Group for Aid Effectiveness. Work on the preparation of LIFT has been carried out in a collaborative way by the donors intending to participate, with agreement reached on the principal programme documents, prepared with support from a consultant engaged by the EU on behalf of the donors. Continued close donor co-ordination will be assured through donor membership of the Fund Board and the Donor Consortium. Within LIFT governance, a Consultative Group is also planned to be established, bringing together representatives from government, donors, UN agencies and NGOs. The Consultative Groups aims to strategic planning and policy dialogue through the evidence generated by LIFT' supported projects.

LIFT will be fully aligned to strategies owned by the Government of the Union of Myanmar. In the Delta it will aligned to the Post-Nargis Recovery and Preparedness Plan (PONREPP), and countrywide to the National Medium-Term Priority Framework (NMTPF), the preparation of which is getting underway with UN support.

The negotiations with the Government of the Union Burma-Myanmar to authorise LIFT to operate in the country have successfully resulted with:

- the signing of a Letter of Agreement (LoA) between the Fund Manager (FM) and the MoSWRR on 11 August 2009 for the Nargis-affected areas, and
- the understanding with the MoAI that a similar Agreement will be signed with the FM after the selection of projects targeting the prioritised areas county-wide

Both MoSWRR and MoAI have been very supportive to LIFT and the relations with them have been constructive and positive. The TCG has offered great support during the negotiations of the LoA with the MoSWRR, and has facilitated the quick signing of the agreement.

3. DESCRIPTION

3.1. Objectives

The overall objective of the LIFT is to eradicate extreme poverty and hunger (Millennium Development Goal 1)

The specific objectives of the LIFT are

- (i) to enable the victims of cyclone Nargis to re-establish food security and sustainable livelihoods;
- (ii) to support the food and livelihood security of the most vulnerable populations in urban and rural areas in the country as a whole.

Indicator (over 5 years of implementation) is that income per capita of at least 60% of beneficiaries (=30.000 households) meets the basic needs (= adequate food consumption)

3.2. Expected results and main activities (for the overall project period = 5 years)

Expected result 1: diversified and increased household income

Activities: baseline studies, promotion and establishment of village-level revolving funds and other micro-credit schemes, capacity building of community based organisations, skills training (off farm activities) and local production of tools

Expected result 2: re-established and increased crop and livestock production, fisheries and sustainable harvesting of non-timber products

Activities: baseline studies, capacity building among farmer and fishermen groups, promotion of optimal agronomic techniques and farm-based demonstration, improving access to credit, establishment of rice banks, development of garden-type agricultural and horticulture production, support to small and medium scale irrigation projects, small road infrastructure, strengthening of veterinary services and expansion of vaccination coverage, livestock and poultry production, training and support to in-shore and inland fishery production, promoting/training in and providing inputs for forest management for sustainable and economically viable land use (including reforestation for fuel wood and mangroves), actions that help mitigate the current food crisis and the volatility of food prices.

Expected result 3: effective support mechanisms in place for the benefit of local economic and employment development

Activities: vocational training, development in marketing skills and activities to encourage business contacts within and outside target areas, support to community-based resource management systems, worker advocacy, support to farmer and private sector organisations.

Expected result 4: improved food and nutritional security and mechanisms providing social protection

Activities: capacity building among community based organisations, improved or implement small infrastructure and activities aiming to improve nutritional status of beneficiaries, support to safety net measures for the most vulnerable population both in rural and urban areas

Expected result 5: Evidence is generated to support policy improvements and decision making

Activities: studies, research, workshops, advocacy initiatives, synthesis reports on the impact of LIFT-funded activities.

Expected result 6: Fund Management performs in a transparent and efficient manner in line with Fund Board policies and priorities

Activities: establishment of fund management office and recruitment of staff, establishment/implementation of financial and procurement systems, launching and awarding competitive grants, establishment/implementation of reporting procedures,

establishment/implementation of monitoring and evaluation (M&E) system, advisory activities on policy dialogue, establishment/implementation of communication action plan

Contributing donors will sign individual agreements with the Fund Manager (UNOPS) in order to establish the Fund as a multi-donor trust fund. Donor contributions to the Fund will be implemented in accordance with their joint management procedures. The Donor Consortium will appoint a Fund Board to act as a managing committee on its behalf.

The Fund Manager has to propose to the Fund Board a work plan and calls for proposals taking into account the available Government of the Union of Burma-Myanmar strategic frameworks. The actual activities will depend on the proposals received from potential implementing partners, the evaluation of these, and endorsement of them by the Fund Board. The EU Delegation will have a seat on the Fund Board and will chair during the first period of implementation.

3.3. Risks and assumptions

Risks primarily consist of:

Political risks: Fluctuating relationships between the Government of the Union of Burma-Myanmar and donor governments may influence the Fund's performance and existence. Government's political decisions may also constrain Fund's activities.

Mitigating action: regular dialogue between donors and the concerned line ministries could ensure that the above risks do not threaten the existence of the Fund or constrain its activities.

Lack of trust (between the communities and the authorities, between the authorities and the donors, between the authorities and the implementing agencies) may affect delivery to a point the action is significantly weakened or interrupted.

Mitigating action: transparency and other trust building measures will be encouraged by the Fund, particularly at community level and between local authorities and implementing agencies.

Disconnection from national plans: For the results of aid to be sustainable, actions must be coherently delivered and contribute to national plans where they exist. This is key to help Burma-Myanmar reaching the UN Millennium Development Goals and for donors and implementing agencies to move towards an exit strategy. While PONREPP provides an overall framework for action in the Nargis-affected area, there is a chance that the *Medium-Term Priority Framework* may not materialise.

Mitigating action: the Fund will maintain a close dialogue with the authorities and other stakeholders to ensure cohesion of action with generally accepted programming parameters.

Funding gap: Funds may not be readily available. Once the action is launched, expectations will rise among stakeholders. Momentum must be maintained until the Fund reaches its intended targets.

Mitigating action: to coordinate among participating donors. The Fund Manager will advise the board on priorities to be given to activities/areas based on financial resources available at any given time.

3.4. Crosscutting Issues

LIFT's main focus will be the needs of the vulnerable, marginalised and underserved population groups. LIFT will foster the improvement of pro-vulnerable people decision-making processes. In the Nargis-affected area, disaster risk reduction and adaptation to climate changes especially for coastal and low-lying areas will be streamlined in activities where appropriate. Evidence-based interventions will address gender inequities. The Fund Manager will play a major role in ensuring that issues of equity are taken into consideration in operational work plans. Actions addressing the country's food crisis and food price volatility will be considered favourably. Good governance will be promoted, i.a. in the agricultural sector, through transparent mechanisms and accountability. Human rights will be addressed in relation to people's rights to have access to sufficient resources to cover their basic needs. Efforts will be made to promote the rights of ethnic minorities and marginalised groups.

3.5. Stakeholders

Rural and urban vulnerable, underserved and marginalised population groups will be the final beneficiaries of the LIFT. As overall target at least 100.000 households will directly benefit from the programme.

Intermediary stakeholders will be the implementing partners (UN agencies, international NGOs, local NGOs, professional organisations, community based organisations and, where appropriate, local civilian administrations).

For Nargis-affected areas, additional stakeholders include the Tripartite Core Group (Government, ASEAN, UN) and the PONREPP (Post-Nargis Recovery Programme and Plan) team.

Responding to a growing wish for coordinated external assistance, LIFT offers participating donors and other concerned stakeholders the opportunity to consolidate joint strategies and actions through regular exchanges and mutually reinforcing actions responsive to a national programme approach whenever it exists. It further offers stakeholders monitoring mechanisms contributing to a better global understanding of situations, programmes/projects being undertaken or envisaged, achievements, constraints and outcomes.

4. IMPLEMENTATION ISSUES

4.1. Method of implementation

The project will be jointly management through the signature of a Contribution Agreement under the Financial and Administrative Framework Agreement (FAFA) with UNOPS.

4.2. Procurement and grant award procedures

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents lay down and published by UNOPS.

4.3. Budget and calendar¹²

EU contribution food facility for implementation period: 2010 - 2011

Year Budget of the Trust Fund (EU is contributing without earmarking)

Competitive grant under result 1,2,3,4	€11,969,830
Research & policy dialogue	€32,143
Fund Management	
Human resources	€1,003,084
Travel	€51,977
Equipment & Supplies	€117,500
Local Office	€169,294
Fund Board	€53,571
Contingencies	€18,571
Indirect Costs	€953,718
Total	€14,596,830

4.4. Performance monitoring

The performance of the project will be closely monitored by UNOPS. The EU Delegation in the country will also ensure adequate monitoring on the basis of key indicators established in the Logical Framework, progress reports and participation to relevant meetings/committees.

External Results Oriented Monitoring missions by the EU may be carried out.

4.5. Evaluation and audit

The project will undergo a final evaluation, to be carried out by the EU.

Audits will be carried out by UNOPS according to its/their Financial Regulations, Rules and directives. In addition, expenditure verifications may be carried out by the EU.

4.6. Communication and visibility

In accordance with the visibility provisions under the European Commission-UN Financial and Administrative Framework Agreement (FAFA) and with the European Commission -UN Joint Action Plan on Visibility signed in September 2006, the European Commission and the implementing organisations will work together to ensure appropriate visibility actions for the programme as a whole, as well as for specific interventions and activities under the programme.

Standards regarding visibility will be derived from the "EU visibility guidelines for external actions" http://ec.europa.eu/europeaid/work/visibility/index_en.htm

¹² The overall budget amounts € 80 M for a total duration of five years. The presented budget includes only the contribution of the Food Facility under the first financial decision. The total EC contribution includes also € 9,5 M from the FSTP budget line and provisional € 14,4 M from the Food Facility in 2010.

FICHE ACTION COMORES

1. IDENTIFICATION

Intitulé	Programme Appui Budgétaire à la stabilisation socio-économique des Comores en réponse à la crise alimentaire No: FOOD/2009/21708		
Coût total	○ Contribution UE – EUR 3.6 millions provenant de l'enveloppe 'Food Facility'		
Méthode d'assistance / Mode de gestion	Appui budgétaire général – Gestion centralisée		
Code CAD	51010	Secteur	Appui budgétaire

2. MOTIF ET CONTEXTE NATIONAL

Ce programme vise à poursuivre l'engagement de l'UE en faveur des Comores afin de les soutenir dans leurs efforts de stabilisation macro-économique et de consolidation de la réforme de la gestion des fonds publics. Le programme succède effectivement et complémente ainsi le programme d'appui budgétaire mis en œuvre au cours de 2009 aux Comores pour un montant de € 7.27 m, provenant de l'enveloppe Flex Vulnérabilité (€ 4.7 m), de l'enveloppe B (€ 2.24 m), du FLEX 2008 (€ 0.03 m) et du FLEX 2009 (€ 0.34 m). Ce programme permet à l'Union Européenne (UE) d'affirmer et de renouveler son soutien envers le Gouvernement Comorien dans le domaine de gestion et de stabilisation macro-économique afin de permettre la mise en œuvre de la stratégie de réduction de la pauvreté. Il permettra ainsi la consolidation des acquis de la précédente intervention de l'UE dans ce domaine. Ces deux interventions de l'UE en appui budgétaire général servent simultanément à contribuer, conjointement avec d'autres bailleurs, aux objectifs des programmes du Fond Monétaire International en cours, notamment l'AUPC et la FRPC.

2.1. Contexte national et politique et stratégie nationales

2.1.1. *Situation économique et sociale et analyse de la pauvreté*

Les Comores font partie des pays les plus pauvres de la planète avec un PIB par habitant estimé à € 520 par an et un Indice de Développement Humain (IDH) qui le place au 134^e rang sur 177 pays. Petite économie peu diversifiée, les Comores sont très vulnérables aux chocs extérieurs. Les crises qu'on connues le pays durant ses dernières années - au niveau politique ainsi que celles causées par les crises alimentaires et pétrolières survenues en 2008 - ont considérablement paralysé l'économie tout en impactant négativement sur les facteurs sociaux. En fin 2008, le taux de croissance demeurait médiocre, ne dépassant pas le 1% (chiffre également prévu pour 2009). Le taux d'inflation s'est considérablement accéléré durant les deux dernières années en raison des coûts élevés des carburants et des transports causés par la crise pétrolière. Les déficits budgétaires restent explosifs tandis que la dette

extérieure demeure insoutenable en dépit des efforts d'annulation des arriérés de dette de la Banque Africaine de Développement (BAD) en 2006, et plus récemment, en novembre 2009, l'annulation de service de dette des pays qui sont membres du Club de Paris.

La crise alimentaire a fortement dégradé les conditions de vie de la population qui dépend énormément sur les denrées alimentaires importées. Les hausses de prix alimentaires pour ce pays qui importe 95% de ses besoins alimentaires ont contribué à une nette détérioration du déficit du compte courant extérieure, sortant de 6.7% en 2007 pour atteindre 9.4% en 2008. Il est estimé que plus de 30% de la population vivent sous le seuil de la pauvreté. Compte tenu de cette situation, l'UE a inscrit les Comores sur la liste des pays qui peuvent bénéficier des procédures prévues dans les articles 72 et 73 de l'Accord de Cotonou pour les situations d'urgences. La récente crise globale survenue en 2008/2009 a quant à elle exacerbé les conditions macro-économiques et sociales de ce pays déjà fragilisé par les crises politiques, alimentaires et pétrolières de 2008.

2.1.2. Développement national/politique et stratégie de coopération

(1) Politique et stratégies nationales

La nouvelle stratégie de développement, le **Document de Stratégie de Réduction de la Pauvreté (DSRP 2009-2013) a été approuvée en septembre 2009**. Elle actualise le DSCR de 2002-2009 qui n'avait pas fait l'objet de mise en œuvre faute de moyens financiers et à cause de la situation politique. L'axe central du DSRP est la croissance économique à travers une redynamisation des secteurs économiques, notamment du secteur agricole, y compris de la réforme du secteur public et de la gestion des finances publiques qui contribuera à consolider l'Etat. Ce sont là en effet les piliers qui permettront au pays de sortir de cette spirale de pauvreté et d'endettement liée à plusieurs décennies de crise politique. Le Gouvernement est fortement engagé à mettre en œuvre cette nouvelle stratégie en vue de redresser l'économie du pays.

(2) Budget national et perspectives financières à moyen terme:

La crise politique et le ralentissement économique ont entraîné une détérioration de la performance budgétaire du pays au cours des dernières années. En 2008, le déficit du solde budgétaire de base est passé de 4.7 milliard KMF en 2007 à 6.1 milliards KMF en 2008. Cet écart s'explique d'une part par la forte contraction des recettes (liée à la baisse des activités économiques, au faible taux de recouvrement des recettes douanières et fiscales et à l'absence de mise en œuvre du mécanisme de partage inter-ile) et d'autre part par une forte augmentation des dépenses liée principalement au recrutement des fonctionnaires effectué dans le cadre des élections tenues à Anjouan en 2008.

Selon le FMI, le solde primaire intérieur s'était aggravé atteignant -2.7% du PIB en 2008 contre un excédent de 1.5% programmé au budget. L'AUPC du FMI avait comme objectif de stabiliser la situation budgétaire en ramenant progressivement le solde primaire intérieur à environ -0.8% du PIB en 2011 (-1.6% en 2009, -1.2% en 2010). Le besoin de financement est estimé à € 30.5 m pour 2009. Le programme FMI a notamment pour objectif de mobiliser les appuis extérieurs additionnels pour y répondre. Situation typique de pays en sortie de crise, les Comores sont confrontées à un lourd endettement tant externe qu'intérieur. Eligible à l'I-PPTE, la crise survenue en 2007/08 en a retardé l'accès, prolongeant d'autant le paiement du service courant de la dette qui pèse lourdement sur le budget. Le but de l'AUPC était justement de reconstituer un historique de performance satisfaisant permettant au pays de

négocier courant 2009 un programme triennal FRPC puis à accéder au point de décision de l'I-PPTE. Pour le moment, les aides budgétaires en appui de l'AUPC ont été fournies par la BM, la France (aide budgétaire cible décaissée début 2009), et la BADAD. C'est également le cas pour la FRPC, ou on retrouve une aide similaire provenant de ces mêmes partenaires de développement. L'UE contribue également dans le cadre de la FRPC à travers du programme d'appui budgétaire général mis en œuvre en 2009 (V-FLEX), à la hauteur de € 7.27 m

Mesure des performances :

Cet appui sera suivi dans le cadre des programmes du Fond Monétaire International (Aide d'urgence post-conflit (AUPC), Facilité pour la Réduction de la Pauvreté et pour la Croissance (FRPC));, , notamment sur le volet de la réforme structurelle de la gestion des finances publiques et du processus DSRP en concertation avec la Banque Mondiale. A noter que ce dernier appui par ailleurs la mise en place d'une stratégie nationale pour le développement des statistiques.

2.2. Eligibilité à l'appui budgétaire

Après consultation avec le Gouvernement et les partenaires impliqués dans le secteur agriculture et sécurité alimentaire il a été proposé que la contribution de l'U.E devrait supporter les interventions du Gouvernement, planifiées et en cours, pour lutter contre l'insécurité alimentaire. Par exemple: fourniture d'intrants agricoles et de semences, promotion de la mécanisation dans l'agriculture et de la transformation des produits agricoles, amélioration de la conservation des produits alimentaires.

Dans ce contexte, il est proposé de délivrer l'aide à travers un appui budgétaire général. Cette intervention succède à un premier programme d'appui budgétaire général qui a été approuvé en 2009, notamment au titre du Flex Vulnérabilité (VFLEX) auquel les fonds de l'enveloppe B et du FLEX ont été ajoutés pour en faire un programme d'appui budgétaire consolidé. Il convient de souligner qu'en 2006 les Comores avaient déjà pu bénéficier d'un programme d'appui budgétaire ciblé notamment pour le paiement des arriérés de salaires, suivi par deux autres programmes d'appui budgétaires non-ciblées fournies au titre de contributions à l'apurement d'arriérés extérieurs (BEI, BADAD) Il est donc cohérent de poursuivre ce type de soutien dans le cadre de la réponse envisagée pour atténuer l'impact de la crise alimentaire.

Conformément à l'annexe méthodologique sur les aides budgétaires en situation de fragilité¹³, d'une part, les conditions d'éligibilité sont évaluées de façon dynamique. Par ailleurs, l'existence des éléments essentiels de la GFP ("ultra-basics éléments – UBE's) et d'un programme du FMI est également mise en évidence. En effet, un important programme de FRPC a été négocié suite à la mise en œuvre de l'AUPC en 2008 et il est prévu que la FRPC sera soumis au Conseil d'Administration du Fond mi- septembre 2009.

2.2.1. Développement national et politique et stratégie de coopération

Comme précisé dans la section 2.1.2 (1), une stratégie de développement national (DSCR) existait pour la période 2002-2009. Cette stratégie a été actualisée en septembre 2009 pour tenir compte des évolutions survenues aux Comores notamment sur les plans politiques et

¹³ Annex to the Guidelines on the Programming, Design & Management of General Budget support, AIDCO DEV, RELEX, January 2007

économiques suite aux crises alimentaires, énergétiques et financières. Lors de la préparation de ce programme, des discussions ont été menées pour intégrer dans le nouveau DSRP la problématique de la sécurité alimentaire et la redynamisation du secteur agricole. Le DSRP tient également compte des leçons tirées de la non-mise en œuvre du DSCR, en occurrence l'insuffisance de capacités du Gouvernement à mettre en œuvre des réformes. Les capacités du Gouvernement en matière de ressources humaines, institutionnelles et financières pour la mise en œuvre des projets et des réformes sont effectivement faibles. Cette situation sera toutefois améliorée par les programmes de renforcement de capacités prévues sous le 10^{ème} FED et également par d'autres bailleurs notamment la BAD.

La nouvelle stratégie, couvrant la période 2010-2014, se décline en terme de cinq axes prioritaires avec un accent particulier sur le développement de l'activité économique (à travers d'une plus forte implication du secteur privé), soutenu par le renforcement de capacités – deux domaines qui sont effectivement défaillants aux Comores. Le développement du secteur social occupe également une position prépondérante au sein de cette stratégie.

La nouvelle stratégie dispose des ingrédients nécessaires pour la relance de l'économie comorienne en vue de lutter de façon efficace contre la pauvreté.

Dans le cadre des AB en situation de fragilité, il faut qu'une politique ou une stratégie nationale de développement soit "définie ou en cours de définition". Cette condition est ainsi considérée comme remplie.

2.2.2. *Situation macro-économique*

En raison des développements économiques très défavorables décrits dans la section 2.1, le Gouvernement des Comores répond à la crise en menant une politique fiscale adaptée, soutenue par les bailleurs de fonds (par exemple, l'accroissement de l'accès aux facilités du FMI, le front-loading de l'aide budgétaire de la Banque Mondiale etc). Il essaye par ailleurs d'adapter la planification des dépenses publiques, tout en ayant recours au financement domestique et extérieur dans la mesure du possible. Les efforts du pays pour maintenir la stabilité macro-économique ont été confirmés par le 'Assessment Letter' du FMI en date du 10 juillet 2009.

2.2.3. *Gestion des Finances publiques*

- (1) Dans le cadre du volet d'appui budgétaire d'une précédente intervention de la CE aux Comores, une étude PEFA (Public Expenditure and Financial Accountability) a été entreprise en 2007. L'évaluation de la gestion des fonds publics suivant la méthode PEFA représente un pas important réalisé dans la volonté de la transparence. Bien que le rapport mette en lumière de nombreuses faiblesses dans le domaine de la gestion des finances publiques (GFP), il est considéré comme une contribution cruciale aux efforts du Gouvernement comorien de réformes des finances publiques.
- (2) A ce jour, les Comores ne disposent pas de plan d'actions sur la gestion des finances publiques. Toutefois, avec l'appui de la Banque Africaine de Développement, la préparation d'une stratégie sur la GFP est en cours ainsi qu'un plan d'action couvrant la période 2010-2012. Ce plan d'action est attendu en janvier 2010.

Même si à ce jour le pays ne dispose pas de plan d'action sur la gestion des fonds publics, il y a une certaine volonté de la part du Gouvernement à améliorer la gestion des fonds publics.

Cette volonté se manifeste comme par exemple à travers du programme de surveillance du Fond Monétaire auquel il s'est inscrit en 2005, permettant ainsi à ce dernier un droit de regard sur l'élaboration du budget. La collaboration avec le FMI a pu continuer et s'intensifier jusqu'à ce jour grâce aux efforts entrepris par le Gouvernement pour mener à bien les programmes successifs du FMI, dont l'AUPC en 2008/09. Ces efforts ont également permis de remplir les conditions y afférentes et notamment celles liées au dernier programme de la FRPC approuvé en septembre 2009.

- Par ailleurs la mise en place de la CREF (Cellule des Reformes Economiques et Financières) assure une meilleure transparence dans la collecte, la compilation et l'analyse des données budgétaires. De façon similaire, dans une lettre adressée à l'UE en juillet 2008, l'Ordonnateur National reconnaissant les insuffisances décrites dans le rapport PEFA a listé les mesures déjà en cours pour remédier à la situation: création d'une commission des recouvrements au niveau de la douane, la création d'une brigade mixte d'impôts et de douanes, la mise en place d'un numéro d'identification fiscale unique utilisé par toutes les administrations financières, l'utilisation du système ACYDONIA++ permettant une automatisation des procédures douanières et une traçabilité de l'encaissement des recettes, l'installation d'une antenne des grandes entreprises et le recensement de ces entreprises.
- Plus récemment, le Gouvernement avec l'appui des bailleurs a commandité deux études stratégiques notamment sur la situation financière de deux principales sociétés d'état (financé par la Société Financière Internationale de la BM) et sur les arriérés intérieurs de l'état (financée par l'UE).
- En effet, il convient de souligner qu'un important processus de réforme des finances publiques et de consolidation budgétaire est en cours depuis deux ans et ce malgré des conditions macro-économiques difficiles (crise alimentaire, énergétique et financière globale). Les mesures prises à ce jour ont entraîné une amélioration graduelle de certains paramètres macro-économiques tels que les recettes budgétaires. Selon les données du Fond Monétaire:
 - les **recettes propres** se maintiennent en ne chutant que de -0.1% de PIB entre 2008 (13.1%) et 2009 (13%) et sont d'ailleurs en progression par rapport aux prévisions initiales (12.4% en 2008 et 12.7% pour 2009) témoignant ainsi de l'effet des réformes des finances publiques dans une économie tournant plus qu'au ralenti;
 - le **déficit hors dons** se réduit considérablement passant de -12.7 à -9.4% du PIB;
 - les **réserves** restent, quant à elles, élevées à 5.8 mois.
- L'effort de consolidation est donc réel.

(3) Cette condition est considérée comme remplie.

2.3. Politiques sectorielles

Les politiques et stratégies sectorielles en relation avec le DSRP sont disponibles pour tous les secteurs économiques du pays. Ce document a fait l'objet de discussions avec toutes les parties prenantes de la société comorienne, y compris des acteurs non-étatiques telles que les organisations professionnelles.

2.4. Enseignements tirés

Le présent programme représente dans une certaine mesure une continuation du premier programme d'appui budgétaire général approuvé en 2009 (V-FLEX). Il s'appuie également sur l'expérience du précédent appui budgétaire réalisé dans le cadre du programme d'appui à l'éducation (PASEC) du 9^{ème} FED qui avait été modifié afin de pouvoir contribuer au paiement d'arriérés de salaires dans le secteur éducation à hauteur de € 4 m. Deux tranches de € 2 m chacune ont été prévues et payées en décembre 2006 et février 2008 respectivement. Il s'agissait en fait d'une aide budgétaire ciblée. Si les audits entrepris suite aux deux décaissements ont confirmé la bonne utilisation des ressources conformément aux dispositifs prévus par la convention de financement, il n'en demeure pas moins que le 2^{ème} décaissement a été effectué avec retard par rapport aux prévisions compte tenu de la rupture du programme FMI et de l'attente de la réaction des autorités au PEFA.

Cette aide budgétaire globale est également construite sur la base des deux aides budgétaires ciblées préparées en 2007/08 pour aider les Comores à apurer leurs arriérés extérieurs vis-à-vis de la BEI (€ 0,7 m) et de la BAD (€ 1,7 m) au titre du 9^{ème} et du 10^{ème} FED respectivement. Ces appuis ne seront mis en œuvre qu'une fois le point de décision à l'Initiative des Pays Pauvres Très Endettés atteint. Les fonds seront directement versés à ces institutions. Ces appuis s'inscrivent dans le cadre de la mobilisation des partenaires des Comores pour contribuer à l'accès aux initiatives d'allégement de la dette, notamment la Facilité Post-Confit de la BAD.

La crise des prix des produits pétroliers et alimentaires a démontré que les dépenses essentielles ("*core spending*") doivent être soutenues pendant les périodes de crise (à moins que le choc ne soit temporaire) si l'on veut sauvegarder les acquis obtenus en termes de développement et atteindre les objectifs fixés à long terme.

2.5. Actions complémentaires

L'actuel programme complète le précédent programme d'appui budgétaire général approuvé en 2009. Il envoie ainsi des messages forts au Gouvernement comorien ainsi qu'à l'ensemble des bailleurs de l'engagement de l'Union Européenne à aider le pays dans ses efforts de redressement économique.

La BM, la BAD et la France ont fourni des aides budgétaires ciblées en 2008 pour aider les Comores à assurer leur service de la dette. Les Fonds arabe se sont également mobilisés. Ces divers appuis sont destinés à soutenir le fragile processus de stabilisation politique. Ils servent également à soutenir la stabilisation macro-économique engagée alors que la conjoncture extérieure ne cesse de se dégrader, pénalisant une économie vulnérable aux chocs.

2.6. Coordination des bailleurs de fonds

Conformément à la déclaration de Paris au consensus européen sur le développement et au code de conduite de l'UE, l'harmonisation des aides et la coordination des bailleurs impliqués dans les programmes de réformes économiques du pays figurent en priorité sur l'agenda des bailleurs ainsi que celui du Gouvernement. A cet effet, un mécanisme 'officiel' de coordination est d'autant plus important vu l'absence d'une représentation locale des principaux bailleurs aux Comores. Il devrait être mis en place d'ici décembre 2009 pour l'appui budgétaire. Le Commissariat au Plan joue/jouera un rôle clé dans ce processus de

coordination d'aide. Cet organisme bénéficie d'ailleurs des appuis financiers et techniques sous le 10^{ème}.

La Commission, en étroite coordination avec les organisations internationales et notamment le FMI et la Banque Mondiale, a analysé l'impact de la crise économique et financière internationale sur les Etats ACP. Il en ressort que cette crise va malheureusement affecter la stabilité macro-économique ainsi que les progrès réalisés dans l'atteinte des objectifs du millénaire dans de nombreux pays.

L'intervention de l'UE dans le cadre de ce programme s'inscrit ainsi de façon complémentaire aux appuis qu'apportent l'ensemble des bailleurs, en occurrence le FMI, la BM et la BAD dans le processus de l'AUPC et de la FRPC.

3. DESCRIPTION

3.1. Objectifs

L'objectif général de ce programme est de soutenir la mise en œuvre des politiques budgétaires et macro-économiques menées par le Gouvernement des Comores pour atténuer l'impact de la crise alimentaire. L'objectif spécifique de ce programme est de répondre aux objectifs du Règlement de la Facilité Alimentaire, notamment de fournir un appui de court terme qui aidera le pays à mettre en œuvre le DSRP, en particulier les dispositifs envisagés pour améliorer la sécurité alimentaire du pays et la redynamisation du secteur agricole. Ce programme complète ainsi le programme d'appui budgétaire général mis en œuvre au cours de 2009 aux Comores (V-FLEX).

Résultats escomptés et principales activités

Les résultats attendus sont la réduction de l'impact négatif de la crise alimentaire sur le pays sur le plan économique et social, la préservation de la stabilité macro-économique et la bonne gestion des finances publiques, ainsi que la mise en œuvre du plan d'action du secteur agricole/élevage en 2010/2011.

Parmi les activités principales, l'on peut mentionner la distribution d'intrants et de semences notamment en faveur des couches sociales les plus vulnérables en milieu rural, ainsi que des actions de lutte contre l'érosion des terrains agricoles.

Les activités devront se faire en partenariat avec les organisations professionnelles agricoles.

3.2. Parties prenantes

Les parties prenantes de ce programme d'appui budgétaire général sont:

- le Ministère des Finances, qui est en charge de la mise en œuvre des mesures visant à l'amélioration de la gestion des finances publiques;
- Le Commissariat Général au Plan

- Les institutions multilatérales (FMI, Banque Mondiale, Banque Africaine de Développement) et la France, qui ont contribué au bouclage de la FRPC et sont ainsi impliquées dans les secteurs des réformes macroéconomiques et des finances publiques
- Le ministère de l'agriculture
- Les organisations professionnelles agricoles

Toutes les entités étatiques et non étatiques comoriennes sont les bénéficiaires de cette intervention puisqu'elles tireront des bénéfices directs et/ou indirects du fonctionnement minimum de la fonction publique, de la poursuite et de l'avancement des réformes macroéconomiques en cours et des actions plus substantielles dans la lutte contre la pauvreté.

3.3. Risques et hypothèses

1. Instabilité politique – la fragilité de la situation politique continue à représenter un risque non-négligeable, qui peut se traduire en résistance/opposition des îles autonomes aux réformes administratives
2. Les changements au niveau des portefeuilles ministériels survenu en juin 2009(en occurrence le remplacement de l'Ordonnateur National) risquent de porter sur la qualité du dialogue entre l'UE et le Gouvernement.
3. Des sous-performances dans les réformes macro-économiques et des finances publiques entraînant la suspension de la FRPC. Cela comprend notamment la transmission régulière des données sur l'exécution budgétaire de l'Union et des îles. Ce risque est contrôlé avec l'inclusion d'une condition spécifique ainsi que par le suivi de cette question par la Délégation.

3.4. Questions transversales

Les questions transversales, qui ont leur importance lors de la mise en œuvre des programmes d'appui budgétaire se réfèrent à la bonne gouvernance, l'amélioration de la GFP, les droits de l'homme, l'état de droit et la démocratie.

4. QUESTIONS DE MISE EN ŒUVRE

4.1. Budget et calendrier

Le profil de décaissements de ce Programme de € 3.6 m est présenté dans le tableau ci-après. Un décaissement de € 3.6 m est prévu au courant de 2010 assujettie à ce que les conditions y afférentes, telles que définies à la section 4.4 ci-dessous, soient remplies.

Profil de décaissement

	2009	2010	2011	Total	Part
Tranche Fixe		€3.6 m			100 %
TOTAL PROGRAMME		€3.6 m		3.6M€	

La durée opérationnelle du programme est fixée à 36 mois à compter de la signature de la convention de financement.

4.2. Modalités de l'appui budgétaire

Tout comme le premier programme d'appui budgétaire approuvé en 2009 (V-FLEX), cette action consiste en une aide budgétaire directe et non ciblée suivant la logique qui est notamment d'appuyer le processus de stabilisation macro-économique en vue de relancer l'économie et ainsi réduire la pauvreté.

Dans un contexte de monnaie locale convertible, la monnaie étrangère, en l'occurrence l'euro, est transférée à la Banque centrale, qui crédite le montant équivalent en Francs Comoriens auprès du Trésor public.

4.3. Procédure de passation de marchés et de subvention

N/A

4.4. Suivi de l'exécution et des critères de décaissement

Le décaissement, en tranche fixe, sera effectué sous réserve du respect des conditions d'éligibilité à l'appui budgétaire.

Les conditions générales de décaissement sont les suivantes :

- (i) Progrès satisfaisant dans la mise en œuvre d'une politique macro-économique concourant à la stabilité;**
- (ii) Progrès satisfaisant dans la mise en œuvre d'un plan d'action concernant la gestion des finances publiques;**
- (iii) Progrès satisfaisant dans le processus de la stratégie de réduction de la pauvreté.**

Les conditions spécifiques suivantes sont ajoutées:

- a) La transmission trimestrielle à l'unité macro-économie et comptabilité (CREF) et au Comité Budgétaire des données sur l'exécution budgétaire de l'Union et des îles ;**
- b) Les arriérés de salaires pour 2009 ont été réduits par deux mois**
- c) Le Gouvernement a adopté un plan d'action réaliste sur la gestion des fonds publics avant le décaissement**
- d) La signature d'une convention de partenariat entre le Ministère de l'agriculture et les organisations professionnelles agricoles pour le monitoring des activités spécifiques qui seront décidées en référence au point 3.1 ci-dessus**

4.5. Evaluation et audit

Aucune évaluation n'est prévue avec les fonds de ce programme.

4.6. Communication et visibilité

L'action bénéficiera d'une couverture médiatique car elle vient en supplément de l'appui du FMI. A l'occasion des réunions de bailleurs, une conférence de presse conjointe pourra être organisée, avec une séance de questions-réponses. Les aides mémoires des revues conjointes seront publiées sur les sites web respectifs des partenaires.

ACTION FICHE FOR A FOOD FACILITY ACTIVITY FOR ERITREA

1. IDENTIFICATION

Title/Number	Emergency Response Addressing (Food) Livelihood Security of Former IDPs/Expellees, host communities and Drought Affected Rural Populations		
Total cost	<i>EU contribution</i> : EUR 5 million joint co-financing with UNDP EUR 1,483,753, Norway € 2,665,161, € 5.4million and € 4.86 million, OCHA-CERF € 550,653		
Aid method / Method of implementation	Project approach		
DAC-code	520	Sector	52010

2. RATIONALE

2.1. Sector context

Eritrea is facing a humanitarian crisis, as a result of recurrent drought and the aftermath of the 1998-2000 border war with Ethiopia. The horn of Africa nation is one of the poorest countries in the world. The UNDP 2007 Human Development Index (HDI) ranked Eritrea at 157 out of 177 countries and 73 at human poverty index¹⁴. Increasing levels of poverty remain a major concern, with more than two thirds of the 3.8 million populations living below the poverty line¹⁵. According to information just released (October 2009) by the Ministry of Agriculture to the EU, Eritrea produced in 2008, 108,000 Metric Tonnes (MT) of the 628,000 MT annual food requirements. This confirms an earlier report of the WFP that on the average Eritrea produces 13-20% of the annual food requirements during the period 2000 to 2004.¹⁶

The UN strategy for meeting the development challenges of Eritrea is to deliver its assistance on two parallel tracks. One focuses on supporting national efforts to respond to the country's immediate needs for relief and recovery. At the same time, on a parallel track, the UN system will support the Government in the planning and implementation of its medium to long-term development programme. The current joint programme falls under the United Nations Development Assistance Framework (UNDAF) for Eritrea covering the period 2007-2011. The objectives of the programme specifically address the emergency and recovery needs of Eritrea. The UN joint programme (JP) on internal displaced persons (IDPs) return/resettlement signed by UNDP, UNICEF, UNFPA, UNHCR and the Government shares the same objective and has created an implementation framework for the integrated work plan activities.

¹⁴ Human Development Report, 2007, UNDP

¹⁵ Living Standards Measurement Survey, 2003, National statistics evaluation office

¹⁶ Food and Nutrition Situation in Eritrea- A brief Analysis – October 2005, OCHA

The proposed project is an integral part and an expansion of the on-going Joint Programme to support the return/resettlement of IDPs/Expellees and host communities to their villages of origin or designated localities. The main objective of the on-going joint programme is to address the emergency and early recovery needs of the war/drought affected regions of the country. The programme assists the Government, through an integrated multi-sector approach, to ensure that the IDPs, expellees, returnees, and host/war affected communities have access to basic needs including HIV/AIDS and gender concerns. The programme supports the beneficiary communities to have increased and diversified livelihood opportunities.

The project will address pressing needs for food and will address longer term food security objectives of former IDPs/expellees, host communities and drought affected populations, whose coping mechanisms have been depleted due to the border war and recurrent drought. The project will tackle priority needs at community, household and individual levels. It will increase food supply and security through improving the capacity and resources of target population.

The target communities will reduce their risk from environment hazards by diversifying their livelihood strategies through accessing to improved and local seed of high yielding, drought tolerant and disease resistant crops, restocking with small ruminants, provision of draught animals (in some cases tractor ploughing services) and improving their capacities to develop and manage water and livestock feed resource base. The project will distribute seed of local varieties or improved varieties to selected resource poor former IDP/Expellee and drought affected farmers in areas where the crop production has been declining, seed quality is deteriorated and households have to trade off between their requirement for food and seed for planting. Provision of seeds of different crops types and cultivars, based on preferences of the beneficiaries, will enhance crop diversification by improving access to diverse crops and cultivars to the targeted communities.

Provision of draught animals (or tractor ploughing services where ploughing by draught animals is not feasible and where diesel fuel is accessible) will enable the communities not only to plough their fields, but also to timely plough and catch precipitation from the rain and improve their crops productivity.

Restocking with small ruminants will enhance household nutrition through utilization of their animal products and income by marketing their products. Rearing small ruminants is a common practice among the agro-pastoral and pastoral communities in most parts of Eritrea. In general, sheep and goats rearing have very good chances to improve food security under semi-arid to arid conditions. Small ruminants (mainly female sheep and goats) are considered as the most useful types of livestock due to their short breeding cycle, relatively low input needed to feed and manage them, provide earlier income in return to investment and they are easy to keep and rear compared to large animals like cattle. Besides, in Eritrea small ruminant can be kept by women, which this particular activity is targeting, while large animals are looked after by men.

The construction of the micro dams and ponds does not only respond to the urgent need of water for livestock and domestic use, but it will reduce soil erosion and recharge underground water resources.

The feed base for almost all the different agricultural production systems in the country are mainly natural pastures, supplemented by some stubble grazing and the feeding of harvested and stored crop residue such as hay and sorghum stalks. Pasture availability is largely determined by rainfall which is generally low and erratic or torrential in nature. Under such circumstances, annual biomass production can not be more than 1,400 to 3,000 kg/ha of grasses and other shrubs. In addition, a certain amount of utilizable forage is produced by shrubs, bushes and small trees. As is common in the semi-arid and arid tropics, annual grasses and forbs form the herb layer, semi-deciduous to deciduous shrubs, bushes and trees represent the bulk of the vegetation. Such vegetation offers forage suitable to ruminants only during and immediately after the rainy season, certainly not for more than 6 months even during high rainfall years. To cope, many of the communities migrate to river beds or to other grazing reserves, which are not enough and which have been increasingly occupied by big irrigated commercial farms particularly in Gash Barka and Anseba regions. If rainfall is supported by water harvesting and conservation on the crop fields as well as natural grazing areas and enclosures, biomass yield can be significantly improved with even lower amounts of rain. Improvement in the livestock feed base would render improvement in the livestock health, which has been impacted due to drought by allowing internal and external parasites that weaken and in many cases kill the animals.

The objective of this project is to strengthen the food security and ability of drought and war affected agro-pastoralists through enhancing agricultural production by improving access to productive agricultural inputs and facilities; decreasing acute and growing animal feed as well as drinking water deficit and halt deteriorating conditions, including death of livestock in the target areas; and to assist some 21,000 resource poor and women headed households (105,000 people) in selected sub-regions and villages to respond to food shortage and strengthen their food security through increased access to productive agricultural inputs and facilities; and increase their capacity to manage and develop rangelands and livestock watering points.

2.2. Lessons learnt

Annual review and assessment meetings, regular monitoring visits to the implementation sites and EU independent monitoring mission ROM identified lessons learned and provided recommendations. In this case, the project has exhibited significant improvement in 2008 in regaining depleted farming capability of the returnee through provision of ploughing services, seeds, restocking & access to livestock drinking water by the on-going Joint Program on IDPs to which this current project is an integral part.

Efforts have been made to make the joint program participatory whereby beneficiary communities' skills are enhanced and enabled them to perform various activities and to sustainably manage and use services and resources. This approach has reduced transaction costs and enhanced effective use of resources. The annual assessments and evaluations have been highly favourable. The field monitoring trips have been effective and efficient. The delivery rates for 2006, 2007 and 2008 were nearly hundred percent (measured by the disbursement rates). The use National Execution (NEX) modality of the UNDP and multi-stakeholder involvement enhanced capacity of national authorities in program management and ownership.

Furthermore recommendations made by a ROM-mission in February 2009 have been taken into account in the design of this project:

"UNDP/European Commission should consider when designing the next phase (non-emergency) of relevant interventions: i) introduction of soil and water conservation in the farming fields; ii) introduction of cash for work programmes; iii) provision of education, health and social services; and iv) provision of advanced agricultural training. With an integrated approach for food security including the introduction of innovative cultivation techniques, crop diversification and water/soil conservation in a subsequent phase, it is expected that the impact prospects of the project will further increase."

2.3. Complementary actions¹⁷

The EU has contributed to the Joint "Internally Displaced People (IDP)" Programme which envisages the smooth and successful reintegration of some 20,304 IDP/expellee households in 2008-2010. In particular, the on-going EU contribution (addresses pressing needs for food and access to health as well as longer term food security of the returnee and expellee communities through provision of agricultural inputs, water supply, and construction of a district hospital. In response to the insufficient rain and concomitant poor harvest of 2008 as well as the soaring food prices, the EU has also contributed to the Joint Program in response to poor agricultural harvest in 2008 and the soaring food prices to support some 25,000 returned/resettled IDP/expellee households and host communities in 2009 – 2011 under safety net portfolio.

Other contributions to the Joint Program in support of the return/resettlement/reintegration come from Norway, the Netherlands, Italy, UNOCHA and USAID. The present programme is expected to make synergies with specifically on-going funding from the EU, Norway and UNOCHA on agricultural inputs, restocking and water supply for livestock and domestic use.

Complementarities with government's actions including other Resettlement and Food Security Programmes outside of the Joint Program are ensured since other organizations also bring assistance to former IDPs/expellees and host communities, the main ones being ICRC with EU funding which carries out many recovery activities in the former temporary security zone (TSZ) and IFAD in Gash Barka, Debub and Anseba regions, and NGOs such as Oxfam GB and NCA in Northern Red Sea, Anseba, Gash Barka and Debub regions, Refugee Trust International in Debub, Gash Barka and Anseba regions, Lutheran World Federation in Anseba and Debub regions, and Vision Eritrea in Debub region have been carrying out food security and recovery programmes.

The EU is also contributing to the IFAD Post-Crisis Rural Recovery and Development Programme (PCRRDP) which is focusing on the rehabilitation of the agricultural and livestock production in 2 zones, Debub and Gash Barka. Coordination between both interventions will be sought.

¹⁷ FED/2008/199-318, UNDP, Food Support to IDPs/Expellees Return/Resettlement, € 3.795 M
FED/2009/222-498, UNDP, Support to IDPs/Expellees return/resettlement and host communities to enhance peri-urban productive safety net through cash for work, € 4.86 M
FED/2009/208-687, IFAD, Post-crisis Rural Recovery and Development Programme, € 4.7 M

2.4. Donor coordination

The Joint Programme is a coordinated support that has not created parallel implementation structures, since most activities are implemented by the local government bodies. The Joint Program follows a LRRD approach, harmonised with the Government's poverty reduction agenda, as returning / resettling IDPs and expellees and resuming agricultural production is a priority for the Government of State of Eritrea.

Donors to the Joint Program, namely: Norway, the Netherlands, Italy, USAID and UNDP were duly consulted during the formulation of the expanded programme document 2006-2007 (now extended to 2011) and they receive regular quarterly reports on the progress of implementation. There have also been ad hoc meetings to brief them on new developments. Furthermore, the design process of the on-going EU support to Joint Program, took place in consultation with the EU Delegation in Eritrea.

There is a Foreign Development Partners Forum established last year. The Development Donor Forum meets regularly to exchange information on current issues. There is also an Inter Agency Standing Committee (IASC) whose membership comprises of representatives of UN Agencies, donors and NGOs that meets every month to exchange information on humanitarian activities.

3. DESCRIPTION

3.1. Objectives

Overall objective: To strengthen the food security and ability of drought and war affected agro-pastoralists through enhancing their livelihood security by improving access to productive agricultural inputs and facilities; decreasing acute and growing animal feed as well as drinking water deficit and halt deteriorating conditions, including death, of livestock in the target areas.

- **Specific objectives:** Assist some 21,000 resource poor and women headed households (HHs) (105,000 people) in selected sub-regions and villages to respond to food shortage and strengthen their food security through increased access to productive agricultural inputs and facilities; and increase their capacity to manage and develop rangelands and livestock watering points.

3.2. Expected results and main activities

The expected results and linked activities are:

Result 1: Access to water for 8,000 households (about 40,000 people) and their livestock in 14 communities improved through the construction of two micro-dam and 12 ponds/cisterns amid livestock grazing areas.

Activities: Formulate water committees in target communities; survey, design & construct the water harvesting structures; and conduct treatment of catchment areas.

Indicators: Amount of cubic metres of water harvested/dam-pond - average time (hours) spent/day by the livestock to drink water and target households to fetch water – number of months with access to water for livestock drinking and domestic use – number of people using new water facilities – number of livestock benefitting from

the water harvesting structure – number of water committees established and participated in training

Result 2: Access to selected local or improved seed increased for 17,900 farmers through distribution of 4,325 quintals of seeds of different crops.

Activities: Identify the neediest communities and households for seed; improve the knowledge base of beneficiaries in seed production; test, multiply, purchase, clean and distribute the seeds to target beneficiaries.

Indicators: Amount of local or improved seed available for distribution in 2010 and 2011 – number of households benefitting from seed distribution - % increase in production

Result 3: Livestock systems restored for 1,044 beneficiaries through restocking with small ruminants & their nutrition and income enhanced.

Activities: Formulate livestock development committee; select beneficiaries; identify their preferred livestock species; provide cash assistance to the selected households to purchase livestock from local markets.

Indicators: number and type of livestock purchased by beneficiaries in 2010 and 2011 – number of farmers benefitting from restocking - % increase in income of beneficiaries

Result 4: Provision of draught animals (or tractor ploughing services where ploughing by draught animals is not feasible and where diesel fuel is accessible) will enable some 3,800 households not only to plough their fields, but also to timely plough and catch precipitation from the rain and improve their crops productivity.

Activities: Formation of livestock development committee in all the beneficiary communities; Identify neediest beneficiaries that will receive draught animals or tractor services; Purchase and distribution of draught animals (ox or camel) & rent tractor for ploughing the farmlands of selected beneficiaries

Indicators: number of livestock development committees established – number of farmers received tractor ploughing services or draught animals – number of hectares land ploughed by tractor and draught animals - % increase in cultivated land - % increase in crop yield

Result 5: Some 7,210 households will have improved access to feed their livestock through establishment and/or development of 3,500 hectares of rangeland, including soil and water conservation works and over-sowing with selected grass seeds.

Activities: Formation/strengthening of 22 village rangeland development committees; identify and demarcate rangeland enclosures; conduct soil and water conservation works in the enclosures; and collect and reseed locally grown grass seeds.

Indicators: number of hectares rangeland enclosed/developed - % increase in dry production matter -

Result 6: Finally, some 400 farmers will increase their knowledge and skills in seed production, protection, processing, storage and management; 22 rangeland committees acquainted with establishment and/or improvement and sustainable management of rangelands; 14 water committees acquainted with the existing manual on water use and management developed by the department of water resources of the Ministry of Land, Water and Environment.

Activities: Training of 400 selected beneficiaries in seed production, protection, storage and management and disseminate information package to farmers; and train 22 rangeland committees and 14 water committees.

Indicators: number of representatives of target communities trained – number of trained farmers participating in the implementation of activities – number of

rangeland committees established – level of satisfaction of communities by the water committee management performance

During the inception phase a baseline survey will be conducted to picture the different target areas and target groups and to refine the indicators to be monitored.

3.3. Risks and assumptions

a) The non availability of construction materials/equipment in the country which would then necessitate the importation from abroad;

b) Availability of efficient workmanship for construction of micro-dams. A possible mitigation measure for efficient workmanship would be for the construction of the micro-dam can be alleviated in the following manner:

- By selecting a proper and suitable construction site that would not require relatively complex design and construction processes

- Water engineering consultancy firm will be recruited to undertake design and supervision works of the micro-dam.

- Selection of construction firm for the micro-dams will be made using criteria such as overall capacity and technical efficiency/effectiveness. In this process, water engineers from the Ministry of Land, Water and Environment, Water engineer of the UNDP and the Water engineering consultancy firm recruited by the UNDP shall participate to conduct technical analysis and selection of capable firm.

c) The lack of adequate and continuous supply of fuel for regular monitoring/evaluation, transport and for construction activities on project sites could adversely affect delivery of the expected results of the action. Mitigating action: the region administrations have started to front load cash advances of the joint program to the respective sub-regional offices which are accessible to the implementation sites. In addition, the regional administrations should issue instructions to expedite transfers from the regional office to the sub-regional offices;

d) The no-peace-no-war situation in the temporary security zone where nearly all the return/resettlement areas are located (Eritrea / Ethiopia border);

e) The presence of landmines / unexploded ordnance (UXOs) that can prevent some of the target groups from resuming an agricultural activity. As a prerequisite, all areas of return / resettlement and other project sites will be checked and certified by the Eritrean Demining Authority (EDA).

These risk factors could affect the rate of implementation.

3.4. Crosscutting Issues

The programme includes environmental and gender (over 64% are women headed households) considerations in its design. The programme addresses environmental rehabilitation by constructing ponds, water micro-dams, and soil and water structures to conserve soil and water as well as recharge underground aquifer. Women headed households are the primary targets of the provision of draught animals or small-ruminants components of the programme. Women will be economically empowered by earning income from selling siblings of the small ruminants, which are reared primarily for marketing. Although the water ponds and micro-dams are primarily aimed for livestock drinking purposes, people will fetch from wells downstream for

domestic consumption. Since women and girls are the family members primarily responsible for managing water within the home as well as collection of water for domestic use, improved access to water supply enhances gender equality by reducing their workload and increases their time to invest in economic opportunities and for girls to have more time for schooling. The involvement and participation of communities and local governments in the process will foster good governance at the local level.

Concerns on the sustainability of rangelands rehabilitation schemes will be addressed in the following way: Rangelands are owned and managed by communities. Hence, there is a need to involve communities in formulating a village strategic resource management resource plan that draws on the strengths of their traditional system. In order to facilitate the process of rangeland development, village land use or rangeland development committee shall be established. The process of developing a natural resources management plan will put the enclosures within a framework of a long-term land use/natural resource management plan. This will be done with intensive guidance of the concerned branches of the Ministry of Agriculture. Normally under the traditional system of enclosure, guards are recruited who would benefit from the penalties they charge from those members of the community who are caught while grazing their livestock before the enclosure is declared open for grazing. Communities will use either “cut and carry” system (in case of permanent enclosure) or other traditional mixed methods to feed their livestock. This will be agreed upon among the community members. Participation of village land management committees/leaders and community members in development of a strategic plan for land resources under their control will create sustainability of rangeland rehabilitation initiatives.

3.5. Stakeholders

The target groups are the former IDPs/Expellees, host communities and drought affected peoples who now live in over 200 villages located in Debut, Gash Barka, NRS, SRS and Anseba regions spread in 18 sub zobas (see Annex III for details on size of population). The return/resettlement of IDPs/Expellees from camps to their places of origin or new settlement villages is presented as follows:

1 In February 2005 IDPs/Expellees who were staying in Adi Keshi camp were returned/resettled in Shilalo, Sheshebit, Adi Tsetser, Adi Hakim, Mai Kokah, Mukuti, Dembe Dima villages in Gash Barka region.

2 In May 2006 IDPs/Expellees from Mai Wurai, Metera, Afoma and Hahaile camps were returned to Hadish Adi, Lahiyo, Meshal in Debut region.

3 In May/June 2006 IDPs/Expellees from Bimbina, Adi Aba’are, Shambuko, Korekaen and Dembe Doran were returned to Girme, Ellala, Shehate and Folina villages in Gash Barka region.

4 In April/May 2007 IDPs/Expellees from Camps in Koitobia and Adi Ba’are were returned to ten existing communities, namely: Tebeldia, Gergef, Sabunait, Gulu, Deriesa, Aklat, Binbina, Tologamja, Anagulu, Tselim Kelay and Adi Maelel.

5 In February/March 2008 IDPs/Expellees from Mai Wurai camp were resettled in Feghi Merih in Gash Barka region.

6 In March 2008 IDPs/Expellees from Metera camp were returned to Ambesete Geleba in Debut region.

7 Moreover, IDPs from Host communities who were mainly from Sub-region Guluja were returned to Omhajer in April/May 2007.

! IDPs/Expellees who were hosted in Debai Sima administrative in the Southern Red Sea region village returned/resettled to their four former villages in Sub-region Debu Denkalia of the South Red Sea region.

Final beneficiaries are host communities where IDPs and expellees have been resettled and drought affected populations.

The regional administrations, the Sub Zoba and Kebabi administrations and the participating communities are the programme partners: they are fully engaged in the preparation, planning, implementation and monitoring of the activities envisaged in the programme.

4. IMPLEMENTATION ISSUES

4.1. Method of implementation

UNDP is the lead agency of the UN system in the Joint Programme on IDPs with the Government while the Ministry of National Development is the Government national counterpart. The project will be implemented through the UNDP National Execution (NEX) modality of implementation. The regional administrations of Debu, Gash Barka, Anseba, Northern Red Sea and Southern Red Sea regions are the main implementing partners; and kebabi¹⁸ Administrations and local communities are contracted to undertake activities where they have comparative advantages. The structure for financial and management accountability is already in place and is a part of the Joint Program on IDPs between the Government and the United Nations. Procurement and grant award procedures.

4.2. Budget (in €) and calendar

Implementation period: 1 January 2010 – 30 September 2011: 21 months¹⁹

¹⁸ Group of villages: the lowest administrative unit.

¹⁹ Prior approval on retro-activity will be requested to the Authorising Officer

Livestock Watering points	€ 1,546,092
Rangeland development	€ 875,314
Crop production	€ 1,676,250
Restocking	€ 345,042
Training	€ 27,000
Operational costs	€ 197,200
Visibility	€ 6,000
Indirect costs	€ 327,102
Total	€ 5,000,000

4.3. Performance monitoring

The programme will be monitored through a series of mechanisms, namely: bi-monthly field monitoring visits by UNDP to project sites; monthly meetings with the Governors to review issues that could hamper speedy implementation of the programme; monthly coordination meetings with the participating UN agencies to review progress and exchange information; annual review and assessment meetings at the national and regional levels with all stakeholders. Moreover, financial and technical performances of the programme are reported through technical reports from the respective regional administration offices (quarterly and annually), and financial reports from the regional offices quarterly. Financial advances are provided quarterly after receiving quarterly financial reports and after reviewing financial performances.

4.4. Evaluation and audit

The project will undergo a final evaluation, to be carried out by the EU.

Audits will be carried out by UNDP according to its/their Financial Regulations, Rules and directives. In addition, expenditure verifications may be carried out by the EU.

4.5. Communication and visibility

In accordance with the visibility provisions under the European Commission - UN Financial and Administrative Framework Agreement (FAFA) and with the European Commission - UN Joint Action Plan on Visibility signed in September 2006, the European Commission and the implementing organisations will work together to ensure appropriate visibility actions for the programme as a whole, as well as for specific interventions and activities under the programme.

Standards regarding visibility will be derived from the "EU visibility guidelines for external actions" http://ec.europa.eu/europeaid/work/visibility/index_en.htm

ACTION FICHE ETHIOPIA

1. IDENTIFICATION

Title/Number	Support to the Productive Safety Net Programme (PSNP) CRIS		
Total cost	<i>EU contribution</i> : EUR 3,100,000		
Aid method / Management mode	Project approach – Joint management with an international organization (World Bank)		
DAC-code	52010	Sector	Food security

2. RATIONALE

2.1. Sector context

Chronic poverty and food insecurity²⁰ remain pervasive in much of Ethiopia. Yet 38.5% of rural households still live below the food poverty line and most of them are engaged in subsistence farming on small plots of degraded land where they are vulnerable to weather fluctuations. Furthermore, while repeated environmental and economic shocks have severely eroded rural livelihoods, leaving households with little capacity to cope, health risks have exacerbated the vulnerability of the poor, driving these people into poverty traps, so that households are not able to fully meet their most basic consumption needs even in years when rainfall is adequate.

Although the humanitarian assistance mechanism was substantial (estimated at about US\$265 million a year on average between 1997 and 2002) and saved many lives in the past years, the delays and uncertainties meant that the emergency aid did little to protect livelihoods, prevent environmental degradation, generate community assets, or preserve physical or human household assets. As a result, despite the large food aid inflows, household-level food insecurity has remained both widespread and chronic in Ethiopia.

Started in 2005 as one of three major components of the Government of Ethiopia's Food Security Programme (FSP), the Productive Safety Net Programme (PSNP) represents an innovative approach to move away from responding to chronic hunger through emergency appeals towards a more predictable response to address the above mentioned recurring problems.

In its first phase (2005-2009), the PSNP has ensured targeted and timely transfers to the poor allowing them to retain factors of production and to integrate into society's productive strata and providing them with a springboard for development. The productive aspect of the programme focus on the creation of community assets as more than eighty percent of beneficiaries participate in micro-projects such as soil and water conservation, construction and/or maintenance of rural infrastructures that in the long run will have a positive contribution in enhancing agricultural productivity.

²⁰ Food insecurity is a lack of access, at all times, to enough food for an active, healthy life. Chronic food insecurity is the persistence of this state over time such that households are generally unable to meet their own food needs.

The PSNP has also focused on mobilizing multi-annual resources from development partners such that adequate planning, capacity building, and monitoring and evaluation systems can be in place.

In September 2009, the Government of Ethiopia and the development partners agreed on the new design of the FSP for the period 2010-2014. The second phase of the programme incorporates a number of innovative measures to address relevant issues such as transparency and accountability, financial management, support to household asset creation, improvement of public work quality and risk management²¹.

2.2. Lessons learnt

According to biannual IFPRI²² surveys and specific evaluation missions, there is significant evidence that the programme is having an impact: the PSNP is smoothing consumption and protecting assets. Where the PSNP and household asset building interventions are integrated, particularly in areas where the programme has been well implemented (indicated by a high level of transfers) household asset holdings have increased and crop production appears to have improved²³.

The extensive soil and water conservation and reforestation activities, as well as the construction of rural infrastructures (rural roads, small scale irrigation schemes, water harvesting structures) are considered relevant and of productive value by the beneficiaries but still require to improve quality and to ensure a maintenance follow up, as the roll-out of the Environmental and Social Management Framework (ESMF) has been slow and incomplete.

In the first phase of the programme (2005-2009) timeliness of transfers as well as timeliness and quality of technical and financial reporting by Ministry of Finance and Economic Development (MoFED) has been progressively improving although there is room for producing more structured, detailed and evidence based reports. Transparency and social accountability of the programme represent a key factor for the acceptance and ownership by the beneficiaries.

In spite of extensive training and detailed guidelines outlined in the Programme Implementation Manual (PIM), a lack of adequate awareness of PSNP among leaders and implementers remain, especially at Woreda level. While it is anticipated that staffing levels and high staff turnover will likely remain key constraints to programme implementation, addressing capacity constraints in financial management is also necessary to ensure appropriate and timely reporting and flows of resources through the system.

Ongoing efforts by MoFED and BoFEDs²⁴ in financial management of the programme need to be scaled up with a greater focus on addressing the causes of poor performance of some Woredas and increasing awareness, responsibility and accountability of MoFED structures. These aspects will be addressed in the new phase through a specific capacity building "sub-component" designed to ensure a structured and continuous (re)training programme²⁵.

²¹ Intended to address transitory food insecure people subject to limited shocks.

²² International Food Policy Research Institute

²³ Gilligan et al. 2009 "An Impact Evaluation of Ethiopia's Productive Safety Nets Program" IFPRI

²⁴ Regional Bureaux of Financial and Economic Development (structures of the MoFED).

²⁵ A new Safety Net Support Facility has recently been launched and will be fully operational in this phase of the programme. The Facility will coordinate an integrated approach to capacity building and provide financing for a significant amount of capacity building efforts, supplementing other expenditure on capacity building financed from the PSNP core management and administration budgets.

2.3. Complementary actions

The present proposal is complementary to another substantial EU contribution to the new phase of the PSNP from the A Envelope of the 10th EDF, for an amount of EUR 58 million for which a Project Identification Fiche has been submitted in December 2009.

While the PSNP has to be considered as a strategic cornerstone of the EU interventions in the sector, the Commission is supporting a number of interventions in the country that are complementary to PSNP: emergency interventions through ECHO which address specific transitory needs due to the different types of recurrent local crisis (climatic, economic, etc.); the Information for Food Security projects as well as other several NGO projects funded through Food Security Budget Line and the recent Food Facility; the Protection of Basic Services programme, designed to ensure continuity of basic services delivery (education, health, water supply, etc.) at Woreda levels; this programme is also complementary to the PSNP in that it guarantees availability of these services to the PSNP clients as well.

In the framework of the Food Security Program, complementarities with the other components of the programme are ensured by design, in particular with the Household Asset Building Component aimed to support household asset creation and thus contributing to the graduation process.

2.4. Donor coordination

The PSNP embodies best practice in donor collaboration. The policy shift to a productive safety net system has been strongly supported by the World Bank and the European Commission is working in close partnership with a consortium of other donors – CIDA (Canadian cooperation), DFID (British cooperation), Irish Aid, RNE (Dutch cooperation), SIDA (Swedish cooperation), USAID, and WFP. The donor group has pooled its financing – both in cash and food – and developed a unified stream of technical advice in support of a single Government-led program. A new MoU for the second phase has been finalized, which lays out the rights, obligations and coordination arrangements of the partnership. A Donor Coordination Team ensures the shared management of the large volume of studies and technical assistance that are mobilized in support of the Program. Each financing agency also takes on responsibility for being Chair of the Donor Group on a rotating basis.

3. DESCRIPTION

3.1. Objectives

The Global objective of the PSNP is to achieve, in its intervention area, food sufficiency for male and female members of chronic and transitory food insecure households. The Specific objective is covering three aspects: a) Food consumption assured and asset depletion prevented for food insecure households; b) Markets stimulated and access to services and natural resources enhanced for PSNP and other households, and c) Natural environment rehabilitated and enhanced.

3.2. Expected results and main activities

Results focus on four main areas of intervention: i) ensuring appropriate, timely and predictable transfers (cash and/or food); ii) building community assets of adequate quality and ensuring appropriate management mechanisms; iii) ensuring capacity in addressing transitory cash and food needs through a newly designed Risk Financing Mechanism, iv) strengthening

institutional capacity to manage the programme and to coordinate within the Government systems and with other relevant programmes and organisations.

Activities related to the transfers have to do with the overall process of annual (re)targeting and graduation²⁶, assessment of the wage rate, preparation and execution of the annual plan (including cash/food split), Monitoring and Evaluation of the transfer process.

The creation and management of functional community assets through the public works component of the programme represents the bulk of the programme activities at field level. Public Works are labour intensive community-based activities designed to provide employment for chronically food insecure people who have “able-bodied” labour, for which the PSNP transfers are made. Unconditional transfers are ensured to poor households with no labour or other means of support, with special emphasis on pregnant women and lactating mothers.

Activities related to the Risk Financing Mechanism allow scaling-up the safety net when needed, so that it is able to address transitory needs in PSNP Woredas. The mechanism is expected to be scaled down again when the shock has passed

Proper management, implementation, supervision and M&E of the programme require significant levels of capacity throughout Government systems. To this aim a more systematic approach to capacity building will be developed and implemented. Critical activities will include: production of manuals and guidelines; addressing staffing gaps; provision of equipment and services; rolling training; monitoring and evaluation. Linkages with other related initiatives, are expected to facilitate and enhance graduation through improved access to services and infrastructures and through asset creation.

3.3. Risks and assumptions

Integration among components is effective: it is assumed that support from other components of the FSP will be available to PSNP participants at the required scale and other programmes are effective at enabling food sufficiency. If this assumption does not hold, then a continuation of the limited levels of graduation can be expected. Careful monitoring and regular reviews are necessary to make sure that adjustments to the Food Security Programme are having the impacts intended.

Shocks do not deplete household assets: it is assumed that PSNP Woredas will not suffer major shocks. Moderate shocks in PSNP Woredas will largely be managed through a combination of the contingency budget and Risk Financing Mechanism, internalising part of this assumption. However if the scale of the shock exceeds the budget available through these instruments, there will be a need to use existing emergency response mechanisms.

²⁶ Caseload and budget for the new phase are estimated based on a number of assumptions. Concerning graduation these assumptions are that: no graduation is anticipated for Afar and Somali Regions during this phase. In other areas, 40% graduation by 2014 is assumed. Graduation is defined at the moment a household leaves the PSNP; graduation is expected to affect the numbers for the subsequent programme year.

From Direct Support to Social Protection: it is assumed that the Disaster Risk Management and Food Security Sector (DRMFSS) will participate during this phase of the programme in discussions regarding implementation of a national plan of action based on the Social Protection Policy document diffused by the Government of Ethiopia in 2009. In fact, it is widely recognised that many direct support participants will not graduate from the programme and it is expected that this process may define a sustainable source of financing for this vulnerable population.

Targeting: risks of inclusion and exclusion errors as well as of dilution of transfers will be minimized implementing the communication strategy, the client card system and the revision of the benchmark system.

Cash and food mix: the risk linked to the increase of food prices has been addressed since 2009 generalizing the 50% cash/food split to most PSNP Woredas. Nevertheless, Woreda capacity, geographical remoteness and access to markets have been taken into account and some areas, mainly pastoral, are still provided with full food transfers. These criteria and the annual revision of the wage rate will be maintained.

Financial Management: risks linked to inefficient or inappropriate financial management will be further addressed at all administrative levels increasing the involvement and level of responsibility of MoFED structures as well as the coordination with MoARD²⁷ in the overall management of the programme. The fiduciary risk of the disbursement mode has been adopted (meant to reduce humanitarian risk) that triggers replenishment upon disbursement to Woredas rather than upon submission of expenditure reports. Pertinent measures introduced are: mandatory adoption of the computer assisted payroll system, continuous training programmes and recruitment of additional staff and provision of office equipment.

It is also assumed that:

- **No security problems will occur in programme areas that will hamper smooth implementation**
- **Donors' commitment to provide resources to support the programme will continue**
- **The programme remains a top priority in the development agenda of the government at federal, regional and district levels to address food insecurity problems in the country**

3.4. Cross-cutting Issues

An Environmental and Social Management Framework has been established in order to ensure criteria for Public Work (PW) project selection, basic check list for their preliminary assessment, list of mitigating measures to be adopted for various types of PW projects during the PSNP implementation.

Gender equality and vulnerable female-headed households will be particularly targeted by the PSNP through a number of measures such as: (i) the provision of direct support to labour poor

²⁷ Ministry of Agriculture and Rural Development.

female-headed households, and (ii) an explicit provision to assist, through public works, in the productivity enhancement of lands owned by labour poor female-headed households.

3.5. Stakeholders

The programme will assist yearly about eight million plus chronically food insecure individuals which constitute some of the poorest and most vulnerable members of the population. The beneficiaries have strong interest in the programme as the resources channelled through the programme cover their food gaps and protect them from disposing off their household assets in order to meet their food needs.

The Agriculture and Rural Development structures at Federal, Regional and District levels through the Food Security Offices are primary government stakeholders who are responsible for the planning, implementation and supervision of the programme. The government has taken important measures to enhance capacities of implementing institutions, including that of the Ministry of Finance and Economic Development and its counterparts at regional and district levels, through providing continued training, recruiting additional staff and supplying equipment.

PSNP donors are the other stakeholders of the programme which have so far shown continued support for the programme through allocation of funds. Donors are also actively engaged in the follow up of the implementation process of the programme through established monitoring mechanisms such as joint supervision and rapid response missions as well as the Joint Coordination Committee consultations.

4. IMPLEMENTATION ISSUES

4.1. Method of implementation

Joint management through the signature of an administrative agreement with the World Bank.

4.2. Procurement and grant award procedures

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the World Bank Group as manager of the MDTF.

4.3. Budget and calendar

The EU financial contribution to the PSNP through this proposal amounts to EUR 3.1 million. The indicative breakdown of the proposed EU contribution is as follows:

Budget item	Amount (€)
Public Works transfers	2,280,000
Direct Support transfers	665,000
Administrative costs	155,000
Total EC-WB Administration agreement	3,100,000

No allocation is planned for technical support, evaluation and audits as these costs are already budgeted in the EUR 58 million proposal submitted in December 2009.

While the full operational duration of the second phase of the PSNP is 5 years, i.e. 2010 – 2014, the disbursement of the funds related to this agreement will take place between May 2010 and December 2011.

The regular donor contribution to the new phase of the PSNP in cash and/or food is approximately EUR 300 million per year for the period 2010 - 2014.

The Government of Ethiopia contribution to the FSP is evaluated at 2 billion Birr per year (around EUR 110 million at the exchange rate of December 2009).

4.4. Performance monitoring

The performance of the project will be closely monitored by the World Bank. The EU Delegation in the country will also ensure adequate monitoring on the basis of key indicators established in the Logical Framework, progress reports and participation to relevant meetings/committees.

External Results Oriented Monitoring missions by the EU may be carried out.

4.5. Evaluation and audit/Verification.

The project will undergo a final evaluation, to be carried out by the EU. Audits will be carried out by the World Bank according to its/their Financial Regulations, Rules and directives. In addition, expenditure verifications may be carried out by the EU.

4.6. Communication and visibility.

A communication strategy for the overall FSP is embedded in the new design on the coordinated initiative of Donors and FSPD, with the purpose to extend the knowledge of the programme and build support among stakeholders and the general public.

Standards regarding visibility will be derived from the "EU visibility guidelines for external actions" http://ec.europa.eu/europeaid/visibility/index_en.html

ACTION FICHE MOZAMBIQUE

1. IDENTIFICATION

Title/Number	Food Facility : Sector Policy Support Program to PROAGRI II DCI-FOOD/2009/021-859		
Total cost	€5,200,000		
Aid method / Method of implementation	Sector Policy Support Programme: - Sector budget support (centralised management)		
DAC-code	31110	Sector	Agriculture

2. RATIONALE AND COUNTRY CONTEXT

Rationale

Mozambique has been included in the list of selected countries of the Food Facility Instrument²⁸ designed for a rapid response to soaring food prices in developing countries on the basis of socio-economical criteria²⁹ and the capacity to respond and implement appropriate response measures (assessed through agricultural production capacity; reliance to external stocks).

Under the Food facility Instrument, the total amount allocated to Mozambique is €23.2 million amongst which a €5.2 million envelope for the Agriculture Policy Support Programme and €17 million to be implemented through projects.

This Action Fiche aims at providing the required information on the €5.2 million contribution that the EC is to deliver through a complement to the current Sector Policy Support Programme. Support via this programme will be provided through additional budget support to the National Agriculture Development Program (PROAGRI) of the Ministry of Agriculture (MINAG).

The European Commission has contributed to the implementation of PROAGRI since 1999³⁰. PROAGRI is aligned with the direct budget support provided by the G19 (Group of 19)³¹ donors and is complementary to the general budget support from the EU (PRBS -Poverty Reduction Budget Support- III, MDG -Millennium Development Goals- Programme). It is based on policy dialogue within the agriculture sector on which the economic growth is, and will continue, to be dependent.

28 Regulation" (EC) No 1337/2008 of the European Parliament and of the Council was adopted in December 2008, OJ L 374 of 31 December 2008, pp.62-69

29 poverty level and real needs of the population, food price development and potential social economic impact (measured through reliance on food import; social vulnerability and political stability, macro economic effects of food price developments)

30 The European Commission is the largest contributor to PROAGRI. It has provided 30% of all donor contributions since the start of the Programme. In 2009, the European Commission provided € 15 million, representing 44% of all donor contributions. More than half of the budget of MINAG is covered by external aid

31 At the core of the aid effectiveness agenda in Mozambique is a group of 19 donors, known as the Group of 19 (or G19), each of which provides general budget support to the government. The G19 adheres to government procedures and operational cycles as the basis for general budget support.

Country context and National Development Policy

Economic and social situation and poverty analysis

Although Mozambique remains one of the world's poorest countries, with its GDP per capita grew from US\$ 301 (2004) to US\$ 465 (2008). Agriculture is still one of the largest contributors to GDP with a stable 23%³² to GDP during the period 2000–07; the stability of the share over period is noteworthy in view of the fast increases of the production of non agricultural megaprojects (Mozal, Pande Gas, and Cahora Bassa). Although Mozambican agriculture presents a high production potential (45% of total surface area arable), only 12% is cultivated made up of smallholdings (average area cultivated per family: 1.2 hectares) with basic type of farming³³. In addition, more than 85% of the population draw it main source of income from Agriculture.

Following the food and fuel price crisis, the macro-economic prospects remain positive but have weakened. During the period 2007 – 2008, the Mozambique's economy remained strong in 2007 and 2008 with: (i) a GDP growth of 7.0% and 6.8%, respectively in 2007 and 2008, (ii) an improvement in revenues (direct domestic taxes, in 2007 with 16.4% of GDP and 2008 with 17% of GDP), (iii) an effort to constraint the inflation (8.2% in 2007, 6.2% end 2008) and (iv) the international reserve maintained at 4.4 months in 2008. Despite the challenging external environment, the strong macro-economic performances in 2008 attributable in large part to the implementation of prudent fiscal and monetary policies in the context of a flexible exchange rate regime. Although global crude oil prices have fallen they still remain high in comparison to historical averages. Global food prices have fallen since May 2008 but remain much higher than 2007 prices; this has had a significant effect on the price of food in Mozambique, with key imported staples increasing by 25% per year.

To cope with the situation caused by rise of food and fuel prices in 2008, the Government of Mozambique undertook a mixture of short and medium term policy decisions. Import duties were initially waived on diesel and eventually extended to all types of fuel. The fuel subsidies are still in force and are expected to end in 2010. Another important measure was the adoption of the Action Plan for the Production of Food (PAPA³⁴) for 2008 – 2011 with the objective to reduce the deficit in all major food products and the dependency on food imports.

For the 2009 – 2011, the impacts food and fuel crisis is compounded by the global economical crisis. Most macro-economic and fiscal indicators have been revised downwards based on the economic turn down. The Growth forecast for 2009 has been lowered from 6.4% to 4.5% (September 2009); the revenue collection to fall by 1.3% of GDP and a remaining low inflation around 6%. The overall balance of payment is projected to deteriorate in 2009 due to contraction or postponing foreign

³² National Institute of Statistic

http://www.ine.gov.mz/indicadores_macro_economicos/cn/pib/pib_oproducao

³³ The type of farming (using manual labour and hand tools with only minimal use of improved varieties, chemical inputs or farm machinery) imposes physical limits on the area that can be cultivated and the yields that can be generated; a natural limit is therefore also imposed on the total quantity of food that can be produced for self-consumption and for sale.

³⁴ Plano de Acção para a Produção de Alimentos 2008-2011; June 2008, MZN 10.9 billion (around € 250 Million)

investments in large projects while exports receipts expected to fall in 2009 (mainly due to the drop of the price of aluminium aluminium). More traditional exports like cotton and cashew were also affected. Inflation for 2009 is estimated at 5.4% and could rise to about 8 percent by end 2010³⁵, partly due to the ending of fuel subsidies. Considering the external shocks the external reserves are projected to drop but remaining at an acceptable level around four months of imports. The Government indicates that it expects the overall fiscal deficit after grants to widen by two percentage points to 4.5% of GDP, resulting in a domestic financing need of 0.8% of GDP. Within this context, the IMF approved a US\$ 176 million Exogenous Shocks Facility (ESF) for a 12 month period to mitigate the effects of the global economic downturn contributing to cover the balance of payments while maintaining the reserve coverage at 4.5 months.

National development policy

The second Poverty Reduction Strategy Paper (PARPA II) by the Government for the period 2005-2009, which aims to reduce poverty by developing economic and human capital and improving governance, has been extended with one year until the end of 2010. The successor of PARPA II is expected to be finalized next year and will be based upon the new five year Government plan (Plano Quinquenal do Governo³⁶).

A strategic Public Financial Management (PFM) Vision 2020 was provisionally approved by the Minister of Finance in July 2009, under provision that further consultations with local authorities and comments of donors would be integrated. Although slowed down as a result of the elections in October 2009, the process is still ongoing and is likely to be finalised only when the new Government will be installed (February/March 2010).

The national development policy for the agricultural sector in Mozambique is not founded one comprehensive single strategy document and several strategic documents draw up the sector framework, notably:

- The Green Revolution Strategy was adopted by the Council of Ministers in 2007 and,
- the Priorities of Agrarian Development, 2006–2009³⁷ was published in September 2006,
- In relation to the Agriculture sector, the Action Plan for Food Production (PAPA) operationalizes the Green Revolution Strategy and gave a response to the global food price crisis. This plan aims to boost the agricultural production of primarily basic food products for three agricultural seasons (2008-2011). It intends to reduce import dependence and vulnerability to external shocks. Important actions to be implemented under the PAPA are the strengthening of the agricultural extension services and the supply of seeds and other production factors in high-potential agro-ecological areas. The PAPA also

³⁵ IMF 5th review under the Policy Support Instrument (PSI) and 1st review under the Exogenous Shock Facility (ESF).

³⁶ The new Plano Quinquenal do Governo is expected to be adopted by the new Government and Parliament by March/April 2010

³⁷ Prioridades de Desenvolvimento Agrário, 2006–2009

makes provision for substantial public investments in silos (in order to ensure outlets for increased maize production) and irrigation (mainly to boost rice production).

- PROAGRI constitutes the institutional framework for the agriculture development in Mozambique, and integrates one of the pillars of Poverty Reduction Action Plan. It assists through its mandate in contributing to improving the national food security and in the eradication of absolute poverty. It promotes agricultural production and the development of agri-business that enhances broad and pro-poor agricultural growth.

An overarching long term (2010-2019) Strategy for Agro-Development Sector (PEDSA)³⁸ is under preparation since 2007. After adoption, the PEDSA will replace the previous agricultural policy and strategy documents and will set a strategic vision that will guide the agricultural sector development for the future.

Sector context

PROAGRI has supported the Ministry of Agriculture for many years with the implementation of PARPA. Although there has never been one all inclusive strategic document, the sector objectives are consistent with the overall strategic objectives of the Government and the overall strategic framework of PARPA (PRSP).

PROAGRI is aligned with the General Budget Support programme (GBS) and integrated with other sector support programmes that support PARPA. It contributes to the harmonization and alignment of aid in the terms of the Paris declaration. PROAGRI uses the Government budget management system, reporting and monitoring systems. It is supported by a group of eight donors³⁹ via non-targeted contributions to the budget of the Ministry. The progress of PROAGRI is monitored, with active participation of the Ministry, through the overall Performance Assessment Framework, which was specifically established for the sector programme.

The general assessment of the PROAGRI partners on the performance of the Government's sector programme in 2008 is that it has, in general, followed a positive trend. This assessment is based upon on the results of the sector joint review process between the Government (Ministry of Agriculture) and the PROAGRI Partners⁴⁰, as well on the annual report of activities of the Ministry and in particular on the PROAGRI performance assessment matrix.

The Agriculture Public Expenditure Review (AgPER⁴¹) for Mozambique has been carried out in 2009 in order to assess the quantity and quality of public spending in the agriculture sector. It aims at identifying potentials for increasing the effectiveness of public spending and it also assesses the share of public expenditure in agriculture as compared to the total of public expenditure in Mozambique.

³⁸ Plano Estratégico de Desenvolvimento do Sector Agrário, 2010-2019

³⁹ EC, Canada, IFAD, Sweden, Denmark, Ireland, Finland and Austria

⁴⁰ Joint Review Aide Memoire 2008

⁴¹ Draft: Mozambique, Analysis of Public Expenditure in Agriculture, June 2009

Eligibility for budget support

1.1.1. National Development or Cooperation Policy and Strategy

The Government's second Poverty Reduction Strategy Paper (PARPA II), which aims to reduce poverty by developing economic and human capital and improving governance, has been extended with one year until the end of 2010. The successor of PARPA II is expected to be finalized next year and will be based upon the new five year Government plan (Plano Quinquenal do Governo⁴²). The recent Joint Review held in April 2009 of the Government's implementation of the Action Plan for the Reduction of Absolute Poverty concluded on satisfactory performances.

1.1.2. Macroeconomic situation

Mozambique has been characterised by a robust growth in recent years and relatively stable monetary and fiscal policies (despite the crises effects). Economic growth between 2004 and 2008 reached an annual average rate of 7.6%, with a slight downturn for 2007 and 2008 of 7% and 6% respectively. The macro-economic stability was confirmed in the conclusion of the 4th Review of the PSI (April 2009). It was further recognised that the macro-economic prospects remain positive but have weakened and reported the IMF staff support to the national fiscal and monetary policies review in response to the crisis.

Up to end 2008 the exchange rate of the metical remained stable against the dollar. This raised some concerns that the currency was over-appreciated, which might influence the competitiveness of Mozambique, particularly in traditional exports. In 2009 there has been an easing of monetary policy in line with the advice of the IMF, leading to a depreciation of the metical against major currencies, thereby easing earlier concerns on the appreciation. The Government's fiscal program, as agreed with the IMF, planned to maintain budgetary spending at previously programmed levels, despite expected drops in revenue earnings. This caused initially some concerns that Mozambique would face a significant fiscal gap. The Government did announce a fiscal financing gap of \$219m in June 2009.

In the recent IMF mission under the 5th PSI review and the first ESF review conducted in September 2009, confirmed the resilience of the Mozambican economy to the global economic crisis and support the monetary policy undertaken. Revenue mobilization improved markedly well and targeted subsidies were introduced to counter the global impact of rising fuel prices. Growth for 2009 is estimated at 4.5% due to the effects of the economic crises but is expected (IMF⁴³) to recover to 5.5% in 2010 and to 6% in the medium term. Prospects for continued growth are considered generally favourable as several major projects are under execution (development of coal mines at Moatize, exploitation of titanium sands in the north and south, and a hydro-electric dam). It is expected that the Government will continue to maintain a stability-orientated macroeconomic policy framework with an increased attention to a broad-based growth and a comprehensive strategy for decentralization as well as proactive moves towards the reduction of the cost of

⁴² The new Plano Quinquenal do Governo is expected to be adopted by the new Government and Parliament by March/April 2010

⁴³ IMF 5th review under the Policy Support Instrument (PSI), 2009

doing business and transparency in the administration of revenues from natural resources.

1.1.3. Public Financial Management

The government continues to improve the Public Finance Management, which is generally known as the SISTAFE⁴⁴ Reform. Considerable progress has been observed the past years in broadening and deepening e- SISTAFE, with a focus on budgeting and expenditure management through major PFM assessments (2007 PEFA (Public Expenditure and Financial Accountability), 2008 IMF 2008 CPAR (procurement)). A significant improvement in the quality of PFM systems and processes has been observed in the scoring between the two PEFA exercises. Most significant improvements have come in the areas of payroll, procurement and internal controls, Cash management, Donor practices, External scrutiny & Audit and Revenue collection & management. There have also been positive changes in Comprehensiveness & Transparency and in the quality of Policy-based Budgeting. Most reforms were already under implementation or at advanced stages of design in 2004, which underlines the fact that the improvements observed in 2006/2007 are for the most part the fruit of investments undertaken much earlier.

The findings of the 2008 IMF ROSC assessment, concerning the compliance of Mozambique's fiscal transparency practices with the IMF requirements of the Code of Good Practices on Fiscal Transparency, conclude that most of the criteria were met. Mozambique has made significant progress on fiscal transparency over the last few years, as a result of a wide range of relevant legislative reforms in line with international good practices.

In the April 2009 Joint Review, the performance of Public Finance Management was considered positive in 2008 in line with the impact of the e-SISTAFE reform implementation along with the use of direct budget execution. The consolidation of reforms and the improvements introduced in the budgeting, accounting, audit and control processes, as well as in the management of revenues and State procurement, have complemented the tightening up of PFM.

A long-term Strategic PFM vision of the Government has been approved in July 2009. The Group of 19 and the IMF representatives have welcomed this document as framework guiding future reforms in PFM. The overall approach is considered valid; the vision is comprehensive with the relevant core processes selected. Following the comments However, some general recommendations have been proposed by G-19 members (i) definition of the modality de revision de la strategy notably, (ii) prioritisation and sequencing of the reform activities in line with a costing of the reforms and Government's capacity to manage the reform, (iii) focus on general guiding principles for the reform. As part of an on-going discussion process between the Government and the partners, the vision will be endorsed by the council of Ministers and a review is foreseen in 2 years time. In addition, operationalisation of the PFM strategy is a parallel process: the action plan, costing and logframe for SISTAFE and internal control are under elaboration.

⁴⁴ Sistema de Administração Financeira do Estado

Lessons learnt

The National Program for Agriculture Development is managed by the Ministry of Agriculture. Most of the financial support in the past focused predominantly on the institutional development, reform and decentralization of the Ministry, as well as the improved delivery of public services in the agricultural sector. The current PROAGRI II is built on the experience accumulated during the implementation of the previous programme and is more oriented towards the support of demand-driven activities, which contributes to a higher sustainability of institutional reforms and investments.

The Government assumes the sector programme (PROAGRI) as part of its own policy. It was designed under its coordination, with strong donor support. The role of the new support in this field can be enhanced in terms of consolidating capacity for the implementation of PAPA. The main issue is not so much a lack of national ownership, but rather the capacity and interest of the Government in defining clear and stable policy objectives for agriculture.

PROAGRI seems to be at a cross roads, and the discussion of some relevant issues on its future seems to lead to the integration of the agriculture development in the wider context of rural development. In the meantime, and in the field of external cooperation, PROAGRI constitutes one of the first examples of joint donor programme support in Mozambique, within a sector as complex as agriculture, reaching sector coordination mechanisms without substituting for, or override, the general structures and responsibilities of the partner Government.

Complementary actions

Under the Food Facility and in complement to the €5.2 million envelope, two contribution agreements have already been signed with FAO and IFAD (totalling €12 million) in favour of specific initiatives to improve the access to agriculture inputs and services. In addition a call for proposal is currently being finalised and contract signature is expected to take place in December 2009.

Besides the measures made available under the Food Facility, €12.11 million has been made available to Mozambique as additional resources for unforeseen needs (B-envelope) in response to the soaring food prices and the resulting macro economic and social effects. The additional support has been provided in the form of a top-up of the PRSBS III existing general budget support programme⁴⁵.

The World Bank responded to the effects of the food and fuel crisis by providing an additional \$10 million in 2008 and increased its 2009 disbursement by another \$10 million. The 2009 disbursement was frontloaded to end 2008. The World Bank intends to frontload its 2010 disbursement to end 2009, but this still needs to be confirmed.

Under the Sector Policy Support Programme, a €32 million envelope is implemented through budget support on a total amount of €35 million. Up to now, the rate of disbursement is estimated at 88%. The Ministry of Agriculture conducted a capacity assessment in 2008 with the overall objective to identify the capacity needs at the

⁴⁵ An addendum to the CSP and NIP was signed on 4 June 2009 and the full amount has been transferred

different institutional levels in order to be able to achieve the desired results in an effective and efficient manner. Based on the assessment the European Commission provided technical assistance for a total amount of €1.7 million in order to increase the capacity of the Ministry at all levels.

Donor coordination

Donor coordination in Mozambique is presented at two different levels: coordination at direct budget support level with the G19 group of donors and donor coordination at sector level. The first Memorandum of Understanding (MoU) for general budget support was signed in 2000. The first PROAGRI MoU was signed one year afterwards.

The Ministry of Agriculture and the PROAGRI donors signed a new MoU for the provision of Sector Budget Support in the Agriculture sector in February 2007. The main changes brought to this Memorandum of Understanding (MoU) concern the flow of funds, as all contributions transit through the Treasury, and the adoption of government procedures for all expenditures. Donor coordination became more formalised and streamlined.

Subscribing to the Rome Declaration on Harmonisation and to the Paris Declaration on Aid Effectiveness, all PROAGRI MoU signatory donor partners committed themselves to decrease the number of exceptions to the MoU. The Government for its part committed itself to encourage all partner agencies to contribute to the implementation of PROAGRI and to give precedence to budget support.

3. Description

Objectives

The overall objective is to support the Government of Mozambique in its efforts to mitigate the effects of the food crisis.

The specific objective is to assist the Ministry of Agriculture in its mandate, which is "to contribute to national food security and to the eradication of absolute poverty, through the promotion of agriculture production and the development of agri-business that enhances broad and pro-poor agriculture growth".

Expected results and main activities

The expected results are a timely implementation of the agriculture services and an improved food security situation of the vulnerable group.

Risks and assumptions

Assumptions

- Macro-economic stability and the momentum on the PFM reform process maintain,
- Ceilings for the Ministry of Agriculture, as they have been set by the Government in the Medium Term Fiscal Framework for 2007-2009, are not reduced.

Risks

- Exogenous shocks such as droughts and floods,
- Decrease political wiliness to implement the PROAGRI and PAPA,
- Delay in transferring the adequate level of government funding to the agriculture sector during the implementation period,

Mitigation

- Focus on sector policy dialogue in coordination with the sector stakeholders on the implementation of the PROAGRI and PAPA,
- Ensure the implementation of the revised sector programme indicators in order to better provide a better link between PROAGRI/ PAPA/ PARPA and the overall objectives of the sector programme.

Stakeholders

PROAGRI has been instrumental to include important stakeholders, notably the farmers, in the coordination and policy making process.

Yet feedback from farmers and civil society on performance does not always fully feed back into the policy debate. Within PROAGRI, PAPA brings the opportunity to further strengthen the mechanisms of consultations.

With the efforts of PROAGRI on decentralisation, an adequate linkage with local government is being developed. The formulation of the new policy orientations of PAPA (green revolution scope) has had implications on the identification of beneficiaries, mainly emergent farmers and commercial farmers.

Crosscutting Issues

An Environmental strategy already exists. It provides a credible framework to the national agricultural programme together with a checklist ensuring sustainability at field level. The Ministry of Agriculture is committed since 1998 to guarantee the integration of gender issues in the agricultural sector. In terms of mitigation of climate change it is recognised that supplementing income derived from agriculture with semi-industrial activities is additionally important for increasing rural incomes and, in particular, making income less dependent on extreme weather conditions.

4. Implementation issues

Method of implementation

Direct centralised management.

Budget and calendar

Total budget of this action, €5.2 million, will be implemented through an untargeted sector budget support with the following indicative calendar:

- One year support: 2010
- One single fixed tranche (€5.2M to be paid end 2010)

The operational duration as from signature of the Financing Agreement is 12 months.

Performance monitoring and criteria for disbursement

The resources will be disbursed in one fixed tranche based on the **general conditions** related to the eligibility criteria of a stability oriented macroeconomic policies, progress in the implementation of the PFM reform programme and progress in implementing the PROAGRI sector programme.

Evaluation and audit

External audits are carried out annually by the Ministry of Agriculture as indicate in the MoU. Specific audits, as well as performance audit might be conducted on request of the PROAGRI contributors.

PFM assessments and/or Public Expenditures Reviews will be assumed by the Ministry of Agriculture if deemed necessary. Where possible, audits and evaluations will be undertaken jointly by the PROAGRI contributors and the Ministry of Agriculture.

Communication and visibility

Communication and visibility will be offered through press releases issued jointly by the Government of Mozambique and the EU Delegation after the signing of the Financing Agreement and/or the disbursement of the funds.

FICHE ACTION POUR NIGER

1. IDENTIFICATION

Intitulé/Numéro :	Cris 2009/21494 – DCI FOOD		
Coût total :	<i>EUR 10 million</i> <i>Financement Union Européenne : EUR 10 millions</i>		
Méthode d'assistance / Mode de gestion :	Approche projet gestion conjointe		
Code CAD :	52010	Secteur :	Sécurité alimentaire

2. MOTIF

Le Niger est un pays particulièrement vulnérable aux impacts de la hausse des prix des denrées alimentaires observée depuis fin 2007 et de la crise financière 2008-2009.

En effet, cette année 2009/2010 ne s'annonce pas bonne d'un point de vue alimentaire. D'après la Direction de la Statistique, la production céréalière enregistre une baisse de 28% par rapport à l'an dernier et un déficit brut de 290 000 tonnes est envisagé.

La situation des prix est alarmante avec pour ce début novembre (période de récolte), une hausse du prix du mil (céréale la plus consommée) de 10% par rapport à la même période de 2008 et de 22% par rapport à la moyenne des cinq dernières années. Au niveau des intrants (agricoles et zootechniques), la situation est identique pénalisant les chances d'améliorer les productions et augmentant ainsi le risque de précarité alimentaire. Parallèlement, les termes de l'échange bétail / céréales baisse, en défaveur les éleveurs.

La forte croissance démographique constitue une des causes sous jacentes de l'insécurité alimentaire et de la malnutrition chez les enfants et les femmes. En effet, cette croissance démographique non maîtrisée a des impacts sur la répartition et l'exploitation des terres agricoles, exposant ainsi les populations à une insuffisance de la production qui se traduit en partie par une malnutrition chronique chez les plus pauvres en général, et chez les femmes et les enfants en particulier.

Ces effets conjugués de disponibilité médiocre, d'accessibilité difficile des denrées de base et des intrants pour la production, de forte croissance démographique rend nécessaire la mobilisation de fonds additionnels.

Ce contexte d'insécurité alimentaire est tout à fait éligible à la Facilité Alimentaire.

Il faut signaler par ailleurs que le Conseil et la Commission ont invité le Niger le 3 novembre 2009 à entamer des consultations au titre de l'article 96 de l'Accord de Cotonou pour violation grave de certains éléments essentiels de cet accord, et en particulier des éléments ayant trait à la démocratie et l'état de droit. Le processus ayant conduit à la 6^e République et aux élections législatives du 20 octobre 2009 boycottées par l'opposition, a été condamné également par la CEDEAO et l'UA. Si cette situation a conduit la Commission Européenne à prendre des mesures conservatoires en suspendant l'appui budgétaire et toute une série de nouvelles initiatives de coopération au développement, cette situation ne devrait

pas affecter l'aide humanitaire et d'urgence ni la coopération en cours en faveur des populations les plus vulnérables. L'aide envisagée au titre de la facilité alimentaire ne tombera pas sous les mesures conservatoires et ne devrait pas être affectée par des mesures appropriées qui pourraient résulter des consultations si celles-ci devaient s'avérer insatisfaisantes. On doit toutefois rappeler qu'à l'origine cette facilité de EUR 10 millions était prévue selon une modalité d'appui budgétaire sectoriel, ce qui n'est plus envisageable dans la situation actuelle de discussion sur la coopération UE / Niger.

2.1. Contexte sectoriel

Le Niger est un pays particulièrement vulnérable aux impacts de la hausse des prix des denrées alimentaires observée depuis fin 2007 et de la crise financière 2008-2009.

En effet, le Niger est un pays enclavé, classé 174ème sur la liste IDH du PNUD. En 2006, le PIB réel par habitant est estimé à USD 178 US. Le secteur primaire (hors activités extractives) emploie 80% de la population active du Niger mais est faiblement productif (44% du PIB national). Le taux d'urbanisation est faible, 17% seulement.

Les deux tiers de la population rurale vivent en dessous du seuil de pauvreté, lié à l'insuffisance des moyens de production (capital foncier et productif). 89% des ménages ruraux pratiquent une agriculture pluviale à faible productivité, basée sur les céréales (mil et sorgho) qui constituent la base de l'alimentation et qui occupent 95% des surfaces cultivées.

En période de soudure, la survie des ménages repose sur la vente d'animaux, le développement d'activités génératrices de revenus (cultures de contre-saison, embouche, transformation des produits agricoles, etc.) et surtout, pour les plus pauvres, d'emploi de leur main d'œuvre localement (cultures de contre saison, vente de bois et fourrage, transport d'eau, décorticage, activités HIMO). L'exode saisonnier vers le Nigeria et les pays côtiers, en quête de travail, est très fréquent en cette période également. Face à l'insuffisance des revenus, les ménages diminuent le nombre de repas journaliers (32%) ou la ration journalière (57%). Ils sont parfois réduits à s'endetter et à hypothéquer leurs quelques terres en garantie. L'insécurité alimentaire fait également partie des causes fréquentes de mariages précoces des filles mineures.

Des enquêtes socio économiques récentes ont montré que la proportion de ménages avec des superficies agricoles insuffisantes pour leur subsistance est en progression constante, avec des situations réellement préoccupantes dans certains départements et cantons.

En plus de ces contraintes structurelles, la pauvreté des ménages ruraux est exacerbée conjoncturellement par des catastrophes naturelles (sécheresses, inondations, invasions de criquets), qui affectent périodiquement le pays avec une intensité très variable, ainsi qu'une hausse constante des prix des denrées de base.

Sur les aspects nutritionnels et au niveau national, le taux de sous-nutrition aiguë globale est critique à 12,3% en juin 2009 au niveau national, contre 11,6% un an auparavant. La sous-nutrition aiguë sévère reste quasiment stable avec un taux national de 2,1% en juin 2009, contre 2,8% à la même période de l'année précédente. Les régions de Diffa et de Zinder sont en situation d'urgence (taux respectivement à 17,4% et 15,4%). Toutes les autres régions sont en situation critique sauf une région (Tillabéri) où le taux est légèrement inférieur à 10%. Les enfants de 6 à 35 mois sont les plus touchés par le phénomène.

Sur le long terme, le taux de sous-nutrition chronique global ressort à 46,3% pour l'ensemble du territoire, variant de 23,2% à Niamey, à 58,6% dans la région de Zinder. Le taux de sous-nutrition chronique sévère est de 18,9%.

L'indice des prix à la consommation a recommencé à croître à partir du second semestre 2007. En glissement annuel, l'inflation est de 7,8% en septembre 2009 (Institut National de Statistiques), largement au dessus de la norme communautaire UEMOA de 3%.

Il est donc essentiel de mettre en œuvre des moyens suffisants pour atténuer ces impacts pour les populations les plus vulnérables particulièrement dans les domaines suivants: nutrition, production agricole et accès aux vivres. Afin de contribuer à la durabilité de ces interventions, il est important qu'elles soient accompagnées d'actions visant la croissance démographique et la santé maternelle. Ces actions sont l'objet de la présente proposition et permettront, d'une part de répondre aux aspects conjoncturels liés à la période de soudure qui s'annonce très précoce cette année, d'autre part de renforcer certaines actions s'adressant déjà au structurel (nutrition), et enfin, d'impulser de manière opérationnelle des activités devant permettre de répondre au défi démographique, source d'insécurité alimentaire et nutritionnelle.

2.2. Enseignements tirés

Du contexte présenté au § 2.1., il apparaît clairement que les capacités des populations pour mitiger les impacts d'une hausse de prix, hors tendance temporelle, et d'une crise financière, sont quasi inexistantes.

Ceci apparaît par ailleurs également clairement des résultats des appuis 1998-2008 de la Commission Européenne au Dispositif National de Prévention et de Gestion de Crises Alimentaires qui montrent que sur les 12 dernières années, un quart des 230 cantons et regroupements du Niger se retrouvent régulièrement (au moins 3 années sur 4) en situation de déficit vivrier global au sortir de la campagne d'hivernage et qu'un tiers de ceux-ci (soit 18 cantons et regroupements) sont systématiquement en situation de déficit (au moins 9 années sur 10). La population résidant dans ces zones représente 40 et 20 % de la population rurale, respectivement.

Cette expérience a également montré que, dans le cadre du Dispositif National qui favorise une approche sectorielle sous le leadership de l'Etat, les quatre institutions du Système des Nations Unies, qui ont un mandat explicite par rapport à la vulnérabilité des populations en matière de santé, nutrition et sécurité alimentaire (PAM; FAO, UNICEF, FNUAP) ont montré leur grande efficacité pour des actions immédiates ou à court-terme d'atténuation ou de prévention de crises telles que des interventions dans le domaine de la nutrition, l'accès aux denrées alimentaires, la production agricole à petite échelle par des ménages très vulnérables, et la santé maternelle et infantile. C'est précisément dans ces domaines que l'impact d'une crise alimentaire, exacerbée de façon très significative par la hausse des prix et la crise financière, est particulièrement frappant.

2.3. Actions complémentaires

La présente opération vise donc à renforcer les programmes d'appui à la sécurité alimentaire et nutritionnelle (initiés entre-autres par l'UE, mais également par d'autres partenaires tels que: UNICEF, FAO, PAM (Programme Alimentaire Mondial, FNUAP (Fond des Nations Unies pour e Populations), etc.).

En particulier, les présentes activités UNICEF viennent renforcer et compléter l'opération UNICEF financée par la « première facilité alimentaire », par un enrichissement des activités

en amont de la prise en charge nutritionnelle (bonnes pratiques nutritionnelles) et par une extension géographique.

Les activités FAO viennent également compléter les actions mises en œuvre sous la « première facilité alimentaire » dans le sens où les interventions vont toucher les personnes les plus vulnérables des zones à risque tandis que la précédente opération visait en particulier les capacités des producteurs à travers le réseau de banques d'intrants. La seconde opération projetée intègre mieux les aspects nutrition à travers l'intégration de la promotion du jardinage dès le parcours scolaire primaire.

L'appui CTB (financement facilité alimentaire) vient compléter les différentes interventions FAO dans le sens où la CTB s'intéresse aux zones sous irrigation du fleuve Niger, en déclinant le même type d'intervention. De même, l'appui d'Afrique Verte (facilité alimentaire), à partir du renforcement des banques d'intrant permettant d'améliorer la production, se propose d'améliorer les circuits de commercialisation, d'améliorer les capacités de transformation des produits locaux et d'améliorer le bol alimentaire quotidien des femmes et des enfants.

Pour la Commission Européenne, en cohérence avec le Document de Stratégie du Pays (2008-2013) et le PIN, qui identifient comme premier secteur de concentration, le soutien au milieu rural, l'aide est réalisée à travers un appui à la mise en œuvre de la stratégie sectorielle, la Stratégie de Développement Rural (SDR). Celle-ci vise à réduire l'incidence de la pauvreté rurale à travers trois axes stratégiques (i) favoriser l'accès des producteurs aux opportunités économiques pour créer les conditions d'une croissance durable, (ii) prévenir les risques, améliorer la sécurité alimentaire et gérer durablement les ressources naturelles pour sécuriser les conditions de vie des populations, (iii) renforcer les capacités des institutions publiques et des organisations rurales pour améliorer la gestion du secteur. Cette opération s'adresse tout particulièrement au second axe stratégique décliné dans le programme 9 de la SDR « Réduction de la vulnérabilité des ménages, y compris santé nutrition ».

Ainsi pour atteindre les objectifs de la SDR en matière de sécurité alimentaire et en appui au Dispositif National de sécurité alimentaire (mécanisme conjoint regroupant treize donateurs), la Commission Européenne a mis en œuvre, pour la période 2004-2006, un programme de sécurité alimentaire d'un montant de 15 millions d'euros (budget UE) suivi d'un autre programme pour la période 2007-2009 de 12 millions d'euros (FED), et pour la période 2010-2012 (10^e FED), un nouvel appui de 15 millions d'euros dans l'objectif de poursuivre le renforcement du dispositif de prévention et de gestion des crises alimentaires. Remarquons que là où cet appui 10^e FED a un caractère plus institutionnel, celui-ci est aujourd'hui partiellement suspendu (en dehors des actions minimales nécessaires pour préserver les acquis, en particulier en appui systèmes d'information nutritionnelle et agricole), notamment l'appui direct aux fonds du Dispositif National, en application des mesures conservatoires prises dans le cadre des consultations au titre de l'article 96 de l'accord de Cotonou. Un montant de EUR 2,3 millions déjà versé au trésor public sur le projet 9^e FED en appui au dispositif national, a été partiellement débloqué pour des achats locaux de céréales en vue de reconstituer des stocks stratégiques gérés sous le contrôle du comité restreint de concertation du dispositif national (CRC) co-présidé par le directeur de cabinet du Premier Ministre et par la DUE comme chef de file des bailleurs; le solde de ses fonds sera débloqué après mise à disposition fin décembre 2009/début janvier 2010 des résultats des enquêtes nutritionnelles en cours, pour des actions ponctuelles et ciblées mises en œuvre par des ONG locales sous l'égide toujours du CRC.

A ces appuis s'ajoutent les plans successifs d'actions 2007-2010 d'ECHO pour l'Afrique de l'Ouest qui mettent l'accent sur des programmes LRRD⁴⁶ à partir d'un ciblage centré sur la prise en charge de la malnutrition, en particulier dans son aspect curatif.

Parallèlement, les aspects prévention de la malnutrition et lien avec la croissance démographique, sont actuellement étudiés par cinq projets financés sous ligne budgétaire de l'UE (EUR 5 millions), mis en œuvre en étroite collaboration avec les services techniques déconcentrés de l'Etat depuis 2007. Les premiers résultats de ces expériences permettront une meilleure prise en compte de la dimension malnutrition (en particulier sa prévention et sa gestion en amont : santé de la mère, planning familial) dans les activités d'appui prévues.

La prévention et la gestion des crises alimentaires et nutritionnelles revêtent une importance primordiale au Niger tant du point de vue socio-économique que politique. Le secteur est appuyé depuis 1997 par l'UE à travers le Dispositif National de sécurité alimentaire qui est un cas rare de dispositif permanent, réellement opérationnel, de prévention dans la sous-région. Néanmoins, il est à craindre au vu des contraintes pesant sur le Niger (tissu économique concentré sur l'agriculture pluviale et l'élevage extensif, dépendance des aléas climatiques, environnement dégradé, fort accroissement démographique) et la situation mondiale actuelle sur la flambée du coût des matières premières (céréales mais aussi carburant qui renchérit d'autant plus les coûts de transport que le Niger est un pays enclavé) que la fréquence des crises alimentaires ait tendance à croître.

2.4. Coordination des bailleurs de fonds

La Commission Européenne est depuis juin 2006 chef de file des PTF du secteur rural et anime avec le secrétariat exécutif de la SDR, des rencontres régulières du cadre de concertation Etat/PTF. La participation active des partenaires présents ou représentés à Niamey a permis d'obtenir des résultats prometteurs pour la suite du processus : il existe maintenant un chef de file des PTF pour chacun des programmes de la Stratégie Développement Rurale (SDR). Pour le secteur sécurité alimentaire, la Commission Européenne est chef de file depuis mai 2006.

Rappelons ici que la coordination des donateurs dans le secteur de la sécurité alimentaire est ancienne. Préalablement à l'accord cadre signé en 2005 qui régit le fonctionnement du Dispositif, un premier relevé de conclusions avait été d'application en 1998 avant d'être révisé en 1999. L'Accord Cadre en cours précise le mode de gestion des outils communs que sont les fonds communs d'intervention et le stock national de réserve, constitué d'un stock physique et d'une réserve financière (Fonds de Sécurité Alimentaire). La coordination est assurée par la Commission Mixte de Concertation⁴⁷ Etat-Donateurs (treize donateurs signataires et l'Etat, y compris les quatre institutions du Système des Nations Unies, qui ont un mandat explicite par rapport à la vulnérabilité des populations en matière de santé, nutrition et sécurité alimentaire), qui optimise la programmation des différents appuis. Cette Commission délègue au Comité Restreint de Concertation la gestion quotidienne des opérations qu'elle a préalablement inscrites dans sa stratégie annuelle d'actions.

Cet appui s'inscrit dans la dynamique de la Déclaration de Paris. Il privilégie en particulier l'alignement (appui à la politique sectorielle définie : la SDR, et à ses programmes : en

⁴⁶ Link between Relief Rehabilitation and Development

⁴⁷ CMC : elle est la représentation du système conjoint Etat donateur au niveau Premier Ministre et Ambassadeurs / Représentants

l'occurrence le programme 9) et l'harmonisation (coordination entre donateurs : treize Partenaires Techniques et Financiers).

3. DESCRIPTION

L'opération sera mise en œuvre conjointement par l'UNICEF qui traitera des aspects nutritionnels, le FNUAP qui interviendra sur la thématique de la santé des mères (y compris le planning familial) et la FAO qui renforcera les capacités de production. L'opération veut bénéficier des effets synergiques des différentes interventions portées par les Agences.

Ce programme est abordé sous l'angle du filet social qui permet aux plus pauvres, malgré la cherté des prix des denrées et de certains services de base, de vivre dignement.

Ainsi, les activités de la FAO permettront de renforcer ou de créer des filets de sécurité en améliorant la productivité des cultures céréalières d'hivernage et en créant d'autres sources de revenus (maraichage). Cette seconde activité aura un impact direct sur la diversification de la ration alimentaire et donc sur la nutrition. De même, afin d'ancrer dans les mentalités la nécessaire variété du bol alimentaire, des jardins potagers seront mis en place au niveau des écoles.

L'accès aux soins de santé est normalement gratuit pour les femmes enceintes et allaitantes, et les enfants de moins de cinq ans. Néanmoins, le processus de remboursement des centres de santé n'est pas optimal et beaucoup de centres se trouvent dans la nécessité de facturer leurs services et les médicaments, entraînant de fait une désaffection des bénéficiaires potentiels qui délaissent les soins de santé. Cette situation entraîne une hausse rapide de la malnutrition des enfants, une mauvaise santé des mères (anémie, carences...) ce qui pénalise le développement du fœtus voire entraîne des accidents plus graves (avortements, décès de la mère...). S'assurer de la gratuité des soins, c'est permettre aux plus pauvres d'utiliser leurs ressources pour l'achat prioritaire de nourriture. Avoir accès au planning familial, c'est aussi un moyen de juguler la malnutrition infantile par le retardement de l'âge de la première grossesse, l'espacement des naissances et finalement la diminution de la charge sur les ressources du terroir qui s'amenuisent avec la pression anthropique. Le FNUAP sera chargé de ce volet.

L'UNICEF s'occupera spécifiquement de la prise en charge des enfants malnutris. Si la malnutrition est un problème structurel dans la sous région, il reste que des événements, tels que la saison de pluies (avec le pic de paludisme), les épidémies, mais aussi le manque de nourriture en qualité et en quantité entraînent des hausses conjoncturelles du phénomène. La cherté du prix des denrées a un impact direct sur l'accès à la nourriture et donc sur la nutrition. Ce volet vient compléter, renforcer et élargir l'action du projet de lutte contre la malnutrition financé par la Facilité Alimentaire (décision : cris 214 915).

Notons que cette opération peut s'avérer ambitieuse par rapport à la durée possible d'exécution. Elle vient en fait compléter les actions d'ECHO en cours sur la lutte contre la malnutrition, et impulser une dynamique de prise à charge à long terme du problème récurrent de malnutrition. A ce titre, deux bailleurs sont fortement impliqués dans le domaine de la santé : l'AFD et la Banque Mondiale qui en plus s'intéresse de près à la dimension démographique.

3.1. Objectifs

Dans le cadre des impacts de l'augmentation des prix, en particulier le coût des denrées, et de la crise financière 2008/2009, qui vient accroître la pauvreté déjà très forte (2/3 de la population), le projet vise à préserver la sécurité alimentaire et contribuer à la réduction des taux de malnutrition des enfants de 6 à 59 mois grâce à la prise en charge des cas de malnutrition aiguë, l'augmentation de la production alimentaire et le renforcement durable des moyens de subsistance des ménages les plus à risque des zones vulnérables.

L'atteinte de cet objectif se fera à travers la mise en œuvre d'un paquet d'interventions immédiates (sécurité alimentaire et prise en charge de la malnutrition aiguë) et des interventions ayant un impact à moyen terme (la sauvegarde des moyens de subsistance liés à l'agriculture, la prévention de la malnutrition, la prise en charge des cas résiduels de la malnutrition aiguë et la diffusion de programmes de planning familial).

De manière spécifique, il s'agira, sur les zones les plus vulnérables, de contribuer à réduire les taux de malnutrition des enfants de 6 à 59 mois et à améliorer la sécurité alimentaire des ménages les plus à risque au cours de la période de soudure 2010.

3.2. Résultats escomptés et principales activités

Interventions immédiates :

- Renforcer les capacités des structures de santé publique pour la prise en charge des cas de malnutrition modérée et sévère. (Opérateur : UNICEF).

- Faciliter la prise en charge de 45 000 cas de malnutrition aiguë sévère. (Opérateur : UNICEF).

La mise en œuvre à grande échelle de soins ambulatoires contribuera dans une certaine mesure à accroître la couverture du programme de prise en charge de la malnutrition aiguë par les services étatiques (environ 30% environ). Le partenariat entre les organisations communautaires, en plus de l'effort des ONG, pour la majorité internationales, permettra de dynamiser la recherche, l'identification et la référence des cas de malnutrition aiguë pour une prise en charge adéquate. Aussi la capacité des Centres de Santé Intégrés (CSI) pour la prise en charge des cas de malnutrition sévère sans complication médicale (CRENAS) sera renforcée. Au niveau de chaque district dans les régions couvertes par le présent projet, un CRENI au moins sera rendu opérationnel.

- Appuyer des actions de préventions en direction des jeunes enfants et des ménages les plus vulnérables. (Opérateur : UNICEF).

Activités poursuivies dans le moyen terme :

- Promouvoir le planning familial. (Opérateur : FNUAP).

- Améliorer l'accès des femmes aux soins et services obstétricaux et néonataux d'urgence. (Opérateur : FNUAP).

Interventions à moyen terme :

- Soutenir la prise en charge des cas résiduels de malnutrition aiguë (25 000 cas sévères). (Opérateur : UNICEF).

- Réduire l'incidence de la malnutrition par la promotion de bonnes pratiques d'alimentations du jeune enfant et les pratiques familiales essentielles. (Opérateur : UNICEF).

- Prévenir la malnutrition chez les enfants de 6 à moins de 60 mois par des interventions ciblées. (Opérateur : UNICEF).

Tous les centres de traitement seront utilisés pour promouvoir les pratiques adéquates d'alimentation du nourrisson et du jeune enfant avec un accent particulier sur l'allaitement maternel exclusif, une alimentation de complément adéquate et d'autres pratiques familiales essentielles (lavage des mains à l'eau et au savon, utilisation des moustiquaires imprégnées, utilisation de la solution de réhydratation orale, utilisation des services de santé, reconnaissance des signes de danger), ayant un impact significatif sur la mortalité du jeune enfant.

- Protéger les moyens de subsistance et renforcer la résistance aux chocs des populations vulnérables. (Opérateur : FAO).

Il s'agira de répondre aux besoins immédiats des populations vulnérables en leur fournissant des semences de qualité de mil, et de niébé pour la campagne pluviale 2010. Les ménages vulnérables ciblés sont caractérisés par le manque total de semences propres après une mauvaise production, et/ou le manque de ressources pour accéder aux semences de qualité adaptées aux changements de régime pluviométrique de leurs zones (i.e. sécheresses, cycle pluviométrique raccourci etc.). L'association de semences de qualité et d'engrais à faible dose peut améliorer significativement la productivité des cultures. La distribution d'engrais a pour objectif de relever le niveau de fertilité des sols pour garantir aux variétés améliorées distribuées, les conditions optimales de développement. La technique de l'application d'engrais au poquet ou micro-dose sur les cultures de céréales mil et sorgho sera utilisée.

Ainsi, les capacités de production en cultures pluviales de 45 000 ménages seront appuyées grâce à la fourniture de 650 tonnes de semences et 700 tonnes d'engrais afin d'améliorer les disponibilités alimentaires et d'accroître les productivités agricoles.

- Appuyer les capacités de production en saison sèche et la diversification alimentaire grâce à la fourniture d'intrants agricoles (1650 kg de semences maraîchères, 100 tonnes de pomme de terre, 225 tonnes d'engrais) à 30 000 producteurs en priorisant les sites aménagés qui seront occupés majoritairement par les femmes dont l'organisation en groupements sera promue ; et l'aménagement et la mise en valeur de 70 ha de petits périmètres maraîchers au profit de 2000 producteurs dont 70% de femmes principalement dans la région de Zinder qui a un taux de malnutrition critique supérieur à 15%. Dans le choix des bénéficiaires un accent particulier sera mis sur l'accès des femmes vulnérables ayant des enfants malnutris, à la terre

Il s'agira aussi de s'appuyer sur des jardins potagers scolaires pour, d'une part apprendre aux élèves des pratiques agricoles pouvant contribuer à améliorer la production agricole dans leur environnement, et d'autre part susciter des initiatives permettant d'améliorer la nutrition et l'alimentation des élèves et de la population de façon générale. (Opérateur : FAO).

- Améliorer le système de gratuité des soins pour réduire la mortalité maternelle et la malnutrition des populations vulnérables. (Opérateur : FNUAP).

Pour cela, plusieurs activités seront mises en œuvre: intégration de la Planification Familiale, amélioration de l'accès des femmes aux soins et services obstétricaux et néonataux d'urgence, diminution des risques de transmission des IST et VIH/SIDA chez les populations affectées par la crise, renforcement des capacités des communautés pour la reconnaissance des dangers liés à la grossesse et à l'accouchement, accroissement des connaissances entre la nutrition et la démographie.

En termes de suivi des résultats, en retenant le scénario d'évolution normal de la soudure, l'opération compte toucher 45 000 enfants malnutris des zones les plus à risque. Consécutivement, les familles de ces enfants seront intéressés par les interventions des différentes Agences, soit 45 000 ménages (ou environ 315 000 personnes). En fonction des différentes interventions, 500 élèves et 2000 producteurs et 40 000 ménages bénéficieront d'activités complémentaires de la FAO ; l'ensemble des structures de santé des zones concernées intégreront la planification familiale comme activité régulière du service.

3.3. Risques et hypothèses

Au niveau nutritionnel, les risques paraissent improbables mais peu maîtrisables par l'opération :

- .rupture d'approvisionnement en intrants thérapeutiques, (actuellement sources d'approvisionnement local et international). Cette rupture se traduirait par une commande à l'extérieur plus forte et donc des surcoûts nécessitant une révision du nombre de personnes prises en charge.
- ONG de mise en œuvre expulsées du Niger. Ce fait entrainerait également une révision des objectifs à la baisse, les structures sanitaires locales ne pouvant pas à l'heure actuelle se substituer pleinement aux partenaires extérieurs.

Au niveau production, l'utilisation de semences à cycle court, la promotion de petits périmètres maraîchers moins vulnérables aux aléas climatiques, et le renforcement des capacités des bénéficiaires permettront de réduire les risques liés aux effets des aléas climatiques, aux fléaux, et à la dégradation des sols. Néanmoins une attaque acridienne pourrait remettre en cause les résultats prévus de l'opération. Des traitements anti acridiens sont en cours dans plusieurs pays de la sous région (période actuelle de reproduction hivernale).

3.4. Questions transversales

Les questions de santé et de nutrition touchent en particulier les femmes. De même, au niveau de l'appui à la production, les femmes chefs de ménage seront particulièrement visées car elles représentent généralement une des populations les plus vulnérables.

Les différents opérations étant mises en œuvre par des agences du système des Nations Unies (et leurs partenaires "d'exécution" sur le terrain: ONG, prestataires privés) au niveau communautaire, elles ne constituent pas un appui institutionnel aux structures de l'Etat. Par contre, elles contribuent à la gouvernance sociale; les populations les plus vulnérables, et en particulier les femmes et les enfants étant au centre des activités financées par l'opération. Par conséquent, ces actions ne tombent pas sous les mesures conservatoires et le cas échéant, des mesures appropriées résultant des consultations au titre de l'article 96 de l'Accord de Cotonou.

Niveau environnement, l'amélioration des techniques culturales et la création de nouvelles activités agricoles (maraîchage) devraient permettre un allègement de la pression agricole sur des terres inaptes à l'agriculture mais néanmoins cultivées. La véritable réponse est à long terme: seule une réduction du taux d'accroissement démographique parallèlement à une intensification de l'agriculture devrait permettre à l'environnement de lentement se régénérer.

3.5. Parties prenantes

Dans l'esprit du « One UN – Delivering as One », les différentes agences des Nations Unies au Niger travaillent de manière concertée. Le "Millennium Development Goals Fund" (MDG – F), conjointement développé par l'UNICEF, le PAM, l'OMS, la FAO et le FNUAP en est une illustration.

L'UNICEF en tant que « leader nutrition » et la FAO en sa qualité de Chef de file Sécurité Alimentaire assureront la coordination de l'opération.

Les autres parties prenantes de l'opération sont les ONG partenaires qui contractualiseront avec les Agences permettant ainsi une démultiplication des interventions. Les projets en cours intervenant sur la même thématique seront impliqués afin de s'assurer d'une bonne cohérence et complémentarité entre les actions des partenaires et l'opération financée. L'opération appuiera de fait les services techniques déconcentrés (développement rural, santé) dans le cadre de l'intégration des activités (nutrition et santé) et de leur suivi – contrôle (tâche régalienne de l'Etat).

Les interventions prévues dans le cadre de cette action couvriront toutes les zones à risque du Niger avec un accent particulier sur les régions les plus gravement affectées par l'insécurité alimentaire et nutritionnelle. Les résultats de l'évaluation de la campagne agricole 2009, les résultats de la dernière enquête de vulnérabilité (décembre 2009) ainsi que les derniers résultats de l'enquête nationale sur la nutrition seront utilisés pour affiner le ciblage des zones d'intervention avec un accent particulier sur les régions de Zinder et Diffa.

Les bénéficiaires directs de l'intervention sont les ménages vulnérables en situation d'insécurité alimentaire sévère avec priorité à ceux dont les enfants sont en situation et/ou à risque de malnutrition aiguës sévère ou modérée.

Les catégories suivantes de ménages seront ciblées sur la base de critères objectifs et transparents :

- Ménages vulnérables situés dans les zones à risque de malnutrition et d'insécurité alimentaire;
- Ménages avec des enfants déchargés ou admis dans les centres de récupération nutritionnelle ;
- Ménages vulnérables avec des enfants de 0 à 59 mois ;
- Femmes chefs de ménages vulnérables ;
- Ménages identifiés comme étant vulnérables par la communauté et confirmés par des enquêtes.

4. QUESTIONS DE MISE EN ŒUVRE

4.1. Mode de gestion

- Gestion conjointe via la signature de convention avec une organisation internationale.
- Trois conventions de contribution séparées seront signées avec :
 - UNICEF
 - FNUAP
 - FAO.

L'UNICEF intervient depuis de nombreuses années dans la lutte contre la malnutrition aiguë sévère. A ce titre, elle possède une bonne expertise dans l'utilisation des ATPE⁴⁸, et le traitement des affections associées à la malnutrition. Afin d'être durables, ces activités se font en parfaite intégration avec le secteur médical déconcentré (centres de santé primaire) et en renforçant les capacités des communautés pour le dépistage et la référence des cas de malnutrition.

Les aspects prévention sont également assurés par la formation de formateurs (ONG, groupes communautaires) sur des thèmes promouvant les bonnes pratiques pour l'alimentation et l'hygiène du nourrisson et du jeune enfant.

Le FNUAP viendra en complémentarité des activités UNICEF. En effet, son intervention sera orientée selon deux axes qui ont un impact sur la gestion des problèmes nutritionnels :

- Améliorer l'efficacité du système de gratuité des soins pour réduire la mortalité maternelle et améliorer la santé de la mère et donc du futur nourrisson,
- Promouvoir le planning familial afin de réduire l'incidence des habitudes sur la malnutrition infantile (mariages précoces, grossesses rapprochées...). Les acquis des cinq projets ONG en cours (nutrition et démographie) financés par la Commission sur ligne budgétaire seront ici valorisés.

La FAO complétera l'opération en travaillant plus sur les aspects sécurité alimentaire et sécurisation des disponibilités en vivres, par des activités de renforcement de la production agricole (semences et engrais), de sa diversification (maraichage), de la sécurisation de la production (arrosage), de la diffusion de bonnes pratiques alimentaires (jardins potagers scolaires).

Comme indiqué dans le paragraphe 2.4, la coordination des activités liées à la sécurité alimentaire (dans sa large acception), est régie au quotidien (au minimum deux réunions par mois) par le Comité Restreint de Concertation (treize PTF dont quatre agences des Nations Unies et l'Etat). La délégation de la Commission co-préside ce comité. Cette opération, une fois acceptée, sera présentée aux différents membres du comité qui agira comme un comité de pilotage (appréciation des activités menées, suggestions d'adaptation en fonction de l'évolution de la situation alimentaire et nutritionnelle) ce qui aura également pour avantage d'éviter tout doublon possible et une répartition optimisée des ressources additionnelles des autres donateurs.

4.2. Procédures de passation de marchés et d'octroi de subventions

Tous les contrats mettant en œuvre l'action doivent être attribués et exécutés conformément aux procédures et aux documents standard établis et publiés par l'organisation internationale concernée.

4.3. Budget et calendrier

L'opération est mise en œuvre selon trois conventions de contribution :

N°	Agences	Montants (million d'euros)
1	UNICEF	5

⁴⁸ Aliments Thérapeutiques Prêts à l'Emploi.

2	FAO	3
3	FNUAP	2
	TOTAL	10

La durée de l'opération est de 18 mois (phase opérationnelle).

Détails de la convention UNICEF (en euros) :

Résultat 1: 45.000 enfants de moins de 5 ans sévèrement malnutris des régions ciblées bénéficient d'une prise en charge de qualité	2.958.318
Résultat 2: Réduire l'incidence de la malnutrition par la promotion des bonnes pratiques d'alimentation du jeune enfant et les pratiques familiales essentielles	1.500.000
Coûts opérationnels	215.000
Coûts indirects (7% max.)	326.682
TOTAL UNICEF	5.000.000

Détails de la convention FAO (en euros) :

Chargé de programme d'urgence	70 000
consultants	103 000
Contrats de prestation (encadrement, maraichage et jardins scolaires)	935 000
Missions et temporaires (chauffeur)	35 000
Formations	50 000
Intrants, équipements (semences, engrais, outillage)	1 457 000
Suivi, évaluation, rapports	114 858
Frais généraux	38 880
Coûts indirects (7% max.)	196 262
TOTAL FAO	3.000.000

Détails de la convention FNUAP (en euros) :

Personnel, suivi et évaluation	278775
Contrat de Services (diagnostic gratuité, intégration de la PF, sensibilisation, capitalisation)	536 585
Equipements (kits d'hygiène, d'accouchement) et 8 motos	1 053 799
Coûts indirects (7% max.)	130 841
TOTAL UNFPA	2 000 000

Chronogramme UNICEF

±||

Activités..... Mois:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Résultat 1°: 45.000 enfants de moins de 5 ans sévèrement malnutris des régions ciblées bénéficient d'une prise en charge de qualité																	
1.1 Approvisionnement en Aliment Thérapeutique Prêt à l'Emploi (APTE)¶ *																	
1.2 Appui aux organisations Communautaires pour le dépistage et la référence des cas de malnutrition aigue et aux services étatiques pour la prise en charge des cas de malnutrition																	
1.3 Appuyer les interventions d'assurance qualité des soins¶ *																	
1.4 Achat de médicament et de petits équipements médical pour le traitement systématique des infections*																	
1.5 Assurer un appui logistique pour la gestion des ATPES																	
1.6 Contractualisation des ONG partenaires et coordination																	
Résultat 2°: Réduire incidence de la malnutrition par la promotion des bonnes pratiques d'alimentations du jeune enfant et les pratiques familiales essentielles*																	
2.1 Formation des prestataires de services aux techniques de communication pour le développement																	
2.2 Contractualisation des prestataires de services pour la promotion des bonnes pratiques d'alimentation du nourrisson et du jeune enfant et la promotion des pratiques familiales essentielles																	
2.3 Campagne médiatique pour la promotion de l'alimentation du nourrisson et du jeune enfant*																	
2.4 Appuyer, au niveau communautaire, les groupes de soutien à l'allaitement maternel*																	
2.5 Renforcer et étendre le réseau des Hôpitaux Amis des bébés (IHAB)*																	
2.6 Documentation, suivi et évaluation*																	

Chronogramme FAO

Activités	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8
Résultat 1 Les capacités de production de ménages agricoles sont renforcées en système de cultures pluviales																	
Sélection des zones prioritaires d'intervention et identification des bénéficiaires ;	1																
Définition des spécifications techniques et quantification des intrants à fournir ;	1																
Identification des partenaires d'exécution du projet et établissement des contrats avec les partenaires (ONG, Associations) ;	1																
Achat et placement des intrants ;	1	1															
Organisation de la formation des bénéficiaires ;		1															
Distribution des intrants		1	1														
Encadrement/conseil des bénéficiaires et suivi/évaluation des activités de terrain ;				1	1	1	1	1	1								
Résultat 2 L'alimentation des élèves est améliorée et diversifiée																	
Sélection des zones prioritaires d'intervention et identification des écoles ;	1	1															
Identification des partenaires d'exécution du projet et établissement des contrats avec les partenaires (ONG, Associations) ;		1	1			1											
Information-sensibilisation des communautés et étude diagnostic de faisabilité							1	1									
Lancement des travaux d'aménagement									1								
Mise en valeur des jardins potagers scolaires, formations									1	1	1	1	1				
Encadrement/conseil des bénéficiaires et suivi/évaluation des activités de terrain ;									1	1	1	1	1	1	1		

4.4. Suivi de l'exécution

Le suivi de l'avancement des activités sera effectué par les agences et sera axé sur l'obligation de rendre compte en amont (à savoir à la Commission Européenne, aux organismes publics, aux partenaires de développement et à la société au sens large) et en aval (en l'occurrence aux bénéficiaires du projet et aux acteurs primaires). Le suivi sera réalisé à l'aide des indicateurs précisés en consultation avec les parties prenantes du projet. La délégation de l'UE dans le pays assurera également un suivi adéquat à l'aide des indicateurs clés définis dans le cadre logique, dans les rapports d'avancement des activités et lors de la participation aux réunions/comités pertinents.

Le partage des connaissances est un élément important du programme Facilité Alimentaire dans la mesure où les enseignements tirés de chaque projet seront mis en commun non seulement au niveau national, mais aussi à plus haut niveau par l'échange des leçons et des expériences issues des projets mis en œuvre dans différents pays.

4.5. Évaluation et audit

Les évaluations seront organisées conformément aux dispositions des sections 1.2 – 1.4 de l'Accord-cadre financier et administratif conclu entre la Commission Européenne et les Nations Unies.

Le projet sera soumis exclusivement aux procédures d'audit interne et externe énoncées dans le Règlement Financier, les règles de gestion financières et les directives des différentes Agences concernées, comme indiqué dans l'Accord-cadre financier et administratif.

En outre, conformément à l'Accord-cadre financier et administratif et aux directives annexes relatives aux vérifications, la Commission Européenne peut procéder, y compris sur le terrain, à des contrôles liées aux opérations financées par la Commission Européenne.

4.6. Communication et visibilité

Conformément aux dispositions de l'Accord-cadre financier et administratif relatives à la visibilité, l'action de mise en visibilité pour le présent projet sera réalisée suivant les Directives conjointes sur la visibilité des actions engagées par la Commission Européenne et l'ONU sur le terrain qui ont été signées en avril 2008. Les activités de communication se concentreront sur les résultats et l'impact du projet, et s'adresseront à la population dans son ensemble mais également à un public plus spécifique tant au niveau national que dans l'Union Européenne.

Les actions de communication seront alignées sur la stratégie de communication institutionnelle des agences concernées et seront coordonnées entre elles.

Des actions de visibilité de qualité et rentables seront assurées par un expert en matière de communication, et seront financées sur la base d'un partage des coûts entre les projets concernés, avec les contributions suivantes : (i) appui conseil sur la visibilité des plans de travail, de visibilité, des budgets, des rapports et des évaluations (ii) assistance technique pour la mise en œuvre d'actions de visibilité de projets spécifiques acceptés, (iii) accès facilité aux équipements de production et au réseau médiatique et (iv) support administratif aux chefs de projet, et aux responsables des budgets, etc.

ACTION FICHE FOR TAJIKISTAN

1. IDENTIFICATION

Title/Number	Public Employment for Sustainable Agriculture and Water Management Project (PAMP)		
Total cost	<i>Overall budget: € 7,750,000</i> <i>EU contribution : €7,750,000</i> joint co-financing with World Bank		
Aid method / Method of implementation	Project approach – joint management		
DAC-code	52010	Sector	Food Security

2. RATIONALE

2.1. Sector context

Successive income shocks are a major threat to both the short and long-term food security of low-income households, a threat that now menaces Tajikistan⁴⁹. Following the food security crisis caused by adverse climatic conditions and increased regional food prices in 2008-2009, Tajikistan's rural poor now face another income shock. Remittance income, estimated at 40 % of the Gross Domestic Product (GDP), fell sharply in 2009 due to the impact of the global financial crisis on the Russian and Kazakh economies. The construction industries in these two countries, which employ a high proportion of Tajikistan's estimated 1 million migrant workers, have contracted with a consequent high loss of employment.

To counteract, the Government's Anti Crisis Plan (May 2009) directed a total of 80 million Tajikistan Somoni (TJS) towards social protection projects such as: (i) rural finance for 30,000 poor households; (ii) adult training centres; and (iii) scaling up of a small road maintenance and mini-power construction programs. Despite these measures, in-country food security monitoring systems are appealing for further interventions to support employment and income generating activities in the rural areas and to increase short and medium term food production to support an estimated 1.4 million food insecure people, including 390,000 severely food insecure as of September 2009.

Khatlon Region (Oblast) remains the main location of rural poverty in Tajikistan mostly due to the dependence of its population on the historically depressed cotton sector. The number of people living below poverty line (less than USD \$1.37/day) in Khatlon is 47 percent and number of people living in extreme poverty (less than USD \$0.87/day) is 40 percent⁵⁰. The World Food Program (WFP) Food Security

⁴⁹ Per capita Gross National Income in 2006 was estimated US \$390.

⁵⁰ Poverty was estimated in Tajikistan Living Standards Survey (TLSS) at 81% in 1999; 64% in 2003; 57% in 2004 and 53% in 2007 (however due to changes in methodology this estimate is not comparable with the previous years' estimates).

Bulletin of September 2009⁵¹ claims that in July 2009, 32 percent of the entire rural population was food insecure, with 9 percent of the rural households living in severe food insecurity. WFP has now classified food insecure households in Khatlon and Sughd Regions as the most vulnerable to shocks, and Khatlon and Sughd as priority zones for interventions.

On the other hand, Khatlon has a good agricultural resource base with a large area of arable land, favourable climate, and access to gravity-fed irrigation. These irrigation and drainage systems which are left over from the collective farm system are publicly owned, usually covering several villages. But while the water supply situation is generally good in the area, the irrigation systems are by and large in poor condition due to lack of funding for maintenance and rehabilitation – contributing to low yields.

While the progress of long needed structural agricultural reforms in Tajikistan has been slow, the sector is now receiving renewed Government attention, following a recently announced program to write-off cotton debt. Progress has also been made with the “*freedom to farm*” concept - a series of measures to allow farmers to decide what to produce and where and how to market their output - particularly in cotton areas. New legislation to strengthen land use and ownership rights has also been drafted.

2.2. Lessons learnt

The World Bank has funded Public Work Programmes (PWPs) across the world in the last 20 years and is in the advantageous position to offer its global experience in designing and implementing of PWPs. The World Bank has adapted the successful experiences from these programmes to the current Tajikistan context. To realize the full potential of a PWP as a poverty-reducing and risk-coping instrument in Tajikistan:

The wage rate should be set at a level which is no higher than the prevailing market wage for unskilled manual labour in the setting in which the scheme is introduced.

Restrictions on eligibility should be avoided; the fact that one wants work at this wage rate should ideally be the only requirement for eligibility. If rationing is required (because demand for work exceeds the budget available at the wage set) then the programme should be targeted to the most food insecure areas, as indicated by a credible “food security map”. However, flexibility should be allowed in future budget allocations across areas, to reflect differences in demand for the scheme.

The labour intensity (share of wage bill in total cost) should be as high as possible. The level of labour intensity will depend on the relative importance attached to immediate income gains versus (income and other) gains to the poor from the assets created. This may vary from one project site to another.

The subprojects should be implemented in poor/food insecure areas, and try to assure that the assets created are of maximum value to poor people in those areas. Any exceptions—in which the assets largely benefit the non-poor—should require co-

⁵¹ <http://documents.wfp.org/stellent/groups/public/documents/ena/wfp208031.pdf>

financing from the beneficiaries, and this money should go back into the budget of the scheme.

Public works should be synchronized to the timing of agricultural slack seasons.

In order to encourage female participation, the appropriate form of wages is important—for example, women can benefit from output-based rates or task-based wages.

Transaction costs to the poor are kept low—one important means to accomplish this is through locating project sites close to villages. It is also necessary to ensure appropriate mediation of NGOs for protecting the rights of the poor vis -a-vis programme managers.

Furthermore, the conclusions and observations from implementation of World Bank-funded emergency operation in Tajikistan suggested the following lessons for future projects:

Where the capacity and resources of local government are limited, project design that involves active local government support should be accompanied by an adequate allocation of project resources to guide and support local government in the implementation of these roles and responsibilities. This is particularly true where there is a need to work quickly to meet a tight implementation schedule, and where aid distribution is on a large scale. Given adequate support, local government authorities can fulfil a critical role in project delivery, at relatively low cost, and so allow a higher proportion of project funding to be used for beneficiaries.

Effective liaison with national government facilitates not only project implementation but also the transfer of project ownership.

Short-term emergency projects that reach large numbers of beneficiaries inevitably impinge to some extent on existing, long-term activities of other agencies. Active coordination with these agencies on the selection of target areas and beneficiaries can reduce these conflicts.

Furthermore, the World Bank assistance in the country's agriculture and irrigation sectors has been important over the last decade. The World Bank has led the policy and institutional development dialogue with the Government in these sectors and has a strong portfolio of investment operations. In addition to a recently completed Rural Infrastructure Rehabilitation Project, the World Bank is also implementing community-based and irrigation-related projects, which are the Community Agriculture & Watershed Management Project and the Ferghana Valley Water Resources Management Project. The lessons learned from these projects will be useful and will be applied during implementation of the new project.

2.3. Complementary actions

The EU

The European Commission is active in the sector with 22 projects financed through TACIS Track III and DCI (Improving living standard in Khatlon and Sughd), including Water Use and Management; Community Based Development and Livelihood Improvement. These projects are being implemented by the NGO

community. It should be noted that some of these projects are supporting the development of the integrated watershed management that will improve agricultural soils, and prevent further soil erosion, minimizing land and mud slides, once the system is in place.

Under the "Private Sector Development" component of the AAP 2009, the European Commission will finance phase two of the EBRD/TAFF project that strengthens the methodology and quality of the agriculture sector financing mechanisms as well as support IFC to develop the agri-business regulatory framework.

Numerous environmental/water management projects are currently being implemented in Central Asia in general and Tajikistan in particular. Amongst those most important and relevant to this project is the "Water Governance Project in Central Asia". The main objective of this project is (i) to contribute to the reduction of pollution, (ii) fair sharing and effective use of scarce water resources, (iii) to improve the quality of shared water resources such as trans-boundary rivers through the improvement, implementation and enforcement of water legislation approximated to EU standards and "Promoting Integrated Water Resource Management (IWRM) and Strengthening Trans-boundary Dialogue in Central Asia." The proposed project will link up with these EU-funded initiatives and ongoing projects.

The World Bank

The proposed project would be prepared in parallel with the World Bank funded Ferghana Valley Water Resource Management Project⁵². The objectives of the additional financing project are (i) to increase the productivity of irrigated agriculture and the income of the rural population in the Ferghana Valley by improving land and water management, and (ii) to improve the Kayrakum dam and reservoir safety. This project will cover Sughd Oblast (Region) in the north of Tajikistan, while the PAMP would cover Khatlon Oblast in the south of the country.

Furthermore, the proposed project support would be leveraged by a number of other ongoing World Bank operations in the Khatlon Oblast. The proposed project would have the opportunity to further engage the community production groups and women's groups that will be established under the Additional Financing to Emergency Food Security and Seed Imports Project. These groups will receive basic training through established rural extension service providers in cultivation techniques, quality maintenance, hotbed construction, harvesting, processing/packaging for market sales, etc. It is expected that an improved irrigation system will further enhance the impact of such community-based initiatives.

The complementarity between the different projects will be detailed in the full project proposal in order to fully attain the expected result of increased agriculture output under this project.

2.4. Donor coordination

Many donors and international NGOs are active in Tajikistan in the rural sector making effective donor coordination essential for implementation of a successful

⁵² Ferghana Valley Water Resources Management Project: 2006-2010; overall budget: 14.17 million US\$ with 13 million US\$ IDA grant

project. Tajikistan's limited aid absorption - and institutional capacity makes donor coordination particularly important, especially in multi-faceted projects such as this one, involving agriculture, irrigation and water management, support to local communities, income generating activities and social welfare.

The Technical Assistance funded by this project will work hand-in-glove with the Government's planned comprehensive set of agricultural reform measures as laid in Resolution of the Government of the Republic of Tajikistan № 406, "On measures to implement the Decree of the President of the Republic of Tajikistan from 30 May 2009 № 663 «On additional measures to support agriculture in the Republic of Tajikistan»", 2 July 2009. According to these decrees six Working Groups have been created to address the agricultural reform matters: (i) Program of agricultural reform; (ii) Program of social development of the rural area; (iii) Establishment of land reform and land use rights; (iv) Examination of new form of funding agricultural development; (v) Development of an integrated water resources management system; and (iv) Reform of the agriculture management system at regional and local levels. As requested by the Government of Tajikistan, the technical assistance program will make an input into the work program of the two of the six Working Groups: Development of an integrated water resources management system and Reform of the agriculture management system at regional and local levels.

The project will be implemented in close collaboration with the central and local government entities of the Republic of Tajikistan at all times. In conformity with the modus vivendi between the donor community and the Republic of Tajikistan as laid out by the Presidential Order of 28 October 2009 the activities of the Technical Assistant will work in harmony the Government's proposed organizational measures of agricultural policy reform. Specifically the project-funded experts will:

Participate, as relevant, in the Working Group discussions.

- Provide, as appropriate, technical support to the relevant Secretariats of the Working Groups.
- Provide Technical Assistance to the government officials of the Republic of Tajikistan as appropriate while the latter are developing their programs of Agricultural Policy Reform and Social Development of the Rural Areas for 2010-2020.
- Provide assistance of a technical nature in the implementation of the Action Plan laid down in the Resolutions № 406 and № 663 and other policy documents and programs.

Participation and provision of leadership training, as appropriate and relevant to agricultural policy reform, to the Working Group on integrated water resource management system and local government reform.

Furthermore, the donor community will continue to be thoroughly consulted during project preparation and implementation to ensure that the project complements initiatives by other agencies. Likewise outputs will be disseminated to all relevant bodies.

3. DESCRIPTION

3.1. Objectives

The proposed project development objective is to increase household food security in Khatlon Oblast while generating temporary employment in the project area.

This would be achieved through increased agricultural productivity resulting from the renovation of irrigation and drainage infrastructure in the Region supported by measures to improve water management policy. The project development objective should be seen in the context of the Government's overall efforts to mitigate the effects of the financial- and the food crises on the rural poor.

3.2. Expected results and main activities

The project will consist of three main components:

Component 1: Public Works and Renovation of Irrigation and Drainage Infrastructure (€6,455,500) to finance minor renovation of on-farm irrigation canals and off-farm drainage infrastructure. The rehabilitation would target areas with high food insecurity and good agricultural potential in order to make the best contribution to sustainable economic development and livelihoods. The renovations would be carried out through a public works program; rental and/or import of auxiliary equipment (excavators, bulldozers, etc.); and procurement of locally available low cost tools such as shovels, wheel barrows, spikes and etc. The contracting under the employment program would be based on the existing "work-day accounting" system. The project will distribute work-day accounting books to each project community to be completed in three copies (one for public display in the community, one to be submitted to the Project Management Unit in support of payment requests and one to be submitted to the State Savings Bank as a basis for payment). In line with the established practice of channelling social payments to the rural poor, the payments would be processed by the State Savings Bank on a bi-monthly or monthly basis. According to the current estimates, the project could generate 850,000-1,000,000 man work days. About 25 irrigation/drainage schemes have been tentatively identified but due to limited resources it is expected that only three to five of them will be rehabilitated under the project (simple, gravity-fed schemes).

Component 2: Technical Assistance (€600,000). The component will finance preparatory work for the introduction of a Water Basin Management System including: delineation of water basins, an outline of new roles and responsibilities and the institutional infrastructure needed to manage these water basins. This component will also develop recommendations on how to move from the current institutional structure to the new one. The detailed Terms of Reference for an international consulting firm including specific activities, schedule of deliveries and outputs will be elaborated during project appraisal in close consultations with MIWR and other stakeholders. An advanced procurement arrangement would be made to enable an early start in implementation of this Technical Assistance program. The Ferghana Water Resource Management Project Management Unit (PMU) will issue the Request for Proposals during the final stages of project preparation and will supervise the performance of the selected international consulting firm over the course of project implementation period.

The project recognizes the need for fundamental transformation in water sector management and will, therefore, provide support for a comprehensive reform. The alternative of working within the existing policy and institutional framework, and choosing technical assistance support that makes the existing system more effective would be pursued by other means. For example, the World Bank staff and consultants can review policies and procedures associated with the assessment and collection of water use fees with the objective of increasing revenues. This review could be completed under the framework of regular Institutional and Public Expenditure Reviews. Similarly, during supervision of the project, a separate system performance review could be commissioned with a view of improving the quality of water use delivery to farmers.

Component 3: Implementation Support, Monitoring & Evaluation (€361,250).

The PMU will be the main project implementation agency, providing overall coordination and monitoring of implementation progress under the project, and will be responsible for financial management and procurement. The component will finance costs related to the coordination, social mobilization and management of the planned activities, including arrangements for financial management and procurement. It will also support continuous monitoring of project implementation, including overall annual project audits, as well as periodic surveys on project outcome indicators (including physical, agricultural, social and economic indicators).

Project Economic Analysis

This economic analysis was conducted using the information for five pre-selected⁵³ districts of Khatlon Oblast. While the final selection of the project area will be finalized jointly with *Khukumats* at a later stage, the analysis is based on the information for these pre-selected districts. The total amount of irrigated land in the project area was calculated based on the availability of the total project funding of € 7,750,000 and the proposed €200/hectare limit on investments per hectare. Based on this estimate, the total area of irrigated land in the project area is 37,200 hectares. Calculations assume that without the project, the irrigated arable land will continue to be lost and agricultural productivity will continue to decline at an annual rate of two percent. Alternatively, due to better irrigation proposed by the project, the total area of irrigated arable land will increase, and access to water will also improve. The estimates for increases in irrigated areas are based on conservative calculations where the increase of cultivated area will take place only after main canal sections in the project area have been rehabilitated.

Table 1: Project Economic Rate of Return and Net Present Value

	ERR	NPV
Basic scenario	19.1	3.7
Cost Increase +30%	15.1	2.6
Price Decrease – 10%	16.2	3.2

Crop budgets for four principal crops (wheat, cotton, vegetables, fodder) were used assuming unchanged cropping pattern. The economic impact of the project TA

⁵³

See section 3.6 for more information on project area selection.

component was not estimated but its costs were included in the project ERR and NPV. Financial prices were assumed to be equal to annual average 2008 farm gate prices. Economic values for inputs are assumed to be equal to financial prices, and for outputs are calculated as export/import parity prices. The overall project Economic Rate of Return (ERR) is estimated at 19.1 %. Using discount rate of 12%, the project Net Present Value (NPV) amounts to about €3.7 million (Table 1). Sensitivity analyses indicate that both ERR and NPV estimates are sufficiently robust to adverse changes to both costs and prices. Economic benefits from short term employment generated from the rehabilitation works under the project were estimated separately from this economic analysis and are presented below.

Impact on Employment

The total amount of funding available for wages is €5,084,400. The payment for labour will be made according to a strict output-based arrangement calculated on the basis of established labour norms (e.g. three cubic meters of silt cleaning per work day per person) and the minimum market price for the type of unskilled labour envisaged to be supported under the project. The project will contribute to creation of estimated minimum 13,000 temporary jobs or 39,171 man months of employment amounting to about 862,000 man days (Table 2). In average, each worker will be paid about €130 per month.

Table 2: Estimates for Temporary Job Creations

Total wages, USD	€5,084,400
Estimated* work-day wage	€5.90
Total estimated men work days	861,763 days
Total estimated men work months (22 days per month)	39,171 months
Total estimated workers to be employed (for 3 months)	13,057 temporary jobs

*Assuming one skilled brigade leader worker is required to supervise a group of 25 unskilled workers

The project will have a significant direct impact on the employment in Khatlon Oblast where the works will take place. The project will give priority to irrigation and drainage rehabilitation works which are relatively labour intensive (Table 3). Most of works to be created will be during the agricultural off-season (late autumn - winter months), allowing under-employed and seasonally inactive farmers' access to an alternative source of income. For the most part, workers will be recruited from villages near the work sites, perhaps with the exception of skilled workers (engineers, operators, etc.) who will be brought in from outside.

Table 3: Estimation* of work quantity

Total estimated men work days	861,763
Total estimated number of days to be spent on cleaning of irrigation network: (work days)	430,881
Total estimated quantity of removed silt (cubic meters)	1,292,644
Total length of irrigation network cleaned (meters)	2,154,407
Total estimated number of days to be spent on cleaning collector-drainage network (work days)	430,881
Total estimated quantity of removed silt (cubic meters)	1,292,644
Total length of collector-drainage network cleaned (meters)	517,058

*Estimates provided by Khatlon Oblast Administration and Ministry of Melioration and Water Resources

3.3. Risks and assumptions

RISK	RATING	MITIGATION MEASURE
(1) The government's sub-optimal agriculture policy framework remains unchanged or changes slowly	Before mitigation: S After mitigation: M	Implementation of the IMF's Poverty Reduction and Growth Facility (PRGF) program; Strong donor pressure; The project will select project districts with better agricultural policy framework: out of 25 districts in Khatlon, 8-9 districts show relatively good and improving agricultural policy framework.
(2) Government entities (central and local level) do not perform to the expected standard; different government agencies fail to cooperate and/or resolve operational problems in a timely manner.	Before mitigation: S After mitigation: M	High priority project for the Government; Frequent monitoring and supervision by the World Bank missions; Deputy Prime Minister and Government of Khatlon Oblast pledged their full support to resolving day-to-day operational matters.
(3) Quality of financial management.	Before mitigation: S After mitigation: M	Preparation of a detailed Financial Management Manual; Frequent supervisions by the World Bank Financial Management Specialists; Transparency one of the key considerations in the project design: - information about beneficiaries and worker remuneration will be posted on information boards in Jamoats. Separate and independent third party spot checks are an additional feature of the project.
(4) Possible social	Before	Community involvement in planning and

issues: conflicts, disputes and lack of interest in participation	mitigation: M After mitigation: N	implementation; Awareness campaign to reduce potential for conflict; experienced social scientists involved in the project preparation.
(5) Low sustainability of investments in irrigation works.	Before mitigation: M After mitigation: N	Institution building component of the project; Areas with good agriculture potential and support to further advancements in farm land restructuring are likely to improve sustainability of investments. Strong attention to parallel/on-going projects on training of communities in sustainable management of community resources.
(6) Possible use of child labour in project implementation.	Before mitigation: M After mitigation: N	Tajikistan has adequate child labour laws consistent with international conventions on child labour; Project will include appropriate measures to monitor and raise awareness about utilization of child labour.
Overall Risk Rating	M	

H – High; S – Substantial; M – Moderate; N – Negligible

3.4. Crosscutting Issues

Sustainable water resource use is critical for agriculture sector growth in Tajikistan. Arable land is scarce (0.21 hectare/capita), and there is a heavy reliance on irrigation to maximise output from this limited resource. The physical and institutional infrastructure that provides access to irrigation remains inadequate, however. Of the 720,000 hectares of irrigated land (85% of all arable land), only 515,000 hectares is currently in use. Low-cost, river-fed gravity systems supply approximately two-thirds of irrigation, and pump systems the rest. Investment and operational needs still far exceed available resources, and irrigation and drainage systems in many areas continue to deteriorate. Expenditure on operations and maintenance (O&M) fell from \$88/hectare in 1990 to \$14/hectare in 2003; versus requirements of \$21-28/hectare for gravity fed systems and \$60-\$150/hectare for pump-fed systems (ADB, 2004). This has resulted in the loss of approximately 90,000 hectares of irrigated land and a substantial increase in salinity on the remaining irrigated land.

Similar to other public institutions in Tajikistan, the Ministry of Melioration and Water Resources Management (MIWR) now operates in a new policy and economic environment, to which it has yet to fully adapt. Further change of institutional norms and structures is crucial for sustainable sector development, with emphasis on the issues related to investment and operational needs (see Attachment 3). Hence a comprehensive re-organization of the MIWR and its subsidiary operations is required, including, most importantly, the establishment of river basins as the basis for water resource management; as well as the privatization of construction and maintenance units and other peripheral activities. This transformation should be accompanied by preparation of a national inventory of irrigation assets and a national investment plan, as the basis for future support by donors and the government.

Project Environmental Impacts. The proposed project activities will have positive impacts as improved irrigation systems would increase agricultural production; prevent the loss of soil fertility and abandonment of irrigated land. Furthermore,

improved irrigation infrastructure will also reduce seepage losses from canals and over-supply of irrigation, with a beneficial effect for the area: a lower water table, a lower risk of salinity, and less stagnant water pools in the village causing fewer health problems. At the same time, if not properly implemented, the project could result in potential negative environmental impacts, such as water logging and salinisation; soil erosion and degradation; improper and indiscriminate use of on-farm irrigation water such as resorting to flood irrigation; dumping of excavated sediments and other materials from irrigation and drainage canals.

Potential resettlement issues. As proposed project activities will be implemented exclusively on the existing irrigation and drainage canals, there will be no temporary or permanent loss of agricultural lands and/or involuntary resettlement. At the same time, there is a possibility that the rehabilitation work may involve destruction of some fruit trees planted by farmers along the irrigation and drainage canals to be rehabilitated. Since the rehabilitation of on-farm irrigation canals will be done exclusively manually, there will be no need for tree cutting. However, tree cutting might be necessary in some other instances, particularly for cleaning the ways for agricultural machinery and for cleaning the off-farm drainage infrastructure. Although tree cutting will be needed only in exceptional cases, the project will not support any cleaning of drainage canals associated with possible resettlement issues.

Project Environmental Assessment. Taking into account the final selection of irrigation schemes that will be done at a later stage of project preparation, a generic Environmental Management Plan (EMP) will be prepared before the project appraisal. This EMP will be finalized once the final selection of the irrigation and drainage works to be supported by the project is made. Consultations on the EMP would take place prior to appraisal and the EMP would be disclosed locally and on the World Bank's website. The EMP will include the following:

- (a) Short description of applicable laws, policies on environment procedures for the environmental assessment (EA) as well as EA institutions and responsibilities;
- (b) Environmental Guidelines (EG) specifying:
 - (i) Potential environmental impacts of the rehabilitation of irrigation canals and improvements of drainage infrastructure activities;
 - (ii) Proposed mitigation and monitoring measures to be applied during the project implementation;
 - (iii) Description of implementing responsibilities, including supervision, monitoring, and reporting; and
 - (iv) Analysis of the EA institutional capacity of the implementing agencies along with the proposed technical assistance to adequately implement the EA requirements for particular subprojects to be funded by the project.

With regard to broader potential social risks associated with the project, including the child labour, the project staff will raise awareness about the country's labour safety regulations. Tajikistan's child labour laws which are consistent with international conventions on child labour. The project will also include appropriate measures to

monitor the compliance with the national legislation concerning labour safety and child labour laws.

3.5. Stakeholders

Oblast and raion khukumats - local state administrations. The *khukumats* are headed by *Rayises* who are appointed as local representatives of the President and serve to implement national policy and administer services and regulations on behalf of the state.

Jamoats - de jure these institutions are established to exercise local self-government. The *jamoats* consist of small apparatus. The *jamoats* have no budgeting authority and virtually no independent responsibility for service delivery, though they are supposed to organize community-based delivery of certain basic public services.

Makhallas - traditional organizational structures at the community level that gather and deal with social issues. Makhalla committees nowadays are established in each village.

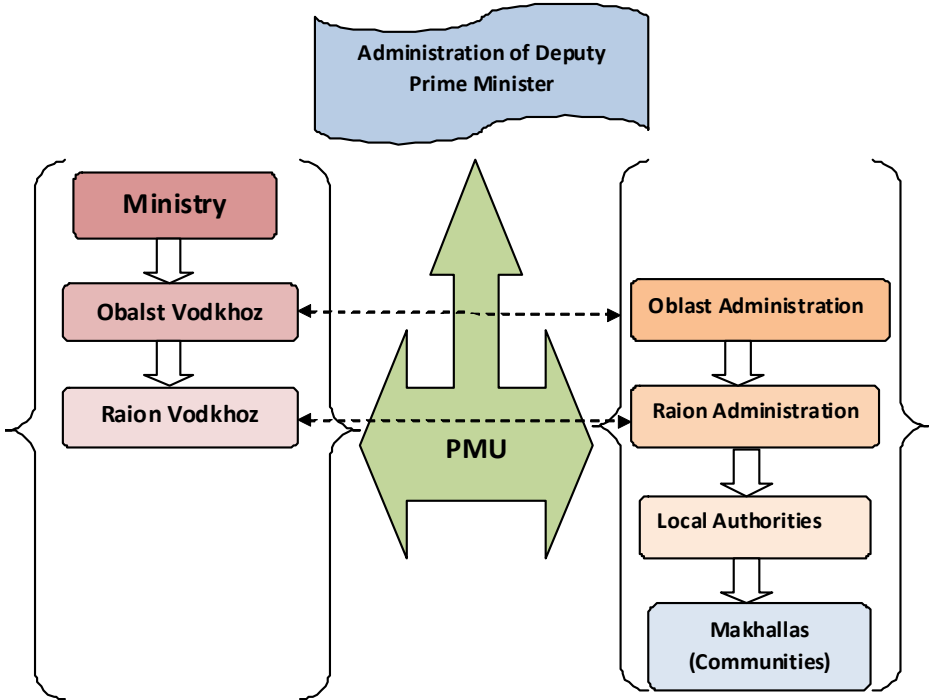
Oblvodkhoz and raivodkhozes - local branches of the Ministry of Irrigation and Water Resources (MIWR). These branches are established in each administrative district following model that prevailed in the Soviet system and has been carried over to the new situation which characterized by “dual subordination” to both the central ministry and the district *khukumat*.

WUA, Water Users' Associations were established to improve the quality of water delivery in an extremely difficult environment. They represent a group of farmers united for collective water management. The underlying institutional capacity of WUAs is inherently very weak. The WUAs are tightly controlled by local governments who view them as a vehicle for water use fee collection rather than as an agency for water delivery and water resource management.

3.6. Method of implementation

The overall management responsibility for the project will rest with the Ministry of Irrigation and Water Resources (MIWR) and the Administration of Khatlon Oblast.

Figure 1. Implementation Structure



Management Project Management Unit (PMU) will be a leading operational institution for the implementation of the proposed project and carry out all project implementation in accordance with a specific Operations Manual (OM). PMU will maintain overall responsibility for procurement in the project and will have full responsibility for disbursement and financial management for the Project. It will also provide regular reporting and oversee communication and M&E arrangements for the project. An additional Public Works Division will be established within PMU, which will be adequately staffed for carrying out the objectives of the Project. The Public Works Division will receive support services from other PMU personnel as well as the Information Technology Service, Procurement, Finance officers and others.

The local branches of the MIWR, District Water Authorities, “raivodkhozes” will undertake preliminary assessment of the demand for rehabilitation of the on-farm and off-farm systems. Decisions regarding intervention, works to be carried out and financing will be taken after discussion within the communities, “makhallas” and the local authorities “jamoats.”

The following arrangements will cover the specific aspects of implementation of the proposed project:

Selection of participating districts and jamoats: Poverty and food insecurity are pervasive among rural households in Tajikistan, resulting in a very high number of potential project beneficiaries. Approximately 5.2 million people live in rural areas, of whom an estimated 2.9 million (55%) were living below the poverty line in 2007. Assuming an average family size of 7 people (UNICEF, 2000), this suggests that approximately 400,000 rural households (out of 744,000) currently live below the poverty line and so face chronic food insecurity. As the project has sufficient

resources to assist only 25,000-45,000 of these poor rural households (approximately 10%), project support will need to be highly targeted.

A three-stage approach to beneficiary selection is used, with the region and districts with high food insecurity selected first. This is consistent with the pronounced regional nature of poverty and food insecurity in Tajikistan. Targeting a region with a large mass of food insecure households also improves the cost-effectiveness of aid delivery and increases the project's impact by boosting the regional economy. The alternative to this three stage approach is to set highly restrictive selection criteria on a household basis, and then try to reach all of these households nationwide. This approach would be more costly and difficult to implement.

According to a joint assessment of food security in Tajikistan carried out by WFP, WHO and DFID in September 2009 (Food Security Bulletin) around 1.4 million people were identified as food insecure with 390,000 of them being severely food insecure. The analysis also shows clearly that Khatlon has both the highest proportion and the highest number of food insecure households. According to the latest available information, approximately 700,000 people in Khatlon Oblast are highly or moderately food insecure including 170,000 people who are severely food insecure.

The second stage is based on the selection of districts within Khatlon, using pre-defined selection criteria which include number of food insecure people, the share of irrigated arable land and the extent of farm restructuring. It is expected that the regions with extensively irrigated land and advanced farm restructuring reform will improve the cost-effectiveness of aid delivery and will critically enhance both the project's impact on the ground and sustainability of the project's investments.

The most recent assessment of food insecurity derived a food insecurity rating for each district based on: underlying agro-climatic conditions, recent production data, household interviews and discussions with relevant local and national officials. District level food insecurity ratings used were based on the following classification:

High Food Insecurity	$\geq 50\%$ of rural households are food insecure
Medium Food Insecurity	34%-49% of rural households are food insecure
Low Food Insecurity	$\leq 34\%$ of rural households are food insecure

Table 4: Food Insecurity Status of Rural Households by District in Khatlon

#	Region and districts	Number of households	Number of people	Number of households	Number of people
		Severe Food Insecurity		Moderate Food Insecurity	
1	Yovon	4,677	38,421	9,354	76,842
2	Jomi	5,251	32,805	10,502	65,610
3	Khuroson	2,722	22,140	5,443	44,280
4	Danghara	1,771	13,552	4,681	35,816
5	Bokhtar	1,358	11,970	6,792	59,850
6	Rumi	1,343	8,118	6,715	40,590
7	Vakhsh	1,134	8,034	5,669	40,170
8	Temurmalik	885	7,056	2,339	18,648
9	Muminobod	719	5,688	4,236	33,496
10	Jilikul	816	5,160	4,082	25,800
11	Shuroobod	554	4,608	3,262	27,136
12	Khovaling	498	4,293	2,934	25,281
13	Nurek	379	3,710	1,001	9,805
14	Baljuvon	317	2,349	1,869	13,833
15	Sarband	167	1,500	837	7,500
16	Vose	0	0	3,363	30,800
17	Kubodiyon	0	0	4,148	25,722
18	Farkhor	0	0	2,762	22,560
19	Hamadoni	0	0	2,396	21,080
20	Pyanj	0	0	2,401	17,700
21	Kulyab	0	0	2,027	17,460
22	Kumsangir	0	0	2,817	16,506
23	Shaartus	0	0	2,456	15,750
24	N. Khusrav	0	0	1,111	5,076
	Khatlon	22,593	169,404	93,196	697,311

	region				
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Source: State Statistical Committee, WFP estimates

To identify priority areas for project support, this district-level categorisation was used to derive the number of rural households in each food insecurity category by district in Khatlon Region (Table 4 below). Data is arranged in the order to indicate districts with the number of food insecure households from top (highest number) to bottom (lowest number). To narrow down the number of districts as per above mentioned criteria, districts with less than 40,000 food insecure people were dropped. Therefore, seven districts (Yovon, Jomi, Khurson, Danghara, Bokhtar, Rumi and Vakhsh) were pre-selected for further analysis.

Seven districts pre-selected because of the number of food insecure people, were assessed against the ratio of irrigated to total arable land as well as the level of farm restructuring. As it is presented in Table 5, there are five districts (Yovon, Bohtar, Rumi, Vakhsh and Jomi) that have highest level of food insecurity, a significant area under irrigation and only three of them (Jomi, Rumi and Yovon) made above-average progress with regard to farm restructuring. However, the final selection of project districts will be made after the updated food security information has been released in December 2009 and will be endorsed by the EU Delegation.

Table 5: Food Insecurity Status and Access to Irrigated Land by Rural Households in Districts of Khatlon

	District	Total Area of Arable Land (hectares)	Irrigated Area (Hectares)	% Irrigated Arable Land	% of Arable Land under Dehqan Farms
1	Jomi	20,531	17,993	87.6%	93.9%
2	Rumi	22,716	21,926	96.5%	63.6%
3	Yovon	31,698	25,307	79.8%	57.4%
4	Bokhtar	23,728	23,326	98.3%	38.4%
5	Vakhsh	24,027	20,952	87.2%	14.1%

At the third stage, access to financial support from the proposed project will in principle be open to the *jamoats* of the selected districts of Khatlon oblast based on the following selection criteria:

Jamoat selection criteria

1. Percentage of area of arable land under private use (“private” includes household plots, presidential land plots, family-based and individual dehqan farms in each sub-project area) should be not less than 50% of the total sub-project area;

2. Investment regulations. Subproject proposals shall not exceed €200 per hectare of irrigated (improved) land;
3. Sub-projects will promote labour-based technologies, with at least 60% of the sub-project funds paying for unskilled labour;
4. Sub-projects shall comply with the World Bank safeguard policies and procedures.

Preliminary selection of Districts and *Jamoats* for participation in the projects will be conducted by the Khatlon oblast *Khukumats*. First screening of subproject proposals will be conducted by *Khukumats* of both raion and oblast level.

PMU will consider Public Works (PW) component support on the basis of the information provided in PW subproject proposals submitted by *Jamoats* through District Administrations, *Khukumats*. The PW subproject proposal will contain: (a) a subproject description and drawings that show the subproject is technically feasible and cost-effective; (b) a full financing plan which shall not to exceed a grant ceiling pre-determined for participating *Jamoats*; (c) a preliminary implementation plan.

PMU will evaluate subproject proposals on the basis of agreed criteria listed above and screen them for compatibility with Bank safeguards requirements. It is expected that World Bank's approval of the selected subprojects will be required for the first round of subprojects.

Subproject Implementation

The component will finance the renovation and cleaning of on-farm and off-farm irrigation and drainage infrastructure through short-term public employment programs together with judicious rent/import of auxiliary equipment (excavators, bulldozers). Canal renovation works will be carried out on the existing alignment so that there will be no land acquisition. The nature of the subprojects are expected to be simple in design; however, a small contingency of project resources will be available for PMU to hire local technical expertise to assist in preparation of subprojects and/or to provide technical supervision of *subprojects* in participating *jamoats*, if needed.

To facilitate the works, the project would procure and distribute low cost and locally available tools, like shovels, wheel barrows, spikes and etc. Contracting will be based on the existing system of "work-day" accounting. The labour payment will be output-based and notional work-day wages will be established at the national level using minimum market remuneration for the type of public works envisaged to be supported under the project work norms for individual workers will be specified and made known to all participants at the work site. The project will finance and distribute "work-day" accounting books to each community in the project areas which would be filled in three copies (one for public display at the community, one to be submitted to the PMU in support of the payment request and one copy would be sent to the State Savings Bank as a basis for payment). In line with the established practice of channelling social payments to the poor in the rural areas, the payments would be processed by the State Savings Bank and would be made on a bi-weekly or monthly basis. The list of workers received payment will be displayed in public places for transparency reasons.

Selected districts as well as selected *Jamoats* will be eligible to receive support upon signing a Framework Agreement (FA) that establishes legality for and implementation of the project-funded assistance. Through the Framework Agreement, the *Jamoat* will delegate responsibility to PMU for (a) developing detailed engineering, final designs and bidding documents for the implementation of the subproject, if needed; (b) carrying out procurement, evaluating and selecting contractor proposals for the execution of works (if needed) and supply of goods for the subproject in accordance with procurement guidelines of the proposed Project; (c) supervising and coordinating overall work execution for subproject implementation, including control of technical quality and compliance with agreed implementation schedules; (d) making necessary arrangements for obtaining permits and final approvals, acceptance of completed works; (e) making payments to contractors in accordance with the disbursement arrangements noted in the Operations Manual. The *Jamoats* will itself sign all certificates of accomplished works and will designate staff that will be responsible for day-to-day, on-site oversight of the execution of works. *Jamoats* will also be responsible for organization of community awareness and social mobilization process.

It is anticipated that public meetings will be held in each participating village with the assistance of *Makhallas* and local unofficial public committees. All information related to project will be posted at the information boards to be installed in public places. The project will emphasize community participation, whereby communities will be given information on the project's objectives, principles, selection criteria, implementation arrangements. Communities will decide on which household is considered to be food insecure and thus will have a priority in participation to the Public Work program.

Implementation of Technical Assistance

Component 2 will finance preparatory work for the introduction of a Water Basin Management System including: the delineation of water basins, and an outline of the new roles and responsibilities and the institutional infrastructure needed to manage these water basins. This component will also develop recommendations on how to move from the current institutional structure to the new one.

Development and introduction of the Water Basin Management System (WBM), is considered an integrated component of reforms in the Irrigation and Drainage system in the country and development of the Integrated Water Resource Managementⁱ. The allocation of hydrographic water management areas and territorial differentiation across Tajikistan is presented belowⁱⁱ.

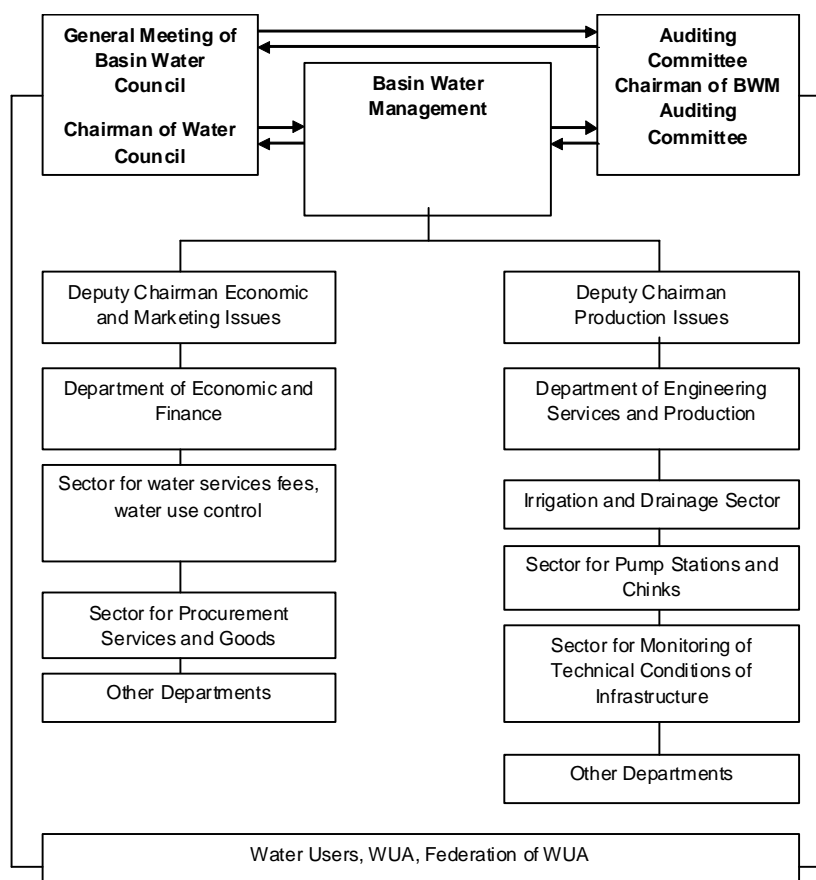
Table 6: Territorial differentiation of WBM service zones across Tajikistan

Basin Water Management	District service	River Basin
Sirdarya	Asht, B. Gafurov, J. Rasulov, Spitamen, Mascha, Zafarabad, Ganchi (part), Isfara, Kanibadam	Sirdarya, Isfara
Istaravshan	Shahristan, Istaravshan, Ganchi (part)	Basmandasai, Katasai
Zarafshan	Panjakent, Aini, Mountain Mascha	Zarafshan
Gissar	Tursun-zade, Shahrinav, Gissar,	Karatag, Shirkent, Khanaka,

	Rudaki, Varzob, Vahdat, Faizabad	Varzob, Kafernigan, Elok
Rashtskoe	Nurobod, Rogun, Rasht, Tajikabad, Jirgital, Tavildara	Surkhob, Obikhingou
Yavan	Yavan, Khuroson, Jami	Vakhsh, Yavansu
Dangara	Dangara, Nurek, Baljuvon	Vakhsh, Tairsu
Kulyab	Vose, Temurmalik, Kulyab, Khovaling, Muminabad, Shurabad, Hamadoni, Farkhor	Kizilsu, Yakhsu, Pyanj
Lower-Kofarnigan	Shahritus, Kabodiyon, N. Khisrav	Kofarnihon – Lower stream
Vakhsh	Bokhtar, Vakhsh, Sarband, J. Rumi, Djikikul, Kumsangir, Pyanj	Vakhsh
Badakhshanskoe	Darvaz, Vanj, Rushan, Shugnan, Ishkoshim, Roshtkala, Murgab	Pyanj and its shores with right-hand

Basin principle of the Water Resource Management is not a new structure for Tajikistan. The water resource management was carried out on basin bases till 1950s. These were performed by the Vakhsh Irrigating System (IS), Hodzhabakirgan IS, Farhor-Chubeksk IS, Pjandzh IS and others. Analyses of available materials, experience from the past and from the developed countries is showing that the two-level basin management system is more cost effective than the existing three-level one. The main player is going to be Basin Management Units-possible structure is presented below.

Figure 2: Possible general structure of Basin Water Management System - BWMⁱⁱⁱ



Based on the needs assessment, the major functions for the Water Basin Management Units would be the following:

- a. Operate as self-sustained entity.
- b. Implement activities according to Integrated Water Resources Management and market economy principles.
- c. Establish basin (sub-basins) boundaries based on developed criteria that best meet the objectives.
- d. Determine fees for various water users to be considered by the Water Council and for approval by the Tajik Government.
- e. Within the Divisions and Sub-Divisions of the Basin Management Unit, develop necessary departments to manage technical, financial, economic, water user relations, etc.
- f. Develop a methodology to transition from present operations to the new Basin Management concept.
- g. Establish operational procedures, rules, processes, etc. necessary for efficient operations.
- h. Develop short and long term operational and management programs and plans.
- i. Determine levels of system responsibility for water user entities (these may change from time to time).

3.7. Procurement and grant award procedures

The Project Management Unit at the Ministry of Melioration and Water Resources Management will be responsible for procurement to be carried out under the project. It has a long experience with procurement under the World Bank operations and experienced procurement specialists. Procurement will be in accordance with the Bank's Procurement Guidelines and with procurement plans reviewed and approved annually by the World Bank. Quarterly reports on the progress of procurement activities will be prepared.

3.8. Budget (in €) and calendar

The estimated project cost is €7,750,000. It would be funded by the European Union on the basis of a standard Administration Agreement with the World Bank. The detailed budget is as follows:

	Year 1	Year 2	Total	%
Component I Public Works & Renovation of Irrigation and Drainage Infrastructure	5,184,400	1,271,100	6,455,500	83.3%
Component II Technical Assistance	480,000	120,000	600,000	7.7%
Component III Project Management	319,000	42,250	361,250	4.7%
Administration Fee	266,600	66,650	333,250	4.3%
Total			7,750,000	100%

Project Activities	Tentative budget (€)
Component I	6,355,500
Cash transfer (workers' salaries)	5,084,400
Purchase of auxiliary tools and hire of machines	1,371,100
Component II	
Technical assistance	600,000
Component III	
Project management, monitoring & evaluation, EU Visibility	361,250
Bank Administration Fee (4.3%)	333,250
Total	7,750,000

Implementation period: 23 months: April 2010 – Dec 2011

3.9. Performance monitoring

The performance of the project will be closely monitored by the World Bank. The EU Delegation in the country will also ensure adequate monitoring on the basis of key indicators established in the Logical Framework, progress reports and participation to relevant meetings/committees. Baseline information and further detailing of the indicators will be done during a pre-appraisal mission in February 2010 and incorporated in the full project proposal.

External Results Oriented Monitoring missions by the EU may be carried out.

Please see Attachment 1

3.10. Evaluation and audit

In addition to the World Bank regular supervision missions, this will also include a mid-term review and an implementation completion mission. The project will undergo a final evaluation, to be carried out by the third party that will carry out an independent impact assessment.

The project will be supervised and evaluated and subject to the audit arrangements in accordance with World Bank procedures. In addition, expenditure verifications may be carried out by the EU. The project impact will be assessed against its own set of indicators provided in the *Attachment 2*.

External Results Oriented Monitoring missions by the EU may be carried out.

3.11. Communication and visibility

Communication and visibility of the EU's funding will be conducted in accordance with requirements of the EU on visibility of Trust Funds. The EU will jointly participate in the project launch, which will involve roundtables with stakeholders and press conferences. The project includes a budget for communication and public awareness which will also profile the EU support through TV and radio broadcasts. The EU delegation will be invited to participate in project review missions and a reference to EU financing will be made in project review documents, during consultations with Government, in representation of the project with other donors and in all public discussions and stakeholder consultations during the life of the project.

Standards regarding visibility will be derived from the "EU visibility guidelines for external actions" http://ec.europa.eu/europeaid/work/visibility/index_en.htm.

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- i "Promoting Integrated Water Resource Management and Fostering Transboundary Dialogue"; A joint EC – UNDP Project in Central Asia, YY 2009 – 2012
 - ii "Reforming Water Resource Management System in Tajikistan"; Discussion Paper by Irrigation Working Group under DCC; Meeting held on November 29, 2009 in Dushanbe.
 - iii Possible general structure of Basin Water Management System as being discussed within and proposed by the Irrigation Working Group of the DCC;

Attachment 1: Logical Framework

Description of Project	Indicators	Means of verification	Risks (-) / Assumptions (+)
Objective/ overall impact			
<p>To increase household security in Khatlon Oblast (Region) while generating temporary employment in the project area.</p> <p>This would be achieved through increased agricultural outputs resulting from the renovation of irrigation and drainage infrastructure in the Region supported by initial activities to improve water management policies</p>	<ul style="list-style-type: none"> • Productivity in the project area as a reflection of increased food security: (i) cotton (tons/ha); (ii) wheat (tons/ha); • Improved household income through increased production (from irrigation rehabilitation); • Lower domestic prices of food (through increased production); • Jobs created by the project (number of working days); • Amount of cash transferred (\$ per person, number of people employed); • Preparation of proposals for the introduction of a Water Basin Management (WBM) scheme, including recommendations on the roles, responsibilities and institutions required to implement this scheme and the basis for a gradual shift from the current system to WBM. 	<ul style="list-style-type: none"> • Government information • Agricultural Surveys • Information from the Project Implementation Unit • Information from Donors Active in the irrigation sector 	<ul style="list-style-type: none"> • Implementation of the IMF's PRGF program and Strong Donor Pressure reduces the risk of a government's sub-optimal agriculture policy framework (+) • Quality of financial management (-)
Results			
<ul style="list-style-type: none"> • Drainage of on-farm canals • Drainage of off-farms canals • Renovation of on-farms canals • Renovation of off-farm canals 	<ul style="list-style-type: none"> • Km of drainage (on-farm canals) • Km of drainage (off-farms canals) • Km of renovation (on-farms canals) • Km of renovation (off-farm canals) 	<ul style="list-style-type: none"> • Project Implementation Unit • Reports provided by Supervision Missions • Information from Water User Associations 	<ul style="list-style-type: none"> • High priority project; frequent monitoring and supervision; Deputy Prime Minister and Government of Khatlon Oblast pledged their full support to resolving day-to-day operational matters; • Institution building component of the

<ul style="list-style-type: none"> • Training to stakeholders 	<ul style="list-style-type: none"> • Training to stakeholders: <ul style="list-style-type: none"> (i) Training-Tour to policy-makers and high level staff of the Ministry of Water Resources and relevant agencies to gather first-hand knowledge of countries that pursue holistic-participatory irrigation policies (ii) Training on maintenance/investment programs and key policy issues to relevant staff from Ministry, agencies and Water User Associations 	<ul style="list-style-type: none"> • Information from Donors Active in the irrigation Sector 	<p>project; areas with good agriculture potential; strong attention to parallel/on-going projects on training of communities in sustainable management of community resources</p>
Activities	Means	Indicative costs	(Activities to Results)
<ul style="list-style-type: none"> • Financing temporary work to carry out drainage and/or renovation of irrigation infrastructure; • Rent/import of auxiliary equipment (excavators, bulldozers) for drainage and/or renovation of irrigation infrastructure; • Financing of Technical Assistance to train stockholders; • Financing a tour of policy makers and high level staff to selected country/ies whose experience is relevant for the irrigation issues of the country (i.e. Turkey); • Financing Technical Assistance to design a Water Basin Management Scheme and develop recommendations on how to implement this scheme and guide the transition from the current 	<p style="text-align: center;"><u>Project Activities</u></p> <p><u>Component I</u></p> <p>Cash Transfer – Workers Salaries</p> <p>Purchase of auxiliary tools and hire of machines</p> <p><u>Component II</u></p> <p>TA for Improving Management Policies</p> <p><u>Component III</u></p> <p>Project management, monitoring & evaluation</p>	<p><u>Tentative budget (000€)</u></p> <p style="text-align: right;">6,455,500</p> <p style="text-align: right;">5,084,400</p> <p style="text-align: right;">1,371,100</p> <p style="text-align: right;">600,000</p> <p style="text-align: right;">361,250</p>	<ul style="list-style-type: none"> • Poor Quality of financial management; • Possible social issues: conflicts, disputes and lack of interest in participation; • Pre-conditions; • Finalization of a simple, well designed program; • Agreement between development partners, the GoT, EC and WB is achieved on all operational matters.

system to WBM.	Bank Administration Fee	333,250	
	TOTAL	7,750,000	

Attachment 2: Additional detailed indicator to assess project impact

INDICATOR	SOURCE IF ANY	REMARKS
1. Cotton productivity in project area (ton)	New survey	The information should be compiled for before the project is completed and after
2. Wheat productivity in project area (ton)	New survey	The information should be compiled for before the project is completed and after
3. Cotton productivity outside the project area (ton)	New survey	The information should be compiled for before the project is completed and after
4. Wheat productivity outside the area (ton)	New survey	The information should be compiled for before the project is completed and after
5. Jobs provided under the project	PMU records	
6. Amount of cash transferred (\$ per person, number of people employed)	PMU records	
7. Improved household income through increased production (as a result of improved irrigation)	Tajikistan Living Standards Assessment Survey in 2009 (Baseline) and in 2011 (Impact Assessment)	
8. Lower domestic prices of food (through increased production)	Tajikistan Living Standards Assessment Survey in 2009 (Baseline) and in 2011 (Impact Assessment)	
9. Are jobs going to the needy ones as intended? Percentage of people who get a job under PAMP and whose (arable + grazing) land per household member is less than 0.1 ha	Tajikistan Living Standards Assessment Survey in 2009 (Baseline) and in 2011 (Impact Assessment)	Are jobs provided to the poorest?
10. Km of drainage (on-farm canals) financed by the project	PMU records	Self explanatory
11. Km of drainage (off-farms canals) financed by the project	PMU records	Self explanatory
12. Km of renovation (on-farms canals) financed by the project	PMU records	Self explanatory
13. Km of renovation (off-farm canals) financed by the project	PMU records	Self explanatory
14. TA Activities: basically qualitative indicators. To be monitored according to the definition when the project is finalized in	PMU records	Self explanatory

relation to this component		
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Attachment 3: Water Use Management. Technical Assistance – Investment and Operational Needs

POLICY PRIORITIES and OBJECTIVES	ISSUES and CONSTRAINTS	SHORT-TERM RESPONSE (2010-2011)	MEDIUM-TERM RESPONSE (2010-2015)	EXPECTED OUTCOMES
<p>IRRIGATION and WATER RESOURCE MANAGEMENT</p> <p><i>Objectives:</i></p> <p>1. Introduce river basins as the basis for water resource management</p> <p>2. Develop a rational, financially sustainable system for the management and operation of irrigation and drainage systems</p>	<p>1. Continued deterioration of irrigation and drainage infrastructure, and the consequent loss of irrigated land.</p> <p>2. Inadequate public expenditure on irrigation and drainage due to low water use fees, pervasive non-payment of these fees, and low budget allocations.</p> <p>3. Continued support for inefficient pump irrigation systems.</p> <p>4. Limited producer management of water resources due to slow establishment of water user associations, and inadequate support to make them sustainable.</p> <p>5. Land privatization has not been followed by a re-assignment of</p>	<p>1. Increase collection rates for water use fees.</p> <p>2. Review current system of water use fees and introduce a medium-term framework to (i) raise overall water-use fees, and (ii) introduce higher fee rates for pump irrigation, consistent with their higher costs of operation and maintenance.</p> <p>3. Introduce a program to re-assign responsibility for the management of secondary drainage and irrigation canals in association with land privatization.</p>	<p>1. Increase support for the establishment and operation of water user associations.</p> <p>2. Review the use of pump irrigation and, where appropriate, develop programs to render them viable through the introduction of high value crops.</p> <p>3. Re-orient and re-organize the MIWR, and privatize construction and maintenance activities, as the basis for more efficient public service delivery.</p> <p>4. Develop and implement a program to establish river basins as the basis for water resource management.</p> <p>5. Prepare a national inventory of irrigation assets and a national investment plan as the basis for</p>	<p>1. The establishment of a rational, financially sustainable system for the management and operation of irrigation and drainage infrastructure.</p> <p>2. Water user associations as the basis for farm-level management of irrigation and drainage.</p> <p>3. An effective, cost-efficient MIWR as the basis for management of water delivery and drainage off the farm.</p> <p>4. The establishment of river basins as the basis for water resource management</p> <p>5. A medium to long-term program for investment in water resource management</p>

	<p>responsibility for the management of secondary drainage and irrigation canals.</p> <p>6. The need for continued reform of the Ministry of Water Resources and Land Reclamation, including the privatization of construction and maintenance activities, to focus on key functions and improve service delivery</p> <p>7. Water resource management is still based on administrative boundaries.</p>		<p>future donor and government support.</p>	
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ACTION FICHE TANZANIA

1. IDENTIFICATION

Title/Number	Food Facility: General Budget Support component CRIS N° 021-769		
Total cost	€20 million		
Aid method / Management mode	General budget support – centralised management		
DAC-code	15161	Sector	GBS

2. RATIONALE AND COUNTRY CONTEXT

2.1. Rational

In 2009, Tanzania was considered eligible to benefit from the food facility for rapid response to soaring food prices in developing countries (Regulation N. 1337/2008 - Food Facility) on the basis of the following criteria: poverty level and real needs of the population, food price development and potential social economic impact (measured through reliance on food import; social vulnerability and political stability, macro economic effects of food price developments) and the capacity to respond and implement appropriate response measures (assessed through agricultural production capacity; reliance to external stocks).

The overall amount allocated to Tanzania to help coping with the impact of fluctuating food prices and increasing food security is €32.4 million: €20 Million to be provided through a general budget support programme, and €12.4 million to be implemented through projects to be selected through a call for proposal. General Budget Support was chosen as the most appropriate modality to deliver assistance as it allows to respond more effectively and timely to the Tanzanian needs, and it can easily be linked to the on – going GBS. In addition, the basic institutional framework for Sector Budget Support is not in place to support food security at this point in time in Tanzania.

Moreover, the €20 million complement the ongoing General Budget Support, which, in a longer term perspective, also aims at fighting poverty, supporting economic growth and thus improving food security. The current Action Fiche aims at providing the required information on the €20 million contribution that the EU is to deliver through General Budget Support.

2.2. Country Context and National Policy and Strategy

The world economic recession is likely to feed into the Tanzanian economy during the period 2009/10 – 2011-2012. Real GDP growth in 2009 is estimated at 4 - 5%⁵⁴ rate (a reduction of 2.5% if compared with 2008), while down side risks remain. Although the Tanzanian financial system has not been directly affected by the Global Financial Crisis, the economy slow down coupled with falls in international commodity prices and demand for traditional

⁵⁴ Staff Report for the 2009 Article IV Consultation, Fifth Review Under the policy support Instrument, Request for a Twelve-Month Arrangement Under the Exogenous Shocks Facility, and Request for an Extension of the Policy Support Instrument, IMF, May 15 2009.

exports, could contribute to increase the number of non – performing loans. Banks are particularly exposed to personal loans and crop financing, both of which are to suffer during the economic slowdown. In addition, this latter has also negatively affected the government revenues, with an expected shortfall of nearly 2% of GDP. The balance of payment is under pressure and international reserves have declined. Nevertheless, the risk of external debt distress remains low and the exchange rate is in line with the economic fundamental. Annual inflation rose to 13.5% in December 2008, driven by food inflation of 18.6%. The inflationary pressure was mainly originated from soaring world commodity prices; severe food supply shocks in the region and poor short rains in some areas of Tanzania since the last quarter of 2008. In addition it is important to consider that poverty has declined only marginally since 2000 -1 (from 35.6% to 33.4%), which implies an increase in absolute number of Tanzanian living in poverty.

Prospective for a recovery and return to stronger economic growth is based on a number of counter cyclical policies. These includes: scaling up of infrastructure investment in the medium term; improve the legal framework to ease the business environment and start some programmes that directly raise the income for the poor (e.g. fertiliser subsidies for smaller farmers). Tanzania's low level of public debt suggests that the government could embark in an expansion of infrastructure investment and pro – poor expenditure without jeopardising sustainability.

Although the Tanzanian Food Self Sufficiency Ratio (SSR) indicates that the country have been overall food self-sufficient from 2004 to 2008, a September 2009 Report on the Crop and Food Situation by WFP and FAO recognizes that the food supply situation continues to be precarious. Food shortages have affected significant portions of the poor population almost every year. This is because of availability of food at the national level does not guarantee equal accessibility of food at district or household level. Other factors affect food availability, notably high pre and post harvest losses due to pests, diseases and climatic conditions. Moreover, inappropriate crop handling and food management at household level diminishes food stocks available for consumption. Thus, reducing post harvest losses, or preserving what has been produced with increasing efforts and costs, has become one of the major concerns of the Government.

A government-led rapid food security assessment (RVA) is currently being undertaken in 60 districts having food shortages. Meanwhile, the government and humanitarian agencies are providing food aid to the communities that have been identified in previous assessments. In particular, the Government is supporting the National Food Reserve Agency (NFRA) and has planned to purchase 150,000 metric tons (MT) of cereals during the 2009/2010 marketing season to rebuild the NFRA stock

After consultation with the Government, it is proposed that the EU contribution should support Government's existing and planned interventions for addressing food shortages, e.g.: provision of agricultural inputs; rehabilitation of Seeds Farms; promotion of Agricultural Mechanization; promotion of rural based agro processing and improving household food storage.

Based on the above, it is proposed to provide additional Budget Support to the ongoing GBS in order to help compensate the Government for the additional costs incurred and thus help mitigate the effects of the food crises on the reduction of poverty in Tanzania, and support the *National Strategy for Growth and Reduction of Poverty for Tanzania (MKUKUTA)*.

2.3. Eligibility for budget support

2.3.1. National Development or Cooperation Policy and Strategy

A well defined national policy is in place in the form of the MKUKUTA covering 2005-2010 and this policy is being supported by the EU through general budget support. The MKUKUTA implementation was considered generally on track at the last Review of Budget Support of November 2008. Preparation is ongoing towards the development of a new poverty reduction strategy (2011-2015), building on the Household Budget Survey of November 2008.

2.3.2. Macroeconomic situation

Macro-economic situation: structure of GDP; recent economic performance covering GDP growth and inflation; public finances, fiscal deficit, debt burden and amount of arrears; share of spending in key sectors; balance of payments current and capital account, reserves; monetary situation; role of external assistance in the economy (information usually available in latest IMF documents); summary of the main past and expected trends in macro-economic variables; description of the relationship between the partner country and the IMF; any special topics of macro-economic interest specific to the partner country.

2.3.3. Public Financial Management

The PFMRP and the overall progress in PFM were considered “satisfactory with some serious concerns” at the November 2008 Annual Review. According to the review’s finding, three quarters of the 2007 – 2008 programme milestones were met, while severe delays were recorded in the preparation and approval of the new strategic plan and the establishment of the new PFMRP Secretariat.

Since, last year, the Government appointed a Deputy Permanent Secretary in charge of PFM reforms, and things have moved forward substantially. In particular, he was able to mobilize resources and complete the recruitment process for the PFMRP Secretariat (4 full time professionals). In addition, an independent review of the program to assess in detail progresses made over the first year of PFMRP 3 (Financial Year 2008/09) was recently agreed and will take place in October.

A number of reforms had taken place during the period under consideration notably:

External audit: the new Audit Act has been enacted, resulting in a coverage audit report for 2007/08 broader than in the past. This makes Tanzania’s National Audit Office very likely to reach Afrosai level 3 standards by 2010 – a level only attained by South Africa in the region. As a result of this new audit scope, of a more open and independent Controller and Auditor General (CAG) and of often unsatisfactory responses from audited entities to audit recommendations, the audit report for central government over FY07/08 has been more critical than in the past. Thanks to the support of the PFMRP over the last 18 months, the Parliamentary Account Committees are now putting more pressure on audited entities to respond to audit queries, which is slowly leading them to take audit reports more seriously.

Financial reporting: The CAG has noted in parallel that remarkable improvements were noted that financial year in terms of *financial reporting* as all the audited accounts were presented for the first time in accordance with International Public Sector Accounting Standards (IPSAS).

Procurement: whilst the procurement audits conducted by the Public Procurement Regulatory Authority (PPRA) for financial year 2007/08 for seventy Procurement Entities (PEs) show little improvement in the average level of compliance compared to the previous year, reforms have continued at a steady pace, including the amendment of the Public Procurement Act to give more power to the PPRA. A cabinet paper on the proposed amendments has been prepared and is ready for submission to the Cabinet Secretariat.

Budget preparation: the move to GFS 2001 economic classification has been made, which will be used in the 2009/10 budget. Preparation for functional classification is about to start, with the support from the IMF East Afritac and expected to be in place in the 2010/11 budget. Meanwhile, the Government of Tanzania has finalised its first “Budget Background paper” which will go a long way in addressing concerns over the lack of transparency of the budget. The the Government of Tanzania has also for the first time prepared a medium term investment programme, which should help increase the planning process and the quality of the development budget. All these moves signal a new sense of direction and ambition in terms of addressing the numerous challenges facing budget preparation.

Integrated Financial Management System: following the publication of a study in 2008 revealing a number of weaknesses in the system, the Government has started to take action on a number of recommendations, including on bank reconciliation and in improving the links between the Accountant General’s Epicor system and the Bank of Tanzania.

In addition, on the basis of the draft PEFA 2008, it is clear that reforms have concentrated in the weakest areas identified. It is noteworthy that the Government has taken strong action in the fields scoring less than a C (recording and management of each cash balances, debt and debt guarantees, effectiveness of internal audit, and availability of information on resources received by service delivery units): MOFEA has launched a process to reduce the number of the Government of Tanzania Bank accounts held in commercial banks and transfer them to the Bank of Tanzania; the new organizational structure of the Ministry of Finance and Economic Affairs contemplates the establishment of a separate internal audit department reporting; finally, Public Expenditure Tracking Surveys (PETS) for both the water and education sector are being undertaken in FY 2008/09.

In view of the above, it is the view of the EU Delegation that Tanzania meets the eligibility conditions.

2.4. Lesson learnt

Budget Support Programme to Tanzania (PRBS 03): The European Commission is currently implements its third PRBS. Implementation of PRBS 03 and its predecessors has been generally smooth. Conditions for budget support are overall in place.

General Budget Support: The MDG Contract of €305 million for the next six years was approved by the EDF Committee in June 2009, underlining the confidence of the EU in Tanzania’s systems and reform programmes. There is a good donor coordination structure in place, which also follows discussions on food security related matters. The delegation feels confident that the information needed and policy dialogue required for the contribution of €20 million can be secured through the normal GBS coordination channels.

Transport Sector Budget Support: The assessment took a very long time (over a year) to prepare. Despite this being a sector where the delegation had already a very strong relation with the Government.

Education Sector Budget Support: After three years of implementation this programme now comes to an end. The experience is that a long-term commitment is absolutely crucial in order to achieve anything. Policy dialogue requires a long breath, especially for complicated sectors.

Experience shows that topping up the EU's general budget support with the €20 million from the Food Facility is the most appropriate approach in the current state of things and especially in view of time and resources available at the Delegation.

2.5. Complementary actions

The proposed action will complement the following ones:

- Poverty Reduction Budget Support Programme to Tanzania (PRBS 03), including the additional €14.8 million mobilised from the 10th EDF Envelope B in order to mitigate the impact of the significant increase in world food prices since late 2007.
- MDG Contract (see above)
- Call for proposals with a total budget of € 12.4 million financed from the Food Facility

Moreover, the proposed action will benefit from existing Government/donor policy dialogue and donor coordination structures.

2.6. Donor coordination

The Joint Assistance Strategy for Tanzania (JAST) is the central articulation of the aid effectiveness process and of the mutual commitments which it entails. The Joint Programming Documents contain a country analysis and a joint response strategy which will be the basis of the Government of Tanzania's interactions with the Development Partners in the period to 2010.

The 14 GBS donors coordinate their activities under the umbrella of the PRBS Group. This group is represented at the highest level by the so-called Troika +, which consists of the incoming, current and outgoing chair and the WB as a permanent member. The Heads of Missions meeting, in which all 14 donors participate, is the highest decision making body. The Consultative Group, bringing together the economists of all GBS donors, is the technical and advisory body of the PRBS Group.

The EU Code of Conduct on Complementarity and Division of Labour has been translated into an agreement on how to meet its requirements within the coming two years. The EU division of labour agreements are in accordance with the existing dialogue structure between Development Partners and the Government as designed by the Government. The EU Heads of Cooperation have also agreed to enhance EU coordination and harmonization.

3. DESCRIPTION

3.1. Objectives

The objective of the proposed action is to help the Government of Tanzania coping with the impact of fluctuating food prices and increasing food security and support the *National Strategy for Growth and Reduction of Poverty for Tanzania (MKUKUTA)*.

3.2. Expected results and main activities

The EU contribution should support Government's existing and planned interventions for addressing food shortages, e.g.: provision of agricultural inputs; rehabilitation of Seeds Farms; promotion of Agricultural Mechanization; promotion of rural based agro processing and improving household food storage.

This proposed additional Budget Support intends to help compensate the Government for the additional costs incurred and thus help mitigate the effects of the food crises on the reduction of poverty in Tanzania.

Moreover, the EU will maintain a close policy dialogue with the Government at both macroeconomic and agriculture/food security levels. Specifically, the EU will actively participate in discussions announced by the Government on the modernisation of Tanzania's agriculture under the theme "Kilimo Kwanza" or "Agriculture First".

3.3. Stakeholders

The main stakeholders are the Ministry of Finance and Economic Affairs, responsible for the channelling of funds, and, indirectly, the Ministry of Agriculture, Food Security and Cooperatives.

3.4. Risks and assumptions

- On Public Finance Management, a new reform strategy is now in place and the MoFEA has recently strengthened Public Finance Management Reform Programme' Secretariat, by recruiting 4 full time experts. An external review will take place in October/November which will review the PRM reform programme to assess in detail progresses made over the first year of PFM RP 3 (FY 2008/09).
- In agriculture, a new strategy called "Kilimo Kwanza, towards Tanzanian Green Revolution" was presented in June 2009. It remains controversial and not fully consistent with other key documents such as the "National Agriculture Policy" of February 2009. The Development partners agreed to strengthen political dialogue with the Government in order to make sure consistency is improved.

3.5. Crosscutting issues

In all policy dialogue structures, the major cross-cutting issues are covered, in particular economic/environmental/social sustainability, gender, governance and human rights.

4. IMPLEMENTATION ISSUES

4.1. Budget and calendar

The entire EU contribution of €20 million will be provided in form of direct budget support. The proposed disbursement year is 2009/2010 in one fixed tranche, possibly before end of June 2010. (This needs to be re-confirmed according to the date of the signature of the Financing Agreement). The operational duration as from signature of the Financing Agreement is 12 months.

The €20 million budget support will be disbursed through one single instalment, which will be payable within 12 months of the signature of the FA against the fulfilment of the eligibility criteria. An indicative disbursement timetable is given below:

Type of tranche	Year 1				Year 2				Year N				Total Euro
	T1	T2	T3	T4	T1	T2	T3	T4	T1	T2	T3	T4	
Fix				20	-				-				20

4.2. Budget support modalities

The support delivered for this action is direct untargeted budget support under centralised management.

4.3. Procurement and grants award procedures

4.4. Performance monitoring and criteria for disbursement

The resources will be disbursed in one single fixed tranche, with one specific indicator. The general conditions for disbursement are the continued respect for the three eligibility criteria for general budget support. Based on the PRBS/GBS Annual Review Nov 09 and the 2009 external review:

- Overall satisfactory assessment by the European Commission, based on the progress in implementing the NSGRP. In this general context, special attention will be paid to the finalisation of the new agricultural strategy and the implementation of the national irrigation policy.
- Overall satisfactory assessment by the European Commission based on the progress in implementing the Public Financial Management Reform Programme
- Overall satisfactory assessment by the European Commission based on the macroeconomic situation with reference to the latest IMF review.

The specific indicator is the number of hectares of land under irrigation. This indicator (included in the PAF 2009) is representative of the improvement of agriculture production.

4.5. Evaluation and audit

The general budget support Technical Note foresees an annual audit of the GBS facility which is the responsibility of the Controller and Auditor General (CAG). The CAG will ensure the report is produced in a satisfactory and timely manner. Only in case where this report is delayed or unsatisfactory would an additional audit be commissioned, to be undertaken in collaboration with the CAG. The GBS Partnership Framework Memorandum (PFM) foresees an independent evaluation of the GBS facility relative to the objectives outlined in the PFM and the PAF.

4.6. Communication and visibility

The General Budget Support Group in Tanzania has a communication strategy, providing background information to the media and civil society, informing Parliament and issuing press statements when necessary.

Visibility of the EU will be promoted through the use of internet and the EU Delegation Newsletter will feature articles on EU Budget Support.

FICHE ACTION POUR UN PROGRAMME D'APPUI BUDGÉTAIRE AU GOUVERNEMENT DU TOGO

1. IDENTIFICATION

Intitulé	Programme d'appui budgétaire au Gouvernement du Togo dans le cadre de la <i>Food Facility</i>		
N. CRIS	DCI-FOOD/2009/022-043		
Coût total	8.200.000 € (budget général de l'UE)		
Méthode d'assistance / Mode de gestion	Appui budgétaire général – Gestion centralisée		
Code CAD	51010	Secteur	Appui budgétaire

2. MOTIF ET CONTEXTE NATIONAL

Durant une quinzaine d'années le Togo a été confronté à une impasse sociopolitique, un déclin économique et financier, une pauvreté croissante et une sérieuse dégradation de l'environnement et des ressources naturelles. Cette situation a été exacerbée par le désengagement des bailleurs de fonds à partir du milieu des années 1990 pour cause de déficit démocratique. L'UE a pris l'initiative de relancer des consultations avec le Togo en 2004 pour enclencher un processus de sortie de la crise politique. La coopération a repris après les élections législatives jugées globalement satisfaisante par la mission d'observation de l'UE. Les deux dernières années ont été caractérisées par la volonté affichée du Gouvernement de poursuivre cette tendance. Les prochaines élections présidentielles se dérouleront en 2010.

L'année 2008 a marqué un tournant dans la coopération avec les bailleurs de fonds : à l'issue satisfaisante du programme de référence 2006-2007, le FMI a approuvé la mise en place d'une Facilité pour la Réduction de la Pauvreté et la Croissance (FRPC) en avril 2008. Les mesures de réforme des finances publiques sur la base de la Revue des Dépenses Publiques et de la Responsabilité Financière de l'Etat (PEMFAR) et de la revue PEFA (Public Expenditure and Financial Accountability) de 2008 et l'amélioration de la politique budgétaire ont contribué à une performance macro économique satisfaisante. Les relations avec la Banque Africaine de Développement (BAD), la Banque Mondiale (BM) et la Banque Européenne d'Investissement (BEI) ont été normalisées avec l'apurement des arriérés. Parallèlement le Club de Paris a entrepris d'alléger et de rééchelonner la dette du pays qui a passé le point de décision de l'Initiative pour les Pays Pauvres Très Endettés (IPPTE) en novembre 2008. Le Gouvernement met tout en œuvre pour atteindre le point d'achèvement fin 2010.

Dans le cadre de la "*Food Facility*", le Togo bénéficie des trois différents volets : i) appui budgétaire (EUR 8.2 M), ii) appui via une organisation internationale (FAO EUR 2.5 M), et iii) appui via des ONGs (€3 M). Il est proposé que le volet *appui budgétaire* soit mobilisée par un programme de € 8,2 M sous forme d'appui budgétaire direct non ciblé, afin d'appuyer le processus de stabilisation macroéconomique dans un pays toujours fragile, tout en lui donnant les moyens de mettre en œuvre une politique nationale de sécurité alimentaire venant en complément à la stratégie de réduction de la pauvreté.

2.1.Contexte national et politique et stratégie nationales

2.1.1. Situation économique et sociale et analyse de la pauvreté

La crise politique ayant affecté le Togo et l'interruption de l'aide extérieure qui s'en est suivie ont laissé l'économie exsangue et affecté sensiblement les indicateurs sociaux. Le PIB par habitant a diminué en moyenne de 1% par an et est évalué en 2007 à USD 360 alors que la moyenne des pays d'Afrique sub-saharienne se situe à USD952 (méthode Atlas). Le Togo se place à la 159^e place sur 179 pays selon le classement Indice de Développement Humain de décembre 2008. On note le délabrement des infrastructures socioéconomiques et plus précisément des systèmes éducatif et sanitaire. D'après les résultats du Questionnaire des indicateurs de base de bien-être (QUIBB) mené en 2006, 61,7% des Togolais vivaient en dessous du seuil de pauvreté. En termes d'effectifs, 79,9 % des individus pauvres se situeraient en milieu rural et 44,6% d'entre eux se concentreraient dans les régions Maritime et Plateaux. Les régions Centrale, Kara et Savanes seraient les plus touchées avec un taux d'incidence atteignant 90,5% pour cette dernière.

Depuis 2008, le Gouvernement a engagé de vigoureuses réformes dans les domaines économiques et financiers : finalisation du Document de Stratégie de Réduction de la Pauvreté (DSRP) intérimaire (mars 2008) et du DSRP complet en juin 2009, apurement des arriérés envers les bailleurs multilatéraux (2008), conclusion d'un programme au titre de la FRPC (avril 2008), rééchelonnement de la dette par le Club de Paris (juillet 2008), Table ronde des bailleurs de fonds à Bruxelles sur le DiSRP (Document intérimaire de Stratégie de Réduction de la Pauvreté) (septembre 2008), performances satisfaisantes dans la mise en œuvre de la FRPC (revues de septembre 2008, février et septembre 2009), atteinte du point de décision de l'IPPTE (novembre 2008). Ces réformes ont amorcé la stabilisation du cadre macroéconomique.

2.1.2. Développement national/politique et stratégie de coopération

Politique et stratégies nationales

La stratégie nationale de développement s'inscrit dans le DSRP complet adopté par le Gouvernement en juin 2009 après un large processus consultatif pour remplacer le DiSRP de 2008. Les quatre grandes priorités pour la période 2009-2011 sont: (i) le renforcement de la gouvernance ; (ii) la consolidation des bases d'une croissance forte ; (iii) le développement du capital humain et (iv) la réduction des déséquilibres régionaux et le développement à la base. En ce qui concerne la promotion de la bonne gouvernance, un accent particulier est mis sur l'assainissement des finances publiques à travers l'amélioration des recettes fiscales, le contrôle de l'exécution budgétaire, la lutte contre la corruption et l'amélioration du système de passation des marchés.

Sécurité alimentaire

Le Programme National de sécurité alimentaire (PNSA) vise à faciliter l'internalisation de la sécurité alimentaire en tant que domaine prioritaire d'investissement et répond au souci de l'atteinte des objectifs fixés par le Sommet mondial de l'alimentation et des Objectifs Millénaires pour le Développement (OMD) (en particulier l'OMD n°1) en matière de lutte contre la pauvreté et la malnutrition. Le PNSA est axé sur 6 actions prioritaires :

- Promouvoir le Droit à l'alimentation et la bonne gouvernance autour de la sécurité alimentaire
- Développement de la productivité et des productions végétales, animales et halieutiques ;
- Valorisation des productions végétales, animales et halieutiques ;

- Promotion de la santé de la nutrition et de l'éducation nutritionnelle
- Promotion de la maîtrise de l'eau et de l'hydraulique villageoise
- Promotion de la gestion durable des ressources naturelles et de l'environnement

Budget national et perspectives financières à moyen terme

La situation des finances publiques a continué de s'améliorer en 2008 malgré les chocs extérieurs, avec une augmentation des recettes équivalente à 0,2 points de PIB pour atteindre 17,1 % du PIB hors dons et 18,7% dons inclus, une diminution des dépenses (19,6% du PIB) et en conséquence, une amélioration du solde primaire intérieur. Les dépenses d'investissement public ont doublé entre 2007 et 2008, mais le taux d'exécution des investissements sur financement extérieur n'est que de 63% soulignant la faible capacité d'absorption. Les perspectives budgétaires pour 2009 et 2010 sont affectées par l'impact potentiel de la crise financière internationale qui ne devrait pas épargner le Togo (en particulier par le biais de la diminution des transferts de la communauté expatriée). Le solde budgétaire primaire se détériorerait légèrement en 2009 avant de se rétablir en 2010 : les recettes augmentant à 17,6% du PIB hors dons et à 21,9% dons inclus et les dépenses passant à 23,7% avec une hausse des traitements et des salaires de 11% (reflétant 4 000 recrutements) et de l'investissement public de 82% sur la période. L'aide budgétaire passerait de 1,6% du PIB en 2008 à 2,2% en 2009 et 4,3% en 2010.

Mesures de la Performance

Le cadre d'évaluation des performances du DiSRP comprend une matrice de 31 indicateurs dont 11 sont directement liés à des indicateurs OMD avec des valeurs de référence de 2006 et des cibles 2010 et 2015 et une matrice de plus de 150 mesures. Le cadre d'évaluation du DSRP-C Document Stratégique de Réduction de la Pauvreté - Complet, y compris les aspects institutionnels, reste à mettre en place. La CE finance un appui conséquent à la statistique centrée sur le renseignement des indicateurs.

2.2. Éligibilité à l'appui budgétaire

2.2.1. Développement national et politique et stratégie de coopération

Politique et stratégie nationale de développement en place

Le DSRP complet a été finalisé et adopté en Conseil des ministres en juin 2009. Ce document est une version mise à jour et améliorée du DSRP intérimaire qui a permis la mise en place de la FRPC en avril 2008. Un plan d'actions prioritaires du DSRP a été validé. Un cadre partenarial de suivi de la performance du DSRP se met en place. Il est cohérent avec le calendrier de préparation budgétaire et nourri par des revues sectorielles. Le Gouvernement a préparé un rapport sur la mise en œuvre du DiSRP sur un an fin novembre 2009. La condition générale peut donc être considérée comme atteinte.

2.2.2. Situation macroéconomique

Politique macroéconomique orientée vers la stabilisation

L'économie togolaise repose sur l'agriculture, et les industries extractives. Après une période de stagnation au début des années 2000, la croissance du secteur agricole vivrier a été soutenue dans la période récente; avec 4.1 % de croissance réelle en 2008, malgré l'impact des inondations, et selon, les projections du MAEP, 8 % de croissance en 2009. Par contre la performance du secteur des cultures d'exportations et en particulier le coton a été très mauvaise. Globalement, la situation macroéconomique s'est caractérisée par un ralentissement de la croissance en 2008, avec 1,8 % de croissance réelle et une légère reprise à partir de 2009, avec 2,5 % de croissance projetée pour 2009 et 2010. L'inflation a atteint 8,7

% en 2008, suite à l'impact de la hausse des produits pétroliers et alimentaires au premier semestre 2008. L'inflation, en diminution, s'est montée à 4,5 % au premier semestre 2009 (en moyenne annuelle) et devrait se stabiliser à 2,2 % à fin 2009.

Le compte courant extérieur se dégraderait légèrement en 2009, avec un déficit estimé à 7.3 % du PIB en 2009 contre 7.1 % en 2008. Cette détérioration est imputable principalement à la baisse des exportations consécutive au déclin des prix et des volumes des exportations du coton et du phosphate.

La situation monétaire est marquée par une augmentation des avoirs extérieurs nets, passant de 212 Mrds FCFA fin 2007 à 249,5 Mds FCFA fin 2008, entraînant une amélioration du taux de couverture de la monnaie, une diminution du crédit intérieur de 13% et l'augmentation de la masse monétaire de 2,2% (481,3 Mrds FCFA en juin 2008 contre 464,5 Mrds FCFA fin 2007). La gestion des finances publiques est prudente et se traduit par un solde primaire près de l'équilibre. Les financements extérieurs, en progression constante, sont passés de 2.5% du PIB en 2007 à 3.4% en 2008 et à 5% en 2009. Les dépenses de santé et éducation (y compris les salaires) ont fait un bond passant de 14,9% du PIB en 2007 à 23,1% en 2008 mais doivent se stabiliser à 22,2% du PIB en 2009. La situation de l'endettement extérieur du pays s'est améliorée avec l'accord obtenu avec les créanciers du Club de Paris en juin 2008 et l'atteinte du point de décision de l'Initiative PPTE en novembre 2008. Le point d'achèvement de l'IPPTE, donnant également accès à l'Initiative d'Annulation de la Dette Multilatérale est prévu pour octobre 2010.

Depuis 2006, le Togo a renoué ses relations avec le FMI. Après avoir réussi son programme de référence, une FRPC de 66 MDTS pour la période 2008-2010 a été approuvée en avril 2008, donnant un cadre triennal à la stabilisation et aux réformes macroéconomiques. La deuxième revue du programme FRPC a été approuvée par le Conseil d'Administration du FMI le 21 avril 2009 conduisant à un décaissement de 26,6 Mrd USD. La dernière revue a été effectuée du 8 au 22 septembre 2009 et dans son communiqué de presse la mission du FMI s'est montrée positive dans l'ensemble. Dans ces conditions le critère d'éligibilité concernant la situation macroéconomique du pays est rempli.

2.2.3. Gestion des Finances Publiques (GFP)

Les Revues PEMFAR réalisées en 2006 et 2008 et la revue PEFA de 2008 pointent les faiblesses de la GFP du pays. Les constats du PEFA sont particulièrement sévères, puisque sur les 28 indicateurs de performance de la GFP, seuls deux indicateurs (composition des dépenses réelles par rapport au budget initial et transparence des obligations des contribuables) reçoivent une note favorable (B).

Par rapport à ces constats, le Gouvernement a entrepris une série de réformes et adopté un certain nombre de textes législatifs cruciaux, au niveau de la gestion des finances publiques. Ces progrès sont également à la base de l'engagement dans un programme FRPC avec le FMI, en 2008. Certaines réformes importantes sont actuellement en cours : renforcement du contrôle interne et externe (IGF et Cour des comptes), production régulière de situations périodiques d'exécution budgétaire, réduction du nombre des comptes du Trésor. Les fondements d'une amélioration durable du système sont en place. L'enjeu fondamental est de renforcer les capacités humaines et institutionnelles des administrations. Afin d'encadrer les nombreuses réformes lancées et de coordonner les appuis institutionnels, le Programme d'Appui Institutionnel (PAI) de la CE vise à améliorer les capacités du Ministère de l'Économie et des Finances (MEF), notamment pour l'élaboration sur la base des travaux PEMFAR et PEFA d'une stratégie de réforme des finances publiques et de son cadre partenarial de suivi. Le Gouvernement prépare un rapport global sur les réformes de finances publiques qui devrait être disponible en novembre 2009.

Dans le domaine de la réforme de la Gestion des Finances Publiques, les autorités togolaises préparent l'après point d'achèvement IPPTE, prévu pour mi-2010. A cet effet, elles ont en chantier un plan pour la réforme de la gestion des finances publiques et du pilotage de l'économie. De même, qu'il existe maintenant un DSRP global et que s'élaborent progressivement des documents de stratégies sectorielles, un tel document se vouldra document de stratégie du secteur de la gestion de l'économie et des finances.

Il couvrira tout le cycle, de l'amont du budget à son aval, en recettes et en dépenses. Sont concernés les phases de cadrage macro économique et budgétaire, de préparation et de présentation du budget avec la préoccupation de transparence, l'exécution budgétaire avec la tenue comptable et la reddition des comptes, la modernisation avec les systèmes informatisés le contrôle interne et les contrôles externes de la Cour des Comptes et de l'Assemblée Nationale.

Un volet doit être consacré au renforcement des compétences et à la rénovation de locaux administratifs, notamment à l'intérieur du pays.

La conception de chacune des phases prendra en compte les principes de la gestion axée sur les résultats et les nouvelles Directives de l'UEMOA, qui doivent s'inscrire progressivement dans les objectifs, la réglementation et les procédures togolaises.

2.3. Politique sectorielle

Le secteur agricole joue un rôle économique et social de premier plan au Togo. En effet, il occupe 70% de la population active, représente 20% des exportations et contribue pour environ 40% à la formation du PIB. Après une période de plus d'une décennie pendant laquelle l'autosuffisance alimentaire du Togo a été fragilisée⁵⁵, et, en dépit des inondations de 2007 et 2008, la production agricole a été en croissance constante depuis 2006 et les perspectives pour la campagne 2009/2010 sont bonnes, avec une croissance en volume de 8 % des principales productions agricoles (source MAEP). Ce résultat fait suite à l'augmentation conséquente des investissements publics dans le secteur agricole.

Pour la campagne 2009/10 (en cours), l'excédent de production au niveau céréaliier (maïs, sorgho, riz) sera de l'ordre de 90 000 tonnes (contre 32 000 l'an passé). Cet excédent s'ajoute à l'excédent (traditionnel) au niveau de la production de tubercules qui est estimé pour cette campagne à 600 000 tonnes.

La crise alimentaire n'était donc pas liée à une insuffisance de la production - bien que l'excédent alimentaire en 2008 ait été moins important qu'il ne sera cette année - mais à un problème de prix. Il apparaît que les prix des denrées alimentaires au Togo sont extrêmement volatiles, avec une forte augmentation des prix en période de soudure (pic en juillet) suivi d'une baisse de prix parfois très importante en période de récolte. Ce problème, la fluctuation extrême des prix aux périodes de soudure, n'est pas nouveau; il a été exacerbé en 2008 par l'envolée des cours mondiaux des matières premières. Or les dépenses alimentaires entrent

⁵⁵ La précarité de la situation nutritionnelle est préoccupante surtout dans le nord du pays et s'aggrave progressivement. En 2006, 26% des enfants présentaient une insuffisance pondérale contre 18% en 1988. En 2006 le taux de malnutrition aiguë général (MAG) atteignant jusqu'à 32% dans la région des Savanes, le taux d'urgence étant défini à 10%. Grâce à une intervention d'urgence financée par ECHO, le taux de malnutrition est passé à 12,5% en mi 2009 dans la région des Savanes

pour 43 % dans la composition du panier de la ménagère et plus de 60% pour les ménages ruraux avec une variance parfois significative (80% dans la région des Savanes. Les mesures mis en place par l'Agence nationale de sécurité alimentaire du Togo (ANSAT) pour juguler la fluctuation des prix n'a pu empêcher l'effondrement des prix (de 30 à 50 %) en période de récolte. Ce problème accroît l'insécurité alimentaire parce qu'il contribue à approfondir le cycle agricole qui s'est caractérisé durant les dix dernières années par deux années d'excédents céréaliers suivis d'une année de déficit.

Suite à la crise alimentaire, les achats d'intrants agricoles sur ressources internes et externes se sont montés en 2008 à plus de 20 M€, qui ont été utilisés essentiellement pour l'importation et la distribution à crédit et à prix subsidiés d'engrais et d'autres intrants.

Les principaux défis auxquels est confronté le développement du secteur agricole sont l'amélioration de la productivité agricole, la réduction des disparités régionales et la nécessité de mettre en place un mécanisme soutenable pour la distribution des engrais et intrants agricoles.

Face à cette situation de fragilité de la sécurité alimentaire, le Ministère de l'Agriculture, de l'Élevage et de la Pêche (MAEP) a élaboré une stratégie de relance de la production agricole (SRPA) assortie d'un plan d'actions d'urgence pour la période 2008-2010, adoptée par le Conseil des Ministres en juillet 2008. Cette stratégie projette l'accroissement des productions vivrières végétales et animales concernant maïs, sorgho, riz, maraîchage, aviculture et pisciculture. Par ailleurs, avec le concours de la Banque Mondiale, le Gouvernement entreprendra l'élaboration d'une stratégie sectorielle de type SWAP (sector-wide approach).

2.4. Enseignements tirés

Les appuis budgétaires récents de la CE au Togo sont les deux programmes d'apurement des arriérés du Togo envers la BEI (programmes assimilés à une aide budgétaire ciblée), ainsi que l'Appui Budgétaire à la Réduction de la Pauvreté (ABRP). L'ABRP de € 15 millions a été approuvé par le Comité FED fin septembre 2009. La Convention de financement est signée début novembre 2009. Il couvre les années 2009 et 2010. Le décaissement de 2009 sera une tranche fixe de € 7,5 M, celui de 2010 une tranche fixe de € 5 M et une tranche variable de € 2,5 M liée à des indicateurs de finances publiques. Le Programme d'Appui à l'Apurement des Arriérés Multilatéraux (PARAMUT) sur le 9^e FED a été décaissé en une tranche unique de € 5 M en décembre 2008 à la suite du passage du point de décision de l'initiative PPTE et le Programme d'Assainissement Macroéconomique du Togo (PAMT) sur le 10^{ème} FED avec une tranche unique de € 17,464 M pour 2009. Ces appuis ont permis de commencer l'analyse de l'éligibilité à l'aide budgétaire et ont souligné la nécessité et les avantages d'une étroite coordination entre bailleurs de fonds.

2.5. Actions complémentaires

La Banque mondiale, la Banque africaine de développement, le FMI et la France interviennent également sous forme d'aide budgétaire au Togo: (i) la Banque Mondiale dispose d'un programme d'appui budgétaire non ciblé couvrant 2008 (USD 12 Mrd, 2009 (USD 20 M, approuvé le 21 avril 2009) et 2010 (USD 12 M) focalisé sur la gestion des finances publiques et des réformes sectorielles (coton, phosphates et secteur financier) ; (ii) la BAD a approuvé en février 2009 un don de USD 14,6 M en appui à la balance des paiements en deux tranches focalisé sur la gestion des finances publiques, le climat des affaires et la réduction de l'impact de la crise alimentaire; (iii) pour le FMI, la FRPC a donné lieu à un tirage de USD 26,6 M le 21 avril 2009. Un tirage de USD 14 M est programmé pour la fin d'année ; (iv) la France fournit de l'aide budgétaire ciblée en don de € 4 M en 2008 (intrants agricoles) et € 4 M (apurement d'arriérés internes) à décaisser au 2^{ème} trimestre 2009.

Par ailleurs, la réforme de la gestion des finances publiques est actuellement appuyée par une série d'appuis institutionnels : (i) le Programme d'Appui Institutionnel (PAI), financé par l'UE pour un montant de € 8 M, apporte un appui par la mise en place de quatre assistants techniques internationaux et le recrutement d'environ 120 agents locaux dans les domaines de la préparation, de l'exécution et du contrôle budgétaire et de la statistique ; (ii) la France fournit une assistance technique au Trésor ; (iii) le FMI fournit par le biais du Centre AFRITAC Ouest des appuis à la gestion de la dette, aux régies financières, à l'Inspection Générale des Finances et au Trésor ; (iv) la BAD continue ses appuis en formation et équipements et assistance technique auprès des services du MEF en particulier le Secrétariat général, l'Inspection générale des finances, le Trésor et le Budget.

Le 10^{ème} FED ne porte pas sur le secteur agricole, à l'exception d'un programme environnement de € 5 M. L'Union Européenne intervient en matière de sécurité alimentaire au titre de la Food Facility d'un montant de € 13,7 millions répartie en 3 volets :

(i) La FAO est engagée dans le cadre du 1^{er} volet (€ 2,5 M sur 2 ans); ce volet concernera un appui à la politique semencière, post-urgence, à la distribution et la multiplication de semences céréalières, en liaison avec l'Institut de conseil et d'appui technique (ICAT) et l'Institut togolais de recherche agronomique (ITRA). Ce projet fournira des semences améliorées à 50,000 agriculteurs et vise le renforcement structurel de la production céréalière à plus long terme.

(ii) Le deuxième volet de € 3M est programmé pour le second semestre 2009 et concernera le lancement d'un appel à propositions pour des ONGs engagées dans des actions de renforcement de la sécurité alimentaire.

(iii) une aide budgétaire non ciblée de € 8.2 M, objet de la présente FA

Le Groupe de la Banque africaine de développement (BAD) a accordé un don de USD 2,5 M provenant de la « Réponse de la Banque à la crise alimentaire ». Ce financement est destiné à l'appui à la réduction de l'impact négatif de la crise alimentaire.

La Banque ouest africaine de développement (BOAD) a mis en place un Programme d'urgence d'appui à la sécurité alimentaire financé sur un prêt d'un montant de € 2,5 M au profit du Ministère de l'Agriculture, de l'Élevage et de la Pêche (MAEP) et avec l'objectif du programme de réduire les effets de la crise alimentaire par la mise sur le marché de consommation, en quantité et en qualité suffisante, des denrées alimentaires issues des exploitations agricoles, spécialisées dans la production de spéculations à cycles courts. Les bénéficiaires du Programme sont les acteurs des filières riz et maïs. L'emprunteur est l'État togolais.

La Banque mondiale participe à la relance du secteur agricole togolais avec une enveloppe de l'ordre de 10 M€ pour un projet d'appui au secteur agricole à mettre en œuvre jusqu'à la fin 2010. Ce projet vise à la mise sur pied d'un programme de type Approche Sectorielle dans le domaine agricole et apporte un appui institutionnel au PNSA, à l'Institut de conseil et d'appui technique (ICAT) et à l'Institut togolais de recherche agronomique (ITRA).

Le PNUD a participé à l'appui à l'élaboration de la SRPA (janvier 2009) et à celle du PNIA (en liaison avec la CEDEAO) et met en œuvre : (i) le programme de réalisation des objectifs OMD « communes du millénaire » (infrastructures communautaires au niveau local) actuellement en phase pilote ; ainsi que (ii) le programme de développement de l'entrepreneuriat agricole (dans le cadre du programme régional PRESAR).

2.6. Coordination des bailleurs de fonds

Des revues FRPC régulières sont programmées afin de suivre le respect des conditionnalités et l'état d'avancement des réformes, avec une réunion de restitution réunissant les différents partenaires. Il n'existe pas de mécanisme formel de concertation entre les 5 principaux bailleurs d'aide budgétaire et d'appui à la balance des paiements (FMI, BM, BAD, l'UE, France). La Commission Européenne et la France ont effectué une mission économique et financière conjointe en mars 2009 pour finaliser les modalités de leurs appuis budgétaires respectifs. Le cadre partenarial de suivi des réformes au Togo en cours de préparation formalisera l'interaction entre le Gouvernement et les bailleurs de fonds.

3. DESCRIPTION

3.1. Objectifs

L'objectif général est de contribuer à la stabilisation macro-économique, à l'amélioration de la gestion des finances publiques pour permettre la mise en œuvre de la stratégie de réduction de la pauvreté au Togo.

L'objectif spécifique vise l'accroissement de la part des dépenses publiques allouées au secteur agricole, l'amélioration de l'efficacité des dépenses publiques dans le secteur agricole et l'amélioration de la gestion des finances publiques.

3.2. Résultats escomptés et principales activités

L'appui budgétaire Food Facility s'inscrit dans le programme global d'appui budgétaire non ciblé de la Commission qui contribuera au financement d'une partie du déficit budgétaire, à l'engagement dans un dialogue approfondi sur la réduction de la pauvreté, l'amélioration de la situation macro économique et la gestion des finances publiques dans le pays.

Les principaux résultats attendus sont l'amélioration de la stabilité macroéconomique, le renforcement de la gestion des finances publiques, ainsi que la mise en œuvre satisfaisante du DSRP en vue de l'atteinte des objectifs du millénaire. De manière plus spécifique, ce programme d'appui budgétaire général permettra l'augmentation de la dépense publique agricole et le démarrage effectif de la mise en œuvre du PNSA et son Plan d'Actions par la création d'un mécanisme institutionnel opérationnel et la réalisation des interventions et actions spécifiques au bénéfice des populations identifiées.

En ce qui concerne les activités précises, le programme d'appui budgétaire *Food Facility* vise précisément à engager la Commission Européenne et le Gouvernement dans un dialogue approfondi sur la réduction de la pauvreté et les conditions d'une revue sectorielle du PNSA et pour rendre fonctionnels les mécanismes institutionnels de coordination, gestion et suivi-évaluation aux différents niveaux.

3.3. Parties prenantes

Le principal bénéficiaire de cet appui budgétaire sont le gouvernement du Togo et les populations les plus défavorisées. Les parties prenantes sont principalement le Ministère de l'Économie et des Finances et le Ministère de l'Agriculture, de l'Élevage et de la Pêche, ainsi que le Ministère de la Coopération, du Développement et de l'Aménagement du Territoire et le Secrétariat Permanent aux Programmes de Réforme et aux Politiques Financières. Ces trois institutions assurent aussi la coordination entre le Gouvernement et ses partenaires. Parmi les partenaires, le FMI, la BM, la BAD, l'Allemagne et la France, seuls États membres actifs au Togo, seront aussi des parties prenantes importantes.

3.4. Risques et hypothèses

Le risque majeur est de nature politique, la transition démocratique et le retour à un état de droit ne sont pas encore achevés. La période des élections présidentielles en 2010 sera particulièrement délicate. La mise en œuvre de l'accord politique global et le cadre permanent de dialogue et de concertation sont des facteurs visant à atténuer ce risque.

En ce qui concerne les critères d'éligibilité, les principaux risques sont liés à la poursuite et à l'opérationnalisation des réformes de la gestion des finances publiques. La fragilité du cadrage macroéconomique, vulnérable aux chocs exogènes et dépendant des aides extérieures ainsi que la mise en œuvre du DSRP face au manque de moyens financiers disponibles doivent également être pris en compte. Les risques liés à l'assainissement de la GFP sont mitigés par le suivi des indicateurs de l'ABRP. L'amélioration de la concertation entre bailleurs de fonds en particulier dans le cadre du suivi de la FRPC et du DSRP permettra de mieux anticiper des difficultés survenant en matière macroéconomique et DSRP. Enfin, l'assistance technique au MEF devrait répondre aux besoins de renforcement institutionnel clé pour réussir les réformes budgétaires.

En ce qui concerne les actions nécessaires au renforcement de la sécurité alimentaire, l'absence d'un dispositif au niveau du MAEP qui aurait la charge de la mise en œuvre du Programme National de Sécurité Alimentaire (PNSA) pourrait entraver la relance du secteur agricole dans le pays.

3.5. Questions transversales

L'amélioration de la qualité de la gouvernance économique et financière est l'un des objectifs majeurs de ce programme. Les analyses de la pauvreté réalisées dans le cadre de la préparation du DSRP mettent en évidence que celle-ci est étroitement liée à la faible gouvernance. Les questions transversales comme l'égalité des genres, la durabilité et l'impact environnemental sont prises en compte dans le DSRP.

4. Questions de mise en œuvre

4.1. Budget et calendrier

Le montant du présent programme est de € 8,2 M (enveloppe Food Facility) La période de mise en œuvre opérationnelle est de 12 mois. Tout solde restant disponible sera automatiquement annulé 6 mois après la fin de la période d'exécution de la convention. Le programme prévoit un seul décaissement (tranche fixe) en 2010.

4.2. Modalités de l'appui budgétaire

Le présent programme sera effectué sous forme d'une aide budgétaire directe et non ciblée versée en 2010 en une seule tranche fixe.

4.3. Procédure de passation de marchés et de subvention

Ce programme ne comprend pas de marchés complémentaires.

4.4. Suivi de l'exécution et des critères de décaissement

La tranche fixe sera libérée sur base d'une évaluation positive par la Commission Européenne du respect des conditions générales d'éligibilité à l'aide budgétaire, sur la base de la requête de décaissement du Gouvernement.

Les conditions générales de décaissement sont liées aux : (i) progrès satisfaisant dans la mise en œuvre d'une politique visant au maintien de la stabilité macro-économique ; (ii) progrès

satisfaisant dans la mise en œuvre d'un plan visant l'amélioration de la gestion des finances publiques ; (iii) progrès satisfaisant dans la mise en œuvre du DSRP.

Une condition spécifique liée à la sécurité alimentaire ou à la politique agricole sera également introduite dans la convention de financement.

4.5. Evaluation et audit

Une évaluation pourra être menée en fin d'exécution et financée par le programme.

4.6. Communication et visibilité

La Commission mettra en œuvre des actions de communication et d'information adéquates. Ces actions seront définies sous la responsabilité du bénéficiaire avec l'accord de la Commission et doivent suivre les règles applicables en matière de visibilité pour les actions extérieures telles que définies et publiées par la Commission et en vigueur au moment où ces actions sont menées.

ACTION FICHE ZAMBIA

1. IDENTIFICATION

Title/Number	Food Facility GBS		
Total cost	EU contribution: €5,800,000		
Aid method / Management mode	General budget support – centralised management		
DAC-code	51010	Sector	General Budget Support

2. RATIONALE AND COUNTRY CONTEXT

To respond to the soaring food prices and to cushion the impact on developing countries, the Commission proposed in July 2008 a Rapid Response Food Facility of €1 billion. The European Council approved the proposal in December 2008. Country allocations have been defined for implementation over 2008-2010. Interventions aim at improving access to agricultural inputs and services, supporting safety net measures, and small-scale measures for increasing production, based on country needs. For eligible countries, a specific General Budget Support (GBS) allocation has also been provided. Zambia received in total €16.3 million, of which €5.8 million for GBS. The objectives of the Food Facility fit well with the Zambian context, where the authorities are aiming at reforming the long-standing Fertilizer Support Program to make it more targeted to small-scale farmers and to better fit their needs.

3. COUNTRY CONTEXT AND NATIONAL POLICY AND STRATEGY

3.1. Economic and social situation and poverty analysis

Despite the overall good performance of the economy in recent years, with average growth around 6% (pre-financial crisis), the structure of GDP growth (concentrated in capital-intensive sectors such as mining) has not translated into significant declines in poverty. The number of people living in absolute poverty remains high in Zambia. According to the latest Living Conditions Monitoring Survey V of 2006⁵⁶, 64% of the population lived below the national poverty line. This is a slight improvement from 68% in 2004 and 73% in 1998, driven primarily by rising per capita consumption amongst the poorest non-farm households. But changes in poverty levels during 1998-2006 were not evenly distributed across rural and urban areas, with higher poverty incidence in the rural areas (around 79%) against poverty rates in urban areas declining from 56% in 1998 to 34% in 2006. The population living in urban areas accounts for around one third of the total in Zambia, while rural areas account for the remaining two thirds. Thus it is clear that any substantial poverty reduction for Zambia as a whole will have to be based in far greater progress in rural areas than has been the case to date.

⁵⁶ It emerged recently that the methodology used by the Central Statistical Office across the various years was not kept consistent, and further analysis is needed before accepting in full the LCMS V conclusions. Overall trends however should remain the same.

As for the soaring food prices, in Zambia prices of maize and other staples have risen by over 25% since January 2007. These increases posed problems for the food-insecure, both in urban areas and remote rural areas where production costs and market prices are further increased by higher transport costs. No positive evolution in food prices in urban areas has been observed since then. From October 2008 to February 2009 the cost of basic food items increased by 13%. Indeed, despite a record harvest of 1.8 million metric tones for the 2008/09 agricultural season, prices remained significantly higher than before the crisis, as a result of the depreciation of the Kwacha which rendered inputs more expensive. The hardest hit has been the lowest income households throughout the country. Urban vulnerability assessment results show that 33% of households are not able to meet the basic food and nutritional requirements. The impact of soaring food prices has directly affected the school feeding programme in Zambia, compelling WFP to reduce the ration size just in order to reach the children who are already enrolled in the programme.

3.1.1. National Development/ Cooperation Policy and Strategy

The Fifth National Development Plan (FNDP) covering 2006-2010 proposes a multi-sectoral strategy for increasing Zambia's annual growth rate to 7%, sustaining it at that level, and making growth more inclusive. It emphasises the necessity of macroeconomic stability. Furthermore, agriculture and infrastructure are the priority pro-poor economic sector, together with provision of quality service delivery in education, health, and social protection. All the sectoral policies are accompanied by support to economic diversification towards higher value crops, increased commercialisation among smallholders, and expansion of agro-processing and institutional and governance reforms.

The mid-term review (MTR) of the FNDP is on-going and will feed into the preparations of the Sixth National Development Plan, expected to be launched in June 2010.

The basis for performance monitoring for the joint Poverty Reduction Budget Support arrangement is the three-year rolling Performance Assessment Framework (PAF). The quality of data and the elaboration of a National Statistical Development Strategy are addressed in the context of regular sectoral dialogue and through capacity development efforts.

3.2. Eligibility for budget support

In the framework of the Country Strategy Paper of the 10th EDF, Zambia is currently benefiting from EU general budget support in the enhanced form of the MDG-Contract. The financing agreement of this programme was signed on 5 March 2009 and the first base tranche of €30 million disbursed in October 2009.

3.2.1. National Development or Cooperation Policy and Strategy

The FNDP is in place and under implementation and should be supported by EU funding.

3.2.2. Macroeconomic situation

Performance of the economy was fairly strong in recent years, with real GDP growth about 6% per year in 2005-08, led by mining, construction, and services sectors; for 2009, growth is projected to slow to 4%, as a result of the crisis. Agriculture growth remained lukewarm, averaging 1.2% per year in the period 2005-2008, with ever reducing yields, and high dependency on rain-fed agriculture (hence the volatility in maize-harvests).

In recent years Zambia maintained prudent fiscal policies, also aided by large debt cancellation operations (HIPC, MDRI), with positive effects on domestic financing and fiscal space. Fiscal deficits (including grants) have generally been restricted to below 2 % of GDP. The fiscal position however deteriorated since the second half of 2008, due to the economic crisis (negative impact on revenues), but also a number of expansionary measures (higher wage bills, larger fertilizer subsidies, presidential elections, and financing of rehabilitation of energy generation facilities). The budget deficit (including grants) in 2008 is estimated at 1.7% of GDP, against a programmed 1.1% under the IMF PRGF. For 2009, the deficit is projected to widen somewhat (2.6% of GDP), on account of a drop in revenues to below 16% of GDP from 18.6% in 2008, and the Government intention to increase some capital spending, so as to boost the long term growth prospects. In this respect the authorities' macro-economic response to the crisis seems adequate. As for the composition of government expenditure (representing on average around 26% of GDP), current expenditures remained stable over 2006-08 at around 19.5% of GDP. The wage bill however has swollen to 8.5% of GDP, and consumes around half of domestic revenues. Capital expenditure is on a declining trend; it accounted in 2005 for 7% of GDP but fell to 3.7% in 2008 and is projected at 3.9% of GDP in 2009. This variability is explained by the decline in revenues but also poor procurement planning by the spending agencies and a shortened budget cycle. Recent reforms in Public Finance Management should improve the situation. In percentage terms, reliance on external financing is continuing its downward trend (23.3% in 2009, 24% in 2008, 28% in 2007), out of which the EC on average represents 8.5%.

On the revenue side, performance has been on a declining trend, going from 18.4% of GDP in 2004 to 16.9 % in 2006, and projected to below 16 % in 2009. Explanatory factors include: the regional trade liberalisation agenda; frequent ad hoc changes in excise and customs duty; proliferation of tax incentives; under-collection of corporate income taxes and domestic VAT. In the mining sector, in light of booming copper prices, Zambia has been trying to design a more equitable fiscal regime. A new regime was introduced in 2008 (higher royalties, variable profit tax and a windfall tax) and the authorities expected to receive an additional \$400 million. However, this has not materialised, due to the fall in late 2008 of copper prices, but also administrative challenges in implementing the new tax regime, and the failure of some mining companies to comply. In 2008 mining revenues represented just 1.4% of GDP, compared to 3.2% anticipated in the PRGF. The mines succeeded in using the financial crisis, and the fear of job losses, to pressure Government to reverse some of the changes to the tax regime. The 2009 Budget removed the windfall tax and reinstated a number of tax incentives. The IMF projects mining revenues at just 0.5% of GDP in 2009.

On the monetary policy, the objective is to achieve and sustain single digit inflation. So far, this objective has only been met in 2007, when inflation averaged 8.9%; in

2008, due to the effects of high international oil and food prices (as well as a more expansionary fiscal stance), end of year inflation was much higher at 16.6% against the target of 7%. Recent estimates for the period September 2008/2009 point to an average inflation rate of 13%. The aim of the authorities is to reduce inflation to 12% by end-2009 and single digits thereafter.

On the external accounts, the Zambian trade balance remains extremely dependent on the mining sector (80% of exports), and will remain such until the country's diversification agenda takes off effectively. Non-traditional exports include some agricultural goods (tobacco, cotton, sugar, cut flowers, and fresh vegetables). A small manufacturing sector is developing (mostly in agro-business, some equipment), but is not yet competitive enough to export in the region. Recent years have seen a major surge in FDI, especially in the mining sector, but South African investors are increasingly present in the retail distribution and tourism sectors. Overall, the trade balance has been in surplus over the years, except for 2009 (impact of the economic crisis). However the current account deficit (including grants), is projected to widen further to 7.1% of GDP (12.1% of GDP excluding grants) in 2009. Despite important increases in the absolute amount of foreign reserve (from \$330 million in 2005 to \$970 million in 2008) these on average represented around 2 months of imports.

Zambia's investment and business climate is steadily improving, as demonstrated by the scores/rankings in the World Bank's Doing Business reports and the 2009 US Investment Climate Statement. In spite of these positive developments, which reflect changes in the 'regulatory environment', the growth and diversification agenda in Zambia is affected by a number of structural constraints: growing energy and fuel shortages that disrupt mining and other industrial operations, and that need large investment programmes as well as institutional reforms; relatively high business costs, with high transport and communication costs; weak infrastructure outside the main axis, notably in rural roads, and irrigation systems for agriculture. These are being addressed, though at a slow pace.

Notwithstanding these challenges, Zambia has made significant progress in restoring macroeconomic stability and prospects are favourable for its continuation. Zambia can therefore be considered to meet the macroeconomic eligibility criterion.

3.2.3. Public Financial Management

A new PEFA assessment was carried out in 2008. Compared to the 2005 findings, Zambia's PFM system has shown improvement, most notably in the areas of budget credibility (clearance of stock of arrears), comprehensiveness and transparency, and better controls in budget execution (improved internal audit); and more transparent procurement procedures. These findings are encouraging and may prove that measuring PFM reforms progress is best done over the medium-term, rather than on a yearly basis. The Government has given prominence to the following relevant areas: (a) the Constitution was amended by Parliament in August 2009 to change the budget cycle; the budget 2010 was presented to Parliament on 9 October 2009, for implementation on 1st of January, with expected positive impact on budget execution; (b) a new Procurement Act was assented in September 2008 (should enable spending agencies to increase their absorption capacity), the Procurement Regulations are expected to be finalised by mid-October 2009, and the new Zambia Public Procurement Authority will become fully operational by end-2010; (c) steps have been taken for introducing a Single Treasury Account; (d) after some delays,

IFMIS seems back on track; piloting has started with the 2010 budget, and the full roll out to all spending agencies will start in January 2010 and be completed by mid-2011. The outstanding issues will form part of a well-sequenced successor PFM reform programme to the one ending in 2009.

More recently, the exposure of a fraud in the Ministry of Health and other PFM-related issues has led the PRBS group of CPs to launch a formal dialogue with the Government over the PRBS underlying principles, focusing largely on PFM reforms and oversight institutions. As a result, the Government has agreed with CPs on a Roadmap which sets out concrete milestones and deadlines for following up on the main issues. This has speeded up essential PFM reforms, such as the change in the budget cycle, the finalisation of procurement regulations, and reinforced budgetary allocations to the Office of the Auditor General and the Anti-Corruption Commission.

Against this background, a credible and relevant programme to improve public financial management is in place and being implemented.

3.3. Sector Policies

See section 2.2.1 on the National Development Strategy. As for sector policies, the most relevant one in this programme is agriculture policy. The sector in Zambia comprises over 1.1 million small and medium scale households, providing livelihood for more than 50% of the population. Production concentrates on rain fed maize (the main staple crop). The sector absorbs approximately 67% of the labour force and remains the main source of income and employment for the rural population. Maize harvests have varied between 1.4 million metric tonnes in the 2006/07 season, to a mere 1.2 million during the 2007/08 season, and up again to 1.8 million for the 2008/09 season. Given Zambian abundant natural endowment with land and water, agriculture has the potential to become the key for rural growth and poverty reduction.

The Government fully recognises this and has made agriculture a priority in the FNDP strategy, as an engine for rural growth and poverty reduction. Policy orientations and priority actions are defined in the 2004 National Agriculture Policy (NAP), as well as in the FNDP itself. A broader regional framework under NEPAD is provided by the Comprehensive African Agricultural Development Programme (CAADP). These strong policy orientations however have not fully translated in the past into conducive policies and adequate budgetary allocations (on average around 7% of total expenditure between 2007 and 2009). In spite of a large Fertiliser Support Programme (FSP) introduced in 2001, which is crowding out many other investment needs, production is characterised by poor yields and poor marketing conditions. More recently, the Government has recognised these weaknesses and has embarked on a reform process of the FSP, notably with the intention of introducing an input voucher system that will strengthen the role of the agri-business sector. Moreover, a Marketing Bill is being finalised and should be approved in the near future.

3.4. Lessons learnt

In the context of the soaring food prices and the current financial crisis, it has been demonstrated that core spending needs to be sustained during periods of crisis, if

current development gains are to be preserved and long term development goals achieved.

3.5. Complementary actions

Over the years, the EU has been supporting, through the 9th EDF, the agriculture sector to increase productivity and crop diversification, and linking small scale farmers to markets; support will continue under the 10th EDF. Under the EDF special B-envelope for soaring food prices, Zambia received €4.63 million to address the increased vulnerability and malnutrition of poor urban households, through a food voucher system, implemented with WFP. Under the other components of the Rapid Response Food Facility, the interventions cover: a €7.5 million programme to increase production and productivity among small scale farmers (Farmer Input Support Response Initiative, to be implemented by FAO over 2009-10 through an input voucher system); and a €3 million grant facility for Non-State Actors (call for proposals evaluation finalised October 2009).

3.6. Donor coordination

This GBS programme will be aligned to the existing donor coordination framework, the Poverty Reduction Budget Support (PRBS) comprising nine CPs⁵⁷. The PRBS is regulated by a MoU signed in April 2005 providing a framework for structured dialogue, around a common Performance Assessment Framework, including indicators on agriculture.

On the soaring food prices, since the spring of 2008 GRZ (through the national Disaster Management and Coordination Forum) created a special Task Force, to identify high-impact interventions and coordinate donors. There was a consensus to consider the high prices an opportunity for the small-scale farmer community to enjoy more profitable prices, while the negative effect would be more felt on poor urban population and the net maize buyers small-scale farmers. For those, public solutions to support consumption, as proposed with the food voucher scheme, would be necessary. The European Commission will continue to be part of this network.

4. DESCRIPTION

4.1. Objectives

The overall objective of the present programme is to further support the implementation of macro-economic and fiscal policy driven by the Government to mitigate the impact of the soaring food prices in the country with a specific focus on the national agricultural policy.

4.2. Expected results and main activities

The expected result is to reduce the negative impact of the food crisis in a country facing economic and social vulnerability risks and contribute to its macroeconomic stability. Against a background of potentially growing fiscal financing gaps, the Commission intervention will close or notably reduce these budgetary gaps in order to protect core social expenditures.

⁵⁷ Finland, Germany, Netherlands, Norway, Sweden, UK/DFID, African Development Bank, EC and WB.

4.3. Stakeholders

The main direct beneficiary of GBS is the Government, and in particular the Treasury, which benefits from increased resource availability for its poverty-reducing programmes, aligned support, reduced transaction costs and policy dialogue. Line ministries will also benefit from increased resource availability and the focus on results-based policy making. Other stakeholders involved in the PRBS process include Parliament and civil society, who will have a say in the dialogue on improved PFM, transparency of public finances, and focus on results.

4.4. Risks and assumptions

The major risks are related to continued adherence to the GBS eligibility criteria. In this regard, PRBS CPs launched in June 2009 a formal dialogue with the Government on the underlying principles, as they affect budget support eligibility and particularly public finance management governance. As a result, the Government agreed with CPs on a Roadmap which sets out concrete milestones and deadlines for following up on the main issues. This dialogue has entailed that for some CPs eligibility to GBS is being challenged, and unless concrete progress is shown by the Government until the end of the year, this could have an impact on future GBS commitments.

4.5. Crosscutting issues

The FNDP recognises the importance of gender equality and tackles the HIV/AIDS pandemic, protection of natural resources and good governance (each having its own chapter and indicators in the FNDP). These issues are addressed through the PRBS policy dialogue.

5. IMPLEMENTATION ISSUES

5.1. Budget and calendar

The total budget for this programme is €5.8 million, to be disbursed in 2010 in one single variable tranche. The operational period is thereby set at 24 months. The period of execution lasts 36 months from signature of the Financing Agreement.

5.2. Budget support modalities

The operating modality will be direct untargeted budget support to the National Treasury. The Zambian currency, the Kwacha, is convertible and freely transferable, and complies with article VIII of the IMF's Articles of Agreement with respect to transactions on the current account. EC funds will be transferred to a Government bank account with the Bank of Zambia (BoZ). Foreign-exchange transfers will be entered in the accounts under the value date of the notification of credit to the account of the BoZ opened for this purpose. Upon payment, the authorities will provide the Delegation with a proof that the transfer was made, including the exchange rate used.

5.3. Procurement and grants award procedures

Not applicable.

5.4. Performance monitoring and criteria for disbursement

(1) Description of performance monitoring arrangements

(2) The PRBS PAF includes a rolling multi-annual matrix (3 years) of milestones, targets and indicators, drawn from the FNDP and its priority areas (service delivery, agriculture, infrastructure and wealth creation), as well as public sector and PFM reforms. Every year in the third quarter the PAF is revised, by adding an extra year and updating indicators/targets as required. PAF performance is assessed once per year by the PRBS Group.

(3) General conditions for the disbursement of the tranche

(4) These are:

- (i) satisfactory progress in the implementation of the FNDP and its successor plan;
- (ii) satisfactory progress in the maintenance of a stability-oriented macroeconomic policy;
- (iii) satisfactory progress in the implementation of Zambia's PFM reform strategy.

On the basis of the information supplied, a positive assessment by the European Commission shall be required before the disbursement of the tranche of budget support.

(5) Specific conditions for disbursement of the tranche

(6) In addition to the general conditions specified above, the disbursement of the €5.8 million variable tranche will be linked to two of the 2009 PAF indicators related to agriculture. These are part of the new PAF 2009-11 and are related to the consistency of budget releases within MACO in line with the MTEF, and the reform of the agricultural marketing sector. The amount to be disbursed will be calculated according to a specific aggregation of individual scoring attached to each indicator that will be determined by the Joint PRBS Review of 2010 (around June 2010).

5.5. Evaluation and audit

Any required contribution from the European Commission on audits and evaluations will be financed through funds available in GBS operations.

5.6. Communication and visibility

Communication and visibility issues are addressed through the joint arrangements for budget support with CPs and the Government.

Action Fiche for

ECOWAS REGIONAL FOOD FACILITY SUPPORT PROGRAMME

1. IDENTIFICATION

Title/Number	Food Facility EU-IFAD, ECOWAS CRIS: DCI-FOOD/2009/ 227-754		
Total cost	€20 million		
Aid method / Method of implementation	Project approach – <i>centralised, joint management with IFAD based on Standard Contribution Agreement</i>		
DAC-code	52010	Sector	Food Security

2. RATIONALE

2.1 Sector context

The recent volatility of food prices has put many developing countries and their populations in a difficult situation. Furthermore, the effects of this food security crisis have been accentuated by the global economic and financial crisis.

As a rapid response to this situation, the European Union has established the Food Facility operating over a 3-year period from 2009 to 2011. Actions funded through the Food Facility will help to bridge the gap between emergency aid, delivered by the European Union mainly through ECHO and WFP funding, and long term development aid, mainly delivered through the national and regional EDF programmes. The main objectives of the Food Facility are to:

- Encourage food producers, in particular small farm holders, to increase supply;
- Deal directly with the effects of volatile food prices on local populations;
- Increase food production capacity and improve the way agriculture is managed in the longer term.

With these objectives the Food Facility (FF) is joining the vision developed under the African Union Commission (AUC), which sets up the New Partnership for Africa's Development (NEPAD) as a mechanism to "develop an integrated socio-economic development framework for Africa". Within the NEPAD initiative, the CAADP was initiated in 2002 and has developed a 4 pillar approach to agricultural development in Africa. The explain ECOWAS has built on the basis of these continental orientations their regional agricultural policies for the Western African region (ECOWAP) and is since then strongly coordinating agricultural development policies and strategies in the member countries.

In this perspective, ECOWAS has launched in June 2008 its "Regional Offensive for Food Production and Against Hunger", as an initiative accelerating the implementation of ECOWAP/explain: CAADP process and as a region-wide response to rapidly and sustainably increase food production so as to reduce dependence on imports and combat the food insecurity and poverty. The ECOWAS has also made important progress in implementation of ECOWAP drafting the Regional Agricultural Investment Programme (RAIP). The ground is therefore laid for achieving

the Millennium Development Goals, reducing poverty by half at the national and regional levels and improving food security through increased agricultural productivity.

In the context of these initiatives, ECOWAS has received strong European Union support. A large number of actions have already been initiated mainly by the FAO with European Union Food Facility funding in various Western African countries through supply of inputs and efforts to increase off-season crops. These initiatives are complemented by initiatives driven by IFAD and ICRISAT in countries like Benin, Burkina Faso, Cote d'Ivoire, Ghana, Mali, Niger and Senegal, where Farmer Organisations (FOs) receive strong support to increase agricultural production through enhanced use of quality seed.

As agricultural research studies have demonstrated, a significant number of small scale and poor farmers across the ECOWAS region could increase their food security and incomes by growing quality rice for their own consumption and selling part of their harvest as a cash crop to local markets. The need for rice imports would also decrease if local production were increased through better crop and post-harvest management, better variety selection, improved seed quality and easier access to market. With the recent large increase in rice prices, many of the sub-saharan countries are now committed to increasing rice production. As a result of the various emergency rice production programs implemented to respond to the 2008 food crisis, rice production increased by 18% in 2008. There is clear scope to increase rice yields through application of improved seed varieties. The potential to expand rice growing in the region is also very high as the necessary land and water resources are available. In several countries of the ECOWAS region, tubers, as well as groundnuts play an important role as staple crops and also have a certain potential to create export earnings. The yield has remained extremely low over the last decades and production gains have only been made through increase of surfaces under cultivation.

In addition to rice, maize and tubers, sorghum and pearl millet are pillars of West African dry-land agriculture, being the staple cereals with the best adaptation to the vagaries of variable rainfall and poor soil fertility. Production of these cereals is dynamic. Farmers are now responding to the recent food crises and weakening incentives for cotton production by increasing areas cultivated to sorghum and millet. ICRISAT is responding in selected ECOWAS countries to the strong need to help smallholder farmers' increase and secure their production of staple crops for food production and income generation.

Within their interventions in the sector, IFAD and ICRISAT strongly emphasize the role of Farmer Organisations (FO) as important actors facilitating access of small scale farmers to agricultural inputs. FOs play a vital role for food security through their capacity to support their members with procurement, negotiations, finance and distribution of agricultural inputs, as they have better access to technical and market information technology on agricultural inputs.

The main purpose of the planned programme is the strengthening of regional integration through support to interventions led by ECOWAS and international agricultural organisations to improve access to food and food security in the region. The framework of the proposed measures refers directly to the ECOWAP.

The specific objectives are consistent with the food facility regulation as they provide: 1) support measures to improve availability and access to agricultural inputs and services including fertilizers and seeds; 2) support measures to maintain and increase agricultural production capacity and help meet the basics food needs for the most vulnerable populations and 3) support small-scale measures based on the region's specific needs, concerning equipment and economic infrastructures.

2.2 Lessons learnt

In sub-Saharan Africa and particularly in West Africa, it is clear that there is an urgent need to boost agricultural production due to the poor productivity caused by very low use of modern agricultural inputs (improved seeds, fertilizers and crop protection products). According to the World Bank 2008 Development Report, in Sub-Saharan Africa, only 24% of cereal area is planted with improved varieties and only about 13 kg of fertilizers are used on average per ha of arable land per year during this decade. These statistics are even lower for several West African countries in the Sahel region. The low use of agricultural inputs is generally attributed to limited access to these inputs, which in turn is driven by:

- the weak purchasing power of smallholders who constitute a large proportion of poor rural producers
- the erratic and inadequate availability of inputs, and their high cost.

Surveys in the region have shown consistently that the annual consumption of rice is increasing and rice is being imported to satisfy the current demand. Rice imports in 2008 into sub-Saharan Africa were about 10 million tons. This is more than a third of internationally traded rice at a cost of about 5 billion US \$. Relying on the world market to supply rice is becoming a very risky, expensive and unsustainable strategy. Rice prices have increased sharply over the last three years and global stocks are declining. In mid 2008, medium-grade rice exported from Asia reached 760 US\$ per ton, up from 360 US\$ per ton at the end of 2007. The high rice prices caused riots in major African capitals. India's drought problems in 2009 will push up rice prices again in 2010. To avoid severe food insecurity, civil instability, and an economic downturn there is an urgent need to increase rice production, processing and marketing in sub-Saharan Africa. Recent studies have shown that, under the current and expected world market prices, locally produced rice can be competitive vis-à-vis imported rice.

Furthermore, research on improvement of pearl millet and sorghum production in West Africa has provided a solid foundation upon which gains in productivity and the protection of that productivity can now be made. For example, integrated *Striga*-management practices offer new opportunities for stable and secure crop production. Highly diverse breeding populations enable new traits that advance both yield and quality/value to be combined. New sorghum varieties based on adapted germplasm, but with reduced plant height that combine high grain yield, preferred grain quality and more digestible stems for livestock feed, are ready to increase total value of production.

An important lesson learned is that effective participatory technology development and adaptation is an essential ingredient to achieving impact in the complex and challenging agro-ecosystems of Western Africa. The significant progress on participatory sorghum and millet improvement in West Africa provides a basis for scaling up and consolidating this approach. One issue that needs specific attention is to assure that women, recognized to play a key role in assuring food security, can effectively access production resources and technical innovations. A second issue is the need for efficient monitoring of impact and outcomes to assure that the desired changes are achieved.

Sorghum and pearl millet traditionally serve as the staples in the Savannah zone of West Africa, providing the foundation for food security in these rainfed agricultural production systems. Increasingly these crops also serve as a source of income. Both men and women farmers commercialize sorghum and pearl millet grain, or processed products from them.

Surveys in the ECOWAS region have shown that the increase of production is mainly due to increased surfaces under production and the yield has remained almost constant over the last 20 years. Regional studies on development of roots and tubers have shown their potential as complementary staple crops to cereals produced in the region.

2.3 Complementary actions

The ECOWAS is consistently supported by the European Commission in all its efforts to work with its Member States on implementation of ECOWAP for a “modern and sustainable agriculture based on effective and efficient family farms and the promotion of agricultural enterprises” that will be able to guarantee food security and secure decent incomes for farmers and agricultural workers.

In the Regional Strategy Paper and Regional indicative Programme (RIP) 2008-2013 concerning cooperation between the European Community and West Africa, the ECOWAS and WAEMU agreed that support will be provided to build the capacity of the regional organisations and specialist institutions in the region to progressively ensure food security. In 2008, it was decided that the RIP would include a food security dimension in order to address the rising food prices and prices of agricultural inputs and commodities. Priority would be given to the mobilisation of resources allocated to specific measures and programmes likely to facilitate the production of local agricultural products, access to regional markets and strengthening of professional structures and farmer organisations (FOs).

The main purpose of the Food Facility regional support programme is to fill some existing operational gaps and strengthen the capacities of ECOWAS to better play their role as regional authority and coordinator of regional policy actions. Interventions led by IFAD and ICRISAT will boost implementation of ECOWAP through strengthening capacities of farmers and their organisations for sustainable production, certification and marketing of quality seeds. Results of agricultural research funded through the European Union FSTP support to the CGIAR group of organisations will thus be brought to small scale farmers and have direct impact on the production capacity to ensure food security.

With support through European Union funding, the IFAD is currently implementing a programme to "Support Farmer Organisations in Africa" (SFOAP). It has continental, sub-regional and national dimensions aiming at strengthening the capacity of FOs. ROPPA (Reseau des Organisations Paysannes et des Producteurs Agricoles de L'Afrique de l'Ouest) is the principal Western African FOs network. Within SFOAP, there is scope and potential to define specific operations and activities strengthening the capacity of ROPPA as partner for ECOWAP implementation in the region aiming to further the interests of their members, which are mainly small scale farmers.

2.4 Donor coordination

The proposed programme, due to its regional structure, is organised around the Steering committee that is bound to coordinate the policies of the ECOWAS as one of the principal RECs in Africa, with the policies and interests of its Member States. The international agricultural organisation IFAD will function as the main support and facilitator to the ECOWAS for implementation of the regional FF support programme.

The design of the programme integrates the main principles of the Paris Declaration and European Union commitments regarding ownership, harmonization, alignment, results based management, and mutual accountability. This is reflected in the way the programme is structured.

At the regional level, partnership coordination is primarily in the context of the recently signed ECOWAP/CAADP Compact, which provides a clear framework for coordination of regional activities amongst ECOWAS member states, producer organisations, private sector, civil society and donor partners. The ECOWAS Compact commits these groups to work towards harmonisation of monitoring systems, reporting and other key elements of the Paris and Accra Declarations.

At the level of implementation of activities in countries, agriculture and food security working groups have already been established, which provide a forum for dialogue, exchange and coordination

amongst Governments and their partners in the agricultural sector, like FAO, IFAD and ICRISAT⁵⁸. These fora will be used to ensure that partners are fully informed and aware of the regional support activities under European Union funding to ensure effective coordination with complementary activities supported by other donors and NGOs, as well as to share information on progress and lessons learned.

3. DESCRIPTION

3.1 Objectives

The overall objective and main purpose of the planned programme is strengthening of regional integration through support to interventions led by ECOWAS and international agricultural organisations to improve access to food and food security in the region.

The specific objectives of the programme are directly referring to the ECOWAP framework, as well as the Food Facility orientations. The specific objectives are:

- Support measures to improve availability and access to agricultural inputs and services including fertilizers and seeds;
- Support measures to maintain and increase agricultural production capacity and help meet the basics food needs fo the most vulnerable populations;
- Support small-scale measures based on the region’s specific needs, concerning equipment and economic infrastructures

Institutional arrangements for the European Union support ensure the specific regional character of the programme. ECOWAS relies for timely implementation on IFAD and ICRISAT, with existing and demonstrated capacity to ensure results within the required timeframe through ongoing country and regional programs which provide the instruments for field-level implementation.

3.2 Expected results and main activities

The strategy of the programme aiming to reach the set objectives is organised around three key result areas & related intervention areas that have been identified in a participatory process by the ECOWAS, the European Union, IFAD and ICRISAT.

Throughout the programme, an emphasis is going to be put on monitoring agricultural market prices. The **monitoring of agricultural market prices** is being address within the ICRISAT's market research unit.

Key Result Area A aims to increase availability of seeds for rice, maize, groundnut, cassava and other tubers, as well as other regional staple crops through enhanced production and distribution capacities in the region.

The expected results will be achieved through implementation of projects focusing on production, multiplication, certification, distribution and marketing of quality seeds for major staple crops in the region. This intervention area will be implemented under the responsibility of IFAD using the implementation capacity of a number of existing IFAD projects in the region (Benin, Burkina Faso, Côte d’Ivoire, Ghana, Mali, and Senegal).

To achieve these results the planned interventions under Key Result Area A will focus on implementation of the following activities:

⁵⁸ International Crops Research Institute for Semi-Arid Tropics

- a) Production of certified seed for rice, tubers and groundnut in seed farms that need rehabilitation and equipment with standard tools and machines, as well as storage capacities. To secure seed production also in drought seasons, some seed farms will be equipped with small scale irrigation facilities.

Indicators of success are: (a) quantities of breeder's and/or foundation seed produced in comparison to levels produced the previous two years; (b) quantities of seed produced increased in comparison to the achievements of the previous 2 years; (c) quantities of seed disseminated in the target regions, especially to women (records of seed sales, exchanges).

- b) Support to Farmer Organisations (FO) to facilitate production, multiplication and access through marketing of certified seed throughout the region;

Indicators of success are: (a) number of producer organisations established and operational for the targeted principal crops; (b) number of seed multiplication and distribution systems established with producer organisations (c) equipment delivered to producer cooperatives and output produced with equipment; (d) decentralised storage capacities built for seed; (e) quantities of seed disseminated in the target regions through FOs.

- c) Strengthening national agricultural research institutes (NARs) to produce, certify, store and disseminate breeder and/or foundation seed for multiplication.

Indicators of success are: (a) quantities of breeder and/or foundation seed produced, certified and disseminated in the target region; (b) quantities of breeder and/or foundation seed stored to ensure sustainability of reproduction cycle.

Key Result Area B will focus on efforts to increase production of sorghum and millet throughout the region.

The expected results will be achieved through implementation of actions geared towards strengthening West African farmers' capacities to adapt and adopt new pearl millet and sorghum varieties and crop production innovations to increase production. To achieve these results the planned interventions under Key Result Area B will focus on implementation of the following activities:

- a) Strengthen the capacity of farmer associations, and other professionals engaging in seed supply of varieties demanded by farmers, primarily in the regions targeted by IFAD rural development projects, or similar projects supported by the European Union or other donors in the six target countries.

Indicators of success are: (a) quantities of breeder's and/or foundation seed requested by seed producers in the target areas, in comparison to levels produced the previous two years; (b) quantities of seed produced increased in comparison to the achievements of the previous 2 years; (c) quantities of seed disseminated in the target regions, especially to women (records of seed sales, exchanges);

- b) Strengthen capacity of researchers and development personnel to work with farmers, especially women farmers in a participatory manner, especially with respect to identifying farmer-preferred varieties for large-scale dissemination.

Indicators of success are: (a) Training programs conducted, regionally, and nationally; (b) number of variety tests put in place, monitored, and number of farmer visitors who contribute to variety evaluations; (c) number of radio programs on variety performances with farmer contributions; (d) number of women engaged in trial management, trial evaluations.

- c) Train farmer field school facilitators with a strong focus on facilitation skills as well as technical knowledge on integrated *Striga* management, and soil fertility management.

Indicators of success are: (a) Training conducted, number of cluster-based FFS implemented by project partners; (c) number of farmers who participate in FFS sessions through out the course; (d)

number of villages continuing in year 2 with new, less time intensive training materials; (e) number of farmer trying new *Striga* control or soil fertility enhancing techniques in their own fields.

- d) Enhance the capacity of research and development personnel for participatory monitoring of technological change among rural households for improved livelihoods.

Indicators of success are: (a) M&E (Monitorin and Evaluation) strategy for each national crop improvement programme identified, and tools clarified for use; (b) databases established documenting farmers' variety choices, and initial adoption of new varieties and other technologies.

This intervention area will be implemented under the responsibility of ICRISAT based in Mali, but operating in the entire West African Sahel region.

Key Result Area C is geared to strengthen capacity of ECOWAS to support & manage regional mobilising interventions of the ECOWAP Compaq.

In this perspective, the interventions under this key result area will focus on establishment of a technical support unit at ECOWAS Headquarters.

Activities of the technical support unit will mainly focus on coordinating capacity enhancement of regional and national institutions and agencies for implementation of mobilising activities of the ECOWAP Compaq.

The expected result will be empowerment of ECOWAS to coordinate and manage mobilising activities of the ECOWAP Compaq. Results are also expected in form of knowledge and know-how ECOWAS will have acquired in the operational intervention areas of the programme enabling their staff to coordinate future programmes in the specific areas and of a similar scope.

Specific targets to be measured by the indicators will be developed following discussions with ECOWAS, ICRISAT and country-level implementing projects and will use existing baseline studies.

3.3 Risks and assumptions

The way the programme has been set up makes it that there are only limited risks. The specific set up of the programme, which is making use of the management capacity of IFAD, takes into account the short implementation period of the programme.

The risk for slow transfer of funds will be mitigated through the IFAD commitment for retroactive funding, where required. To mitigate on the risk of delays in administrative transaction procedures a technical assistance will be recruited to be placed at the IFAD Africa I Division.

A major risk in the project implementation and requisite mitigating measures include socio-political instability in individual countries. This risk is mitigated though the relatively high number of countries in which the programme will have operations.

As it goes for all agricultural interventions, they are probe to "normal" climatic seasons and circumstances. Effects of climatic change may impact on results achieved through the operations. One measure to mitigate on these risks is the seed production on small scale irrigation perimeters, where management of water resources can be optimised.

The major assumptions for success of the proposed project include (i) an enabling environment provided by ECOWAS; (ii) commitment of the main partners within the programme to make optimum use of the allocated resources; (iii) normal agricultural conditions so as to allow for maximum impact of the planned actions on food security; (iv) reasonably low turnover of personnel in partner institutions.

3.4 Crosscutting Issues

Gender issues are an important component of food security response. Men and women have different needs in terms of food security. They also contribute differently to the sustainability of their households. Furthermore, their coping mechanisms evolve over time so to adapt to the emergency situation they are facing. In West Africa, women's income tends to be the one factor contributing to improved nutritional and health status of children. Here, women often commercialise their grain production in local markets, which also has contributed to the propagation of new varieties. Thus, there is a need to focus on both women and men farmers to provide the most suitable crop production technologies for their specific needs. Special efforts are required to include women's varietal needs and seed-procurement options as well as their crop management options with a view towards sustainable improvements of food security of the farming family. In addition, the programme will aim to promote greater gender equality by increasing women's participation in project activities. To this end, the capacity of woman groups will be strengthened at the farm and marketing levels so as to make them active market participants.

The European Union support will also be geared toward ensuring **environmental sustainability** through efficient management of natural resources, particularly land and water. In this context, it will strive for the use of the right mix of legally accepted inputs. With regards to environmental sustainability, the project is involving research institutes that have an interest to extend their germplasm samples on different crops. This will contribute to biodiversity preservation. This is particularly important in the context of reduced availability of high yield and disease tolerant varieties.

Moreover, the programme will strive to ensure that the principles of **good governance** (transparency, accountability, good financial management, procurement procedures) at project level are adhered to by both project staff and other stakeholders.

3.5 Stakeholders

Main partners and stakeholders in the programme are regional and international cooperation and integration organisations. West African socio-professional organisations, National agricultural research institutes in West Africa, Technical and Financial Partners, and coordination structures, as well as the emerging private seed sector in West and Central Africa, and local rural radio stations.

The programme component focusing on seed production for rice, maize, tubers and other staple crops is targeting mainly three levels of stakeholders and beneficiaries. The facilitators of the interventions are mainly the National Agricultural Research (NARs) organisations. To reach the large number of small holder farmers in the region, the NARs are working through an increasing number of Farmer Organisations (FOs) in the countries that are multiplying and market the quality seed produced. The overarching purpose of the programme is to build capacity at all levels to encourage and strengthen a process of self-sustainable seed multiplication and marketing throughout the region. Based on the ongoing experience gained in the 5 countries covered, between 10 to 30 FOs will be operational by the end of the programme. Each of the FOs will reach between 30 and 80 villages with 200 to 500 households. This component of the regional programme will thus support up to 150 FOs that will reach out to 12.000 villages with more than 6,000,000 small farm holder families. As for all IFAD interventions, the target group is the lowest income strata of the population, mainly small farm holder families that need support to become self sufficient in food supply.

The sorghum and pearl millet initiative will target farm families, men and women farmers, in the Sahelian and Sudano-Sahelian zone of West Africa. The specific target areas will be primarily those where IFAD, and the European Union, and possibly other development donors, have already put in place locally based support structures. This initiative will strengthen the interactions between these

existing projects, and the relevant national research institutes, who are the main providers of new technology options for enhanced productivity. The sorghum and pearl millet component will directly reach at least 2000 households per season and country with variety test kits during the project phase. With full-scale farmer fields school the component will reach at least 200 families per season and country. Thus the component will interact directly with at least 26,400 households in the region. Additionally, farmers participating in modified farmer field school programs, using different information exchange tools will total at least 10,000 households across the six countries. As seed will be made available for sale, and other forms of distribution it will reach at least 3 times the number of original participants, i.e. 75,000 households across the six countries.

4. IMPLEMENTATION ISSUES

4.1 Method of implementation

Joint management through the signature of a contribution agreement with IFAD;

The programme will be implemented on the basis of the FAFA signed by the European Commission and IFAD. A specific Contribution Agreement will have to be signed for this programme by the European Commission with IFAD.

The programme will be governed by a steering committee, chaired by ECOWAS Commission and including representatives from European Commission, IFAD, ICRISAT, the countries with funded field activities, as well as from ROPPA. ECOWAS will receive direct support to establish and operate a technical unit, which will participate in supervision missions led by the European Commission and IFAD of specific country-level interventions in order to accelerate learning from experiences in the field. Capacity to support the ECOWAP mobilising activities of the RAIP will be provided through direct support from the programme to ECOWAS and will include technical assistance.

4.2 Procurement and grant award procedures

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the IFAD.

4.3 Budget and calendar

The overall amount available for this programme is €20 million for an implementation period going from April 2010 to 30 September 2011. The final financial report will have to be submitted to the European Union relevant services by the end of September 2011.

The Indicative breakdown of the overall amount by main components, including evaluation, audit and visibility, is provided in the budget section.

Given the time constraints that are coming with the limited implementation period of the Food Facility, IFAD is suggesting to apply the method of retroactive funding, asking for prior approval of exception to the non-retroactivity rule, starting in November 2009. This modality will allow the programme to fully cover the upcoming agricultural season.

Under the given circumstances, the payment schedule will be as follows:

- First payment of 95% (of the first year's costs without the contingencies);
- Intermediate payment;
- Final payment of 5% of the total grant.

Indicative Budget

ITEM	TOTAL (€million)
1. Human Resources	2.43
2. Coordination and Management	2.90
3. Equipment and supplies	7.92
4. Technical Assistance	0.83
5. Operational costs	0.96
6. Works	2.15
7. Other services	1.05
Subtotal direct eligible costs of the activities	18.25
8. Visibility	0.04
9. Evaluation	0.20
10. Audit	0.12
11. Administrative costs (7%)	1.40
OVERALL BUDGET	20.00

Indicative Calendar and cost by Key Result Area (overview on principal activities)

Key Result Area 1 - € 12.1 million							
Production of certified seed for rice, tubers and groundnut in seed farms that need rehabilitation and equipment.	X	X	X	X	X	X	X
Support to Farmer Organisations (FO) in the region to facilitate production of and access to certified seed		X	X	X	X	X	
Strengthening national agricultural research institutes (NARs) to produce, certify and store breeder and/or foundation seed for multiplication	X	X	X	X	X	X	X
Key Result Area 2 - € 4.5 million							
Recruitment of key personnel	X						

Activity 1: Strengthening capacity of farmer associations		X	X	X	X	X	X
Activity 2: Strengthen capacity of researchers for using participatory approaches		X	X		X	X	X
Activity 3: Develop capacity for facilitation of farmer field schools		X	X	X	X		
Activity 4: Develop capacity for participatory monitoring and evaluation & documentation			X	X		X	
Key Result Area 3 - € 1.7 million							
Activity 1: Establish a technical support unit at ECOWAS HQ.	X	X					
Activity 2: Initialise and coordinate mobilising actions of the ECOWAP Compaq		X	X	X	X		
Activity 3: Coordinate capacity enhancement of regional/national institutions and agencies for implementation of mobilising activities			X	X	X	X	X
Visibility, evaluation, audit, administrative cost - € 1.7 million							

4.4 Performance monitoring

The performance of the programme will be closely monitored by IFAD. The EU Delegation in the countries will also ensure adequate monitoring on the basis of key indicators established in the Logical Framework, progress reports and participation to relevant meetings/committees.

External Results Oriented Monitoring missions by European Commission may be carried out.

4.5 Evaluation and audit

The project will undergo a final evaluation, to be carried out by the European Commission.

Audits will be carried out by IFAD according to their Financial Regulations, Rules and Directives. In addition, expenditure verifications may be carried out by the European Commission.

4.6 Communication and visibility

In accordance with the visibility provisions under the European Commission -UN Financial and Administrative Framework Agreement (FAFA) and with the European Commission -UN Joint Action Plan on Visibility signed in September 2006, the European Commission and the implementing organisation will work together to ensure appropriate visibility actions for the programme as a whole, as well as for specific interventions and activities under the programme.

Standards regarding visibility will be derived from the "European Union visibility guidelines for external actions" http://ec.europa.eu/europeaid/work/visibility/index_en.htm

ACTION FICHE FOR COMESA FOOD FACILITY

1. IDENTIFICATION

Title/Number	Common Market for Eastern and Southern Africa (COMESA) Regional Agriculture Inputs Programme (COMRAP) (DCI-FOOD/2009/227-367)		
Total cost	EU contribution EUR 20 million		
Method of implementation	Joint Management with Common Market for Eastern and Southern Africa (COMESA) - Contribution Agreement		
DAC-code	52010	Sector	Food Security

2. RATIONALE

2.1. Sector context

Agriculture is the main economic activity in East and Southern Africa (ESA) region; 80% of its population derives its livelihoods from agriculture. Rising food prices and the global financial crises has had serious food security implications for the Common Market for Eastern and Southern Africa (COMESA) region, worsening food availability and access as well as eroding coping mechanisms. Low agriculture productivity and low overall agricultural production is likely to deepen even further due to reducing investments in agriculture. More specifically, rising agro input prices have resulted in a further overall decline in farm input investment including fertilizers, seeds, and crop protection products.

Low input use in sub-Saharan Africa can also be attributed to other several factors. At household level, the World Food Programme (WFP) observes that lack of credit is one of the most limiting constraints to access to inputs by farmers. Commercial banks shun the farming sector which they perceive as “high risk” or will impose high interest rates on successful applicants. Other factors include poor (transport) infrastructure, high input prices and general unavailability of input supplies at household level.

At the regional level, farmers’ access to seed is constrained by cumbersome trade measures and the proliferation of diverse varietal release regulations, certification requirements, sanitary and phytosanitary measures, inspection requirements and customs procedures. The rationalisation and harmonisation of these policies and regulations enhances trade in inputs and improves farmers’ access to these commodities which in turn elevates productivity, production, regional trade in food staples and food security.

Over the past three years, COMESA has been implementing the Comprehensive Africa Agriculture Development Programme (CAADP) in ESA. The overall objective of CAADP is to 'help African countries reach a higher path of economic growth through agriculturally-led development, which eliminates hunger, reduces poverty and food insecurity and enables expansion of exports'. The target is to increase agriculture by 6% per annum up to 2015 as tool for attaining Millennium Development Goals MDG. To achieve this, 4 key pillars have been identified including Pillar 3: 'Increasing food supply, reducing hunger, and improving responses to food emergency crises'. In March 2008, COMESA was directed by its Ministers of Agriculture (Council of Ministers) to expedite the harmonisation of seed trade regulations so as to facilitate regional seed trade and provide farmers with more crop and variety options at lower prices. COMESA was also mandated

in June by the Council to institutionalise the Agricultural Commodity Trade in Eastern and Southern Africa (ACTESA) as its agricultural project implementation division.

COMESA Regional Agriculture Inputs Programme, (COMRAP) is designed to respond to the rising food prices phenomenon by increasing agricultural productivity through enhanced access to three intertwined factors, finance, input supply and seed quality and availability. As such, COMRAP responds to the targets of the Food Facility. Rapid implementation by experienced regional organisations and long term sustainability will be ensured by working in close collaboration with strongly established regional and national Farmer Associations, regional development organisations

Chapter 18 of the COMESA Treaty states that COMESA is responsible for harmonization policies, stabilization of agricultural commodity prices, coordination in bulk purchases of inputs, ensuring adequate supply and availability of food through promoting regional food production and harmonization of policies and regulations in phytosanitary and sanitary measures.

2.2. Lessons learnt

COMESA through its regional outreach can provide a structure for coordination of the development of agro input markets at a regional level within the CAADP framework, fostering co-operating at the regional level and bringing together stakeholders including farmers' associations, extension officers, NGOs and agro-dealers, and credit institutions. The COMESA regional Agricultural Inputs Programme (COMRAP) will work through the CAADP national co-ordinators to improve harmonization and outreach.

2.3. Complementary actions

This regional programme will complement the programmes implemented under the Food Facility at national level in the ESA region (Burundi, DRC, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Rwanda, Zambia and Zimbabwe). The programme will also complement other COMESA programmes such as the Regional Integration Support Programme (RISP), Cross-Border Trade component of the Regional Food Security and Risk Management (REFORM), Africa Agriculture Markets Program (AAMP), Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA) or the Strengthening Trade in Agricultural Inputs in Africa at the Regional Level (STAR) programme.

The programme is complementary to the all ACP wide Global Index Insurance Facility (GIIF) programme⁵⁹ developed by the International Task Force on Commodity Risk Management and jointly managed with the World Bank. It will build on the experience of similar projects undertaken by the World Bank in Malawi and the Syngenta Fund and MicroEnsure in Kenya. It will also complement microfinance efforts in relation to agribusiness undertaken by several commercial banks in the region including Standard Chartered and Rabo International Advisory Services (Rabobank).

In relation to agricultural inputs, COMESA is collaborating with the International Centre for Soil Fertility and Agricultural Development (IFDC) in promoting regional inputs markets development. COMRAP will complement the work started by IFDC in relation to scaling up access to inputs by farmers and expanding agro dealer training in countries such as Tanzania, Uganda and Rwanda. Similarly, COMRAP will complement a series of Agrodealer network support initiatives funded by Alliance for a Green Revolution in Africa (AGRA) and USAID at a national level in Kenya, Tanzania, Malawi and Zambia through CNFA.

COMRAP also builds on and complements the seed trade standards and regulations efforts which have been undertaken at the level of SADC and the Association for Strengthening Agricultural

⁵⁹ Total amount of 25 M€ - CRIS n° 19112

Research in Eastern and Central Africa (ASARECA) and the East African Community (EAC). It complements several seed commodity chain projects undertaken at a national level, particularly in Malawi and Rwanda and builds on the research efforts of regional CGIAR centres.

In addition, it will contribute to developing ACTESA as COMESA's new division supporting smallholder farmers within the framework of CAADP.

The programme will need to ensure complementarity with the Meteorological Transition in Africa Project (PUMA).

The programme is in full compliance with the Regional Strategy Paper and Regional Indicative Programme (RSP/RIP) of the 10th EDF (2008-2013) as it contributes significantly to regional economic integration and sectoral policy development.

2.4. Donor coordination

The key agricultural sector donors in Eastern and Southern Africa are the EU, USAID, DfiD and Norway. The EU is COMESA's largest cooperating partner, and focuses on regional economic integration including trade and market. USAID focuses on trade expansion, enterprise development and agro policy issues. DfiD has been supporting trade capacity and corridor development issues while Norway is a significant player on climate change issues. An informal COMESA Cooperating Partners coordination meeting, chaired by the European Union, is held 4 times a year.

In the implementation of the CAADP, several donors, namely DfiD, USAID and SIDA (Sweden) pooled resources to support COMESA through a mechanism based at IFPRI.

At a national level, agricultural donor coordination groups exist in most COMESA countries and the COMRAP programme has been circulated widely amongst key participants.

Finally, in June 2009, the COMESA Heads of State endorsed the creation of Agricultural Commodity Trade in Eastern and Southern Africa (ACTESA) to serve partly as an institutional mechanism for supporting and coordinating agricultural markets and food security activities as well as a specialized arm of COMESA in integrating small farmers in national, regional and international markets.

3. DESCRIPTION

The COMESA Regional Agriculture Inputs Programme, (COMRAP) is designed to respond to rising food prices by increasing agricultural productivity and volume of staple crops available in the region by improving access to and trade in agro inputs.

The programme will focus on the 8 landlocked COMESA countries: Zambia Zimbabwe Malawi, Swaziland, Burundi, Rwanda, Uganda, and Ethiopia, as those most affected by expensive and scarce inputs, although its policy harmonization components will extend to all 19 COMESA countries.

3.1. Objectives

COMRAP's **overall objective** is to contribute to improving rural food security and livelihoods in the COMESA region through training and capacity building of national and regional input providers and regulation of related regional legal frameworks.

Its **specific objective** is: 3,000,000 smallholder farmers will have an improved and sustainable access to agro-inputs and services in the COMESA region, particularly in 8 landlocked countries. This apparently high outreach represents 10%-15% of smallholders in these countries, but they will access higher quantities and quality of inputs through a network of 6,400 agro-dealers who will be trained in trade and extension methodology by experienced training institutions and facilitated through improved credit access.

3.2. Expected results and main activities

The programme will achieve these objectives through the results of interventions in three intertwined key factors of production, namely finance, input supply and seed quality and availability.

Result 1. The nature and delivery of financial services are improved

This component will foster the emergence of improved financial packages aimed at smallholders and agrodealers. It will contribute to increase access to structured financial services to farmers and reduce interest rates and increase the volume of loans to smallholders. In a second level lead will be made towards advancing initial pilot schemes in weather indexed insurance services for agricultural producers..

The EU funding will be used to prepare banks to better assist smallholders and agro dealers and train over 700 bank executives and front office staff in that sense. The component will build capacity and improve outreach in commercial banks with regional focus and interested in provide credit to smallholders and agro dealers. The service will be coordinated and underpinned by credit guarantee facilities provided through regional institutions such as Alliance for Green Revolution in Africa (AGRA).

The component will support the development of weather indexed risk insurance, as a financial service, both regionally and in targeted countries, which will reduce credit risk, thereby facilitating both smallholder and bank.

Assisting in the improvement of weather data collection after a needs' assessment carried out in National and Regional Weather Centres in coordination with the Meteorological Transition in Africa Project (PUMA).

The assistance of institutions such as World Bank, Syngenta Foundation and MicroEnsure will be sought to extend the approach they develop in Burundi, Ethiopia, Kenya, Malawi, Rwanda, Uganda, Zambia and Zimbabwe.

The Farmers Associations are a key partner in sensitisation and motivation of smallholders and they fully endorse the concept and approach.

Activities related to this result:

- Raising Awareness
 - Sign memoranda of understanding with bank staff training professionals
 - Make financial institutions aware of the opportunities that exist for smallholder business.
 - Undertake a training needs assessment
 - Provide those institutions with information on smallholder business;
- Capacity Building.
 - undertake capacity building at bank executive and staff level.
 - help them develop customer-friendly procedures and effective marketing;
 - advance policies that promote competition;
- Reach Smallholders.
 - broaden the range of financial products available for smallholders.
 - deepen the outreach and coverage of financial institutions to smallholders
 - make smallholder farmers aware of financial services;

Specifically in relation to developing weather indexed insurance

- organise a regional wide conference on Weather Indexed Insurance,.
- increase awareness at national levels in the target countries
- encourage regional smallholder farmer associations to develop an insurance support fund,
- solicit the assistance of interested institutions such as World Bank and Syngenta Foundation
- Identify other potential partners
- assist in the improvement of weather data collection and assimilation

Result 2: Agrodealer network strengthened or established and output trade for key value chains supported.

Training in supply of inputs, business management and extension service provision will be provided to over 6,400 agro-dealers and 2000 of their agents including those operating close to national borders. National and regional networks of certified rural agro-dealers will be developed. Such networks will facilitate agro-dealers' access to financial services and strengthen their capacity to deliver more inputs on time, to improve technical advice and to market agricultural products. This will stimulate smallholder demand for improved agricultural inputs (seeds, related organic or mineral fertilizer or chemicals) and facilitate the marketing of their surplus production.

Partners for this component will be Citizen Network for Foreign Affairs (CNFA) and International Center for Soil Improvement and Agricultural Development (IFDC), Profit Zambia and Conservation Farmers Union of Zambia. The programme will build on their experience in several ESA countries⁶⁰.

Activities related to this result:

- Sensitise and prepare for Agrodealer development.
 - Collaborate with the lead farmer organizations in the region to identify and vet prospective farmer and agro-dealer beneficiaries.
 - Agrodealer training expert will conduct a sector training needs assessment.
 - Hold a stakeholder workshop to validate agro dealer / extension and farmer training curriculum
 - Facilitate the signing Memoranda of Understanding with training institutions.
 - Sensitise farmer associations which have a key role to play in ensuring that farmers understand the significance of these steps.
- Intensive training.
 - Training seminars for agro-dealers, and their agents spread using a six module training over 6 days in a 4 month period
 - Follow on training in Agricultural extension techniques. 2 modules over two days
 - 2 day training course in all aspects of marketing of smallholder outputs will be provided.
- Accreditation. Agro-dealers would also be accredited 6 months after successfully completing a training course.
- MIS. Where Market Information System (MIS) exists, support the development of a relationship between agro-dealers (and traders) and MIS.

Result 3: Seed and plant material commodity chain is supported

⁶⁰ Kenya, Tanzania and Malawi for CNFA; Uganda, and Rwanda for IFDC

This component will contribute to improving the regulations and productive capacity of the seed industry, which currently only provides about 10% of seed requirements to smallholders, so that they can avail of increased quantities of affordable, timely and reliably accessible high quality seeds and planting materials. This in turn will contribute to increase smallholder yields and incomes.

Activities related to this result:

- National review on Seed regulations, certification and status of sector in 19 COMESA countries.
- Compilation Study and Report on existing National Variety Evaluation Release and Registration Laws/Regulations.
- Regional conference for key stakeholders and experts to discuss Compilation study and way forward.
- Post conference national consultations on potential impact of recommendations.
- Regional workshop to validate findings and prepare final recommendations for COMESA.
- Forward final recommendations to COMESA policy organs for approval.
- Procure standardised equipment for the national seed certification services.
- Engage CGIAR Centres in any high level backstopping.
- Farm Level Interventions.
 - Support foundation seed production in 8 target countries.
 - Support seed multiplication in 8 target countries.
 - Support the development of 8 national seeds associations.

Simplify import/export customs procedures including commission a regional study on regulations, hold a national and regional consultative workshops to discuss and validate the studies, forward final recommendations to COMESA policy organs for approval and train 40 customs officers (2 per country) on implementation.

3.3. Risks and assumptions

The most likely risks associated with this programme are political interference, political election campaigns, vagaries of weather, unprecedented price changes, exchange risk and global economic meltdown, and if the decision is taken to harmonise all seed regulations, delays could be result from complexity in non-food crops and detail in horticultural crops including flowers.

The risks are mitigated by the fact that COMESA as a regional body commands respect and support from its Member States. Implementing the programme through COMESA limits political interference at the national level. Moreover, the involvement of a chain of regional to national stakeholders (financial institutions, agro-dealers, NGOs, regional farmer organizations and smallholder farmer organisations) ensures a thorough implementation effort. Finally, although weather vagaries arising from climate change are a reality, the support to a Weather Indexed Insurance system is designed to mitigate such a risk. Implementing the programme at a regional level will spread the risks of weather vagaries and increase the sustainability of such a scheme.

3.4. Crosscutting Issues

Environment: Safe use and environmentally focused management of fertilisers and crop protection products will be an integral part of the training curriculum of the agro-dealers. The programme will also promote conservation farming. Moreover, the inclusion of tree seedlings as a farm input offered by agro-dealers will contribute to greater tree coverage and to mitigating climate change.

Gender: COMESA has a fully fledged Gender Division. It adopted the COMESA Gender Policy and Addis Ababa Declaration on Gender in 2002. The Gender Division will provide the programme with leadership and oversight on gender issues and guidance on how to efficiently target women. It is estimated that over 70% of the smallholders in the target countries are women.

Good Governance: Over the years, COMESA has built a well functioning agricultural governance system through the execution of memorandum of understandings (MoUs) with farmer organisations and international institutions which are credible and transparent. Moreover, minimising government control within the programme, through infusing greater private sector involvement, is designed to enhance accountability and transparency. The inclusion of smallholder farmer organisations on the regional and national steering committees, will ensure accountability and results focus for the smallholders. Programme interventions at national level will also be facilitated by the CAADP co-ordinator and donor coordination group.

3.5. Stakeholders

COMRAP is the result of the demand expressed by actors in the agricultural sector in the region. The ones concerned as stakeholders in this project have been actively involved in the identification of the project's activities through meetings and workshops organised by COMESA and their direct partners in the sector. The main group of beneficiaries were represented by their national and regional Farmers Unions. The final document was formulated by COMESA, with assistance of a team of experts contracted by the European Union. COMESA has been the driving force throughout the process, involving also the other stakeholders of the project during the formulation and sensitisation.

The main stakeholders and beneficiaries are smallholder farmers in the ESA region. The secondary beneficiaries are agro-dealers, the key actors involved in bringing inputs and services to farmers. Typically agro-dealers would have between 50 and 2,000 smallholder clients while their agents would have between 20 and 100 clients.

Overall, COMRAP intends to reach over 3,000,000 smallholder farmers over the next two years through improved inputs and dealer network, train over 6,400 agro dealers in all aspects of their business including basic extension services, (and 1,000 agro dealer sub-agents) and train 700 bank officials in two bank networks in eight target countries. COMRAP intends to have all mechanisms in place to reach a fully harmonized seed trade regulations system by the year 2012. This will include providing standard seed testing and certification equipment to all 19 member states.

Total of 3,000,000 smallholder farmers (10%-15% of the estimated total in the target countries) will have an improved and sustainable access to agro-inputs and services in the COMESA region, particularly in 8 landlocked countries. A number of 6,400 agro-dealers and 2,000 agro-dealer agents are trained and accredited in 8 countries. The programme will train 800 agro-dealers per country over the 2 years. Each agro-dealer has on average 500 client smallholders.

Farmers Associations are an essential interface with smallholders and will play a key role in setting up systems.

Other key actors involved in the implementation of COMRAP are:

- CAADP national coordinators

- PTA Correspondent Banks and insurance companies with respect to the provision of financial services,
- IFDC, CNFA, Profit Zambia with respect to implementing the agrodealer strengthening component,
- AFSTA, EASCOM, ESASA with respect to the seed component
- CGIAR Centres, (ICRISAT, CIMMYT, ICRAF, CIAT, IITA) and National Agricultural Research Centres (NARS) with respect to general backstopping
- CFU Zambia with respect to conservation agriculture activities
- Agricultural sector NGOs may take part in the steering committee and provide guidance in programme strategy.

4. IMPLEMENTATION ISSUES

4.1. Method of implementation

The programme will be implemented by Joint management through the signature of a standard contribution agreement with COMESA⁶¹.

COMESA has created an Implementation Division called the Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA), which aims to develop efficient and effective regional markets for staple foods and link food insecure smallholder farmers with growing national and regional markets. As an integral part of COMESA, this division will implement the programme. Technical assistance will be implemented through service contracts. An Implementation Plan will be prepared prior to contribution agreement signature and operationalised at programme start-up.

4.2. Procurement and grant award procedures

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by COMESA.

A suspensive clause will be needed to be able to launch some procurement before the signature of the Contribution Agreement.

4.3. Budget and calendar

	COMRAP Budget Lines (Indicative)	EU contribution			
		EUR	Percent	year 1	year 2
1	Total Human Resources and Travel	1,188,600.00	5.94%	606,800	581,800
2	Equipment and supplies	1,930,000.00	9.65%	600,000.00	1,330,000.00
3	Local Operating Costs	468,200.00	2.34%	290,200.00	178,000.00
4	Other Costs, services etc	280,000.00	1.40%	140,000.00	140,000.00
5	Other. Capacity building, seminars, conferences, studies, backstopping etc				
	5.1 Financial Services Capacity Building	2,307,200.00	11.54%	1,353,600.00	953,600.00
	5.2 Agro-dealer development	7,280,000.00	36.40%	3,640,000.00	3,640,000.00
	5.3 Seed regulation, Harmonisation, Multiplication	6,276,000.00	31.38%	3,513,000.00	2,763,000.00
6	Visibility	270,000.00	1.35%	135,000.00	135,000.00
7	Total Direct Eligible Costs (1-6)	20,000,000.00	100.00%	10,278,600.00	9,721,400.00

⁶¹

COMESA has passed the necessary institutional audit.

The operational calendar for the 24 months programme's implementation is the following:

Activities	Year 1				Year 2			
Recruitment of staff								
Component 1 : Financial services support								
- Raising awareness								
- Capacity building								
- Reach smallholders								
- Developing weather indexed insurance								
Component 2 : Agrodealer network strengthening								
- Sensitise								
- Training								
- Accreditation and support								
- Market information support								
Component 3 : Improved seed distribution								
- Stakeholder workshop								
- Standards, regulations harmonization								
- Foundation/breeder seed procurement								
- Seed industry training program								
- Support seed enterprise								
- Customs officials training								
- Policy formulation support								
Mid term evaluation								
Final Evaluation								

4.4. Performance monitoring

A Steering Committee comprised of COMESA, Nationals and Regional Farmer Associations, the European Commission and a CGIAR centre representative will be appointed to provide strategic guidance to the programme.

For the technical and operational guidance, a larger Committee for Operational Review and Evaluation (CORE) will be set up including the main project stakeholders, such as banks, CNFA, IFDC and AFTSA. This committee will meet prior to each steering committee and whenever suggested by at least two of its members.

An internal programme monitoring and evaluation unit will be established from the start of the project under a Monitoring and Evaluation expert. It will rapidly set out to determine a baseline incorporating indicator values at the start of the action which will subsequently be followed closely on the basis of key indicators detailed in the full project proposal, presented in the logical framework and established according to each annual work plan. A performance evaluation matrix will also be prepared annually so as to enable the Steering Committee to review programme advancement. This matrix will incorporate the classical evaluation criteria in relation to relevance, efficiency, effectiveness, impact, sustainability, coherence and regional/ European Union added value. It will also incorporate recommendations concerning the continuation of the programme and an exit strategy.

4.5. Evaluation and audit

The programme will undergo an intermediary evaluation at the end of its first year. A final evaluation will be undertaken at the end of the implementation period. Financial audits will be

made by COMESA annually. The European Union will, if they so wish, have the right to undertake additional financial controls.

4.6. Communication and visibility

A strategy of communication and visibility adapted to a variety of publics, including COMESA Member States and partner organisations of the European Union and COMESA, will be developed as a stand alone project activity. The visibility standards adopted will follow the “EU guide to external action visibility” http://ec.europa.eu/europeaid/visibility/index_en.htm. A communication expert has been included as part of the staff team for COMRAP to lead the communication effort.

ACTION FICHE FOR A SUPPORT PROJECT IN THE GLOBAL FIGHT AGAINST RINDERPEST.

1. IDENTIFICATION

Title/Number	Towards Global Declaration of Rinderpest Eradication in 2011 and Strategies for a Post-Rinderpest World		
Total cost	EU contribution – EUR 2 700 000		
Aid method / Method of implementation	Project approach - Joint management with an the FAO		
DAC-code	52010	Sector	Food Security

2. RATIONALE

There is confidence that the Rinderpest disease has been eradicated from the globe before the Global Rinderpest Eradication Programme (GREP) deadline of 2010. The challenge now is to finalize the global accreditation process, prepare for the declaration of the Global Eradication of Rinderpest in 2011 and put in place strategies that include contingency plans, laboratory safety, awareness training and capacity building for the immediate five-year post-eradication period, to protect the assets of small livestock owners, pastoralists and safeguard the lives of their livestock from any possible comeback from Rinderpest virus.

After the Second World War, Rinderpest disease was widely spread in many sub-Saharan Africa, Middle East, Central and South Asian countries affecting large and small livestock holders and indirectly crop agriculture from not being able to till the soil, plant, or harvest because of the loss of animal draught power. Although many control efforts were undertaken, the disease was only controlled in a few areas but many resurging outbreaks were still occurring. The last pandemic of the 1980s infected over 34 sub-Saharan countries bringing the disease situation where the world was in the aftermath of the Second World War. The Eighty-third Session of the FAO Council (June 1983) recommended that FAO should support the Inter-African Bureau for Animal resources (OAU-IBAR) in its role as executing agency for the Pan African Rinderpest Campaign (PARC) programme. Later the same council based on PARC performance in reducing the disease in Africa, advised FAO to create a similar programme for Middle East and Asia WAREC (West Asia Rinderpest Eradication Campaign) and SAREC (West Asia Rinderpest Eradication Campaign) respectively with a coordination body in FAO Headquarters.

The FAO's Emergency Prevention System (EMPRES) was established in 1994, with one of its thrusts to form the coordination of Rinderpest eradication through the GREP. GREP was conceived as the time bound programme with deadline of 2010 for global eradication of Rinderpest.

Through coordinated vaccination campaigns, by the early 1990s, the disease was reduced to the Horn of Africa, the Middle East, Central and South Asia. In late 1990 to early 2000, only three areas were of high concern for the GREP programme, namely the Somali Ecosystem that embraced three countries, southern Sudan and Pakistan with the potential to affect neighbouring areas unless concerted action was applied at the national and local levels.

The GREP 2010 target is in fact achieved. The last known Rinderpest outbreak was reported in 2001 and last used of vaccines in 2006. GREP assumed responsibility for assisting the veterinary services of Rinderpest-affected countries to eliminate the infection, halt vaccination, and develop scientific evidence of the demise of the infection through clinical disease search, serological surveillance, contingency planning and laboratory support. Furthermore, GREP has expressed all this effort in accordance with the rules developed by GREP and the World Organization for Animal Health (OIE).

Since the end of the continental and national programmes that have so successfully supported the fight against Rinderpest, several countries have not carried out the required surveillance for Rinderpest freedom accreditation. The first priority proposed action (Result 1) is to assist selected countries to confirm their freedom status from Rinderpest and finalize their dossiers according to the OIE Pathway in order to be recognized internationally as to their true status and ensure that small livestock and pastoralists are safe from any upsurge of this deadly disease.

In May 2007, the OIE modified the Terrestrial Animal Health Code in terms of the method for Rinderpest accreditation (from three steps to one) but setting the cut-off of 25 years without infection and 10 years without vaccination. However, historical records show that numerous countries had reported the disease over the last 25 years and some countries used Rinderpest vaccine through mid-2006. As such, some country dossiers need to be updated according to the new procedures agreed to by OIE Member Countries and published in the Code. Although many countries had already been declared infection free, there is now an urgent need to review and analyze their status before a global declaration can be made.

The priority Results 2 (on Global Declaration) and 3 (on Sequestration of biological material) deal with less immediate needs but nonetheless essential actions required in order to declare global freedom from Rinderpest and implement a post-eradication strategy. To support project activities, the FAO/OIE Joint Committee will review the findings of the OIE accreditation process; agreed upon methodologies to conduct a survey and an international agreement on sequestration of Rinderpest viruses and biological materials; a high-level ceremony officially declaring global freedom from Rinderpest; collation of documents, testimonials and information; and publishing a definitive historical account of global Rinderpest eradication, particularly the lessons learned that may apply to controlling or eradicating other TADs. Result 4 is a suite of essential contingency activities, preparations, training and contracts with institutions as prudent preparation should Rinderpest disease reoccur, perhaps from an accidental escape from a laboratory. Part of these activities and preparations will take place annually after declaration of Rinderpest eradication (2011 through 2016) in order to assure eradication of the disease in domestic animals and wildlife and to react swiftly in the event of Rinderpest recurrence.

The fight against Rinderpest in the world has been conducted by a succession of internationally coordinated projects and programmes that span more than 80 years and supported by countries and the international community.

The EU has been the major donor in supporting activities aiming at the eradication of Rinder Pest in Sub Saharian Africa. Several projects have been funded and implemented through, amongst others the FAO and AU/IBAR in the last 20 years. The present action will be a culmination of this long process.

In Africa, the AU-IBAR, through the Pan-African Rinderpest Eradication Campaign and later the Pan-African Control of Epizootics Programme, has played an important role in fighting

the disease on the continent. Other continental, regional and national programmes were implemented in other regions leading to successful eradication of the disease. In this process, FAO counted on the partnership of the World Organisation for Animal Health (OIE) with both Directors-General and technical units working closely together. The GREP Secretariat has been hosted and funded through FAO since its establishment in 1994. FAO and EMPRES/GREP continue to work with AU-IBAR on numerous issues related to transboundary animal diseases and comprehensive livestock development to ensure that small livestock owners and pastoralist communities are safer from the ravages of infectious diseases, such as Rinderpest and *peste des petits ruminants* (the latter a close relative to Rinderpest).

The GREP Secretariat promoted actions to first contain Rinderpest within several infected ecosystems, and to eliminate reservoirs of infection through epidemiologically and intelligence-based control programmes. Even while evidence accumulated that the disease had been eliminated, the GREP Secretariat provided assistance to countries to initiate surveillance required for the long pathway to declaration of freedom from Rinderpest disease and then from virus circulation in its natural hosts. The initiated national and ecosystem surveillance needed to conform to the agreed OIE Pathway for Declaration of Freedom from Rinderpest. This Pathway is the internationally recognized method for establishing surveillance systems to prove the absence of the disease and circulation of the causative virus.

The last decade has seen tremendous progress both in elimination of Rinderpest and in accreditation of Rinderpest freedom by the process through the “OIE Pathway”. According to this process, a country’s competent veterinary authority must present to the OIE a dossier of information on its livestock production systems, Rinderpest vaccination, eradication history and evidence that disease surveillance systems are functioning and able to detect the virus, if present. FAO has been instrumental in guiding this process by providing advice to the OIE as well as countries and regional organizations. The countries participating in GREP surveillance activities were supported by the donor-funded continental (Africa, Middle East) or national programmes. However, in some cases the end of these major control programmes did not allow the completion of the last phase of the eradication campaign, in particular the serosurveillance to determine viral persistence and ensure preparedness. In other cases, donor-funded surveillance programmes never existed or only some countries benefited while others were left out.

The European Union is currently funding a two-year project, Somali Ecosystem Rinderpest Eradication Coordination Unit (SERECU), which will fill gaps in surveillance for Rinderpest in small holder and pastoralist communities with an emphasis on disease recognition, sampling, capacity building, disease prevention practices in Somalia, northern Kenya and southern Ethiopia. In the Lake Chad ecosystem (Chad, Central Africa Republic, Niger and Nigeria), current FAO Technical Cooperation Programme (TCP) projects are assisting countries for surveillance and preparation of dossiers for evaluating disease freedom. In both these initiatives, FAO communicates and coordinates its activities with IBAR counterparts.

The proposed Action will collaborate with the above projects in specific ecosystems as well as assist countries or regions whose dossiers are yet to be started, to be finalized or need to be submitted according to international agreements. These countries include Nigeria, Kazakhstan, Sri Lanka, Kingdom of Saudi Arabia and the United Arab Emirates. In addition to the application of the current OIE Pathway, there are a few countries that are not yet accredited as free from Rinderpest that are eligible as historically free countries: Comoros, Kosovo, Lao Peoples Democratic Republic, Liberia and São Tomé and Príncipe. These countries need to be supported for dossiers formulation to ensure that pastoralists, rural

communities, and small livestock holder's assets are not at risk from Rinderpest recrudescence.

2.1. Lessons learnt

This project is akin to a “final evaluation” of a long standing development project. Rinderpest eradication campaigns have been ongoing almost continuously on three continents since the mid-1940s with exponential progress being made particularly from experience and lessons learned in South Asia and sub-Saharan Africa. The EU has been the major donor for the sub-Saharan Rinderpest eradication, with FAO shouldering early emergency projects in the late 1980s and several bilateral donors contributing during critical periods of the global programme. Many lessons have been learned about technical aspects of tracing movement of a viral pathogen (using then-innovative molecular techniques); delivery of intense vaccination campaigns that achieved high coverage rates; improved thermostable vaccines; and new techniques for participatory epidemiology and disease search at the local level; coordination among partners and stakeholders were devised and have been applied to surveillance for Rinderpest and other priority animal diseases. Should Rinderpest come back, it will hit the small holders and pastoralist who will lose their livestock at a rapid rate, and with quality protein in diets (milk, meat, blood), draught power, quality hides, etc. - not to mention the devastation that the virus would have on wildlife.

As Rinderpest is only the second viral pathogen purposefully eradicated from the globe, after smallpox in 1977 (with international declaration by World Health Assembly in 1980), lessons learnt from both successful global efforts are essential information to catalogue. The project will be completed by a historical account of Rinderpest eradication by key players from Africa, the Middle East and Asia, where the disease occurred during the last decades, as well as research institutions, which will include the unfolding of events that led to eradication, the tools developed, the advances and the defeats. This history will be readily accessible to those interested in adapting lessons learnt to progressive control or eradication of other pathogens.

2.2. Complementary actions

2.2.1. *FAO Global Rinderpest Eradication Programme Secretariat:* FAO hosts the GREP Secretariat since 1994 using FAO Regular Programme funding to provide technical guidance, convene technical consultation, initiate enabling research and harmonize strategies and collaboration among various institutional stakeholders and government concerned. The “GREP Secretariat” model has proved successful and is, indeed, a lesson learned in and of itself. The FAO GREP Secretariat will continue to operate with a likely and logical conclusion at the end of this project.

2.2.2. *The Joint FAO-OIE Committee:* To support project activities, the FAO/OIE Joint Committee will be established to review the findings of the OIE accreditation process; agreed upon methodologies to conduct a survey and an international agreement on sequestration of Rinderpest viruses and biological materials; a high-level ceremony officially declaring global freedom from Rinderpest; collation of documents, testimonials and information; and publishing a definitive historical account of global Rinderpest eradication, particularly the lessons learned that may apply to controlling or eradicating other Transmittable Animal Diseases. A comprehensive report of the findings of the Joint FAO-OIE Committee to the Directors-General of both organizations with its recommendations concerning the

joint Declaration of Eradication of Rinderpest or required work (and plan) to be undertaken before such a declaration is possible.

- 2.2.1. **Key Rinderpest Eradication Programme Campaigns:** Since the mid-1940s numerous bilateral donors (France, Ireland, Italy, Japan, Netherlands, Norway, Sweden, UK, and USA among others), UN Agencies (FAO, UNDP) and international or regional institutions (OIE, Africa Union) and a cast of FAO, OIE and WHO Reference or Collaborating Centres have all significantly contributed to progressive control and eventual eradication of Rinderpest. The EU financed two multi-year, multi-million Euro programmes for sub-Saharan Africa. These were the Pan-African Rinderpest Eradication Campaign (PARC) and the Pan-African Control of Epizootics (PACE) programme.
- 2.2.2. **Ongoing Rinderpest surveillance projects:** The EU is currently funding two-year project to support the Somali Ecosystem Rinderpest Eradication Coordination Unit (SERECU) and the Somali Animal Health Services Project for Somalia with key technical assistance provided by FAO. In addition, FAO provides assistance through several Technical Cooperation Programme projects to support the surveillance for accreditation for freedom from Rinderpest in key countries (Cameroon, Central African Republic, Chad, Djibouti, Kenya, Niger, Nigeria, Yemen) to control transboundary animal diseases (TADs) and to finalize the infection status through surveillance. The new project will collaborate with these ongoing projects to fill key gaps and for joint learning. The Irish Trust Fund (GCP/INT/971/IRE) has been critical in supporting the activities of the GREP Secretariat. A portion of the Italian contribution to FAO's Food Security Trust Fund was used for Rinderpest accreditation in Central Asia and today contributes to surveillance for TADs in general in the Region.

2.3. Donor coordination

The GREP Secretariat is fully involved in the design and implementation of the Rinderpest surveillance field projects described above (2.2.4). Indeed, they are all designed to bring the countries and areas involved along the agreed OIE Pathway for verification of freedom from Rinderpest. There are no other Rinderpest control actions going on anywhere in the world except those mentioned above. Global Rinderpest eradication is at its final stages of verification, the above ecosystem projects focus on the last questionable Rinderpest disease status areas and are under scrutiny by FAO GREP Secretariat, OIE and the AU-IBAR, which is operating the projects. Under the present situation, there is no opportunity for duplication of activities.

3. DESCRIPTION

These proposed actions are essentially a substantive “project final evaluation” for verifying and certifying that Rinderpest disease no longer exists in the wild, the disease in livestock and wildlife has been eradicated and Rinderpest virus is safely sequestered in approved laboratories to be used for agreed research and contingency only. The small holder livestock populations of Asia, Middle East and Africa will be the ultimate beneficiaries, as their traditionally most feared disease will be relegated to the history of their regions. A comprehensive historical account will be published of the chronology of Rinderpest eradication and major celebrations and visibility events will draw the world’s attention to this most significant event – the global eradication of an animal pathogen for only the second time, the first being smallpox in 1980.

In order for concerned international agencies, like the OIE, and national Ministries of Agriculture to “sign off” on global eradication, standards must be followed and safeguards must be put in place⁶². All countries’ Rinderpest status must be certified according to the internationally agreed OIE Pathway accreditation process. Secondly, pragmatic Ministers of Agriculture must have confidence in the OIE Pathway accreditation of national status. But more importantly, they must have some assurance – a contingency plan - that should a Rinderpest outbreak occur (say following escape of the virus from a laboratory) the international community will assist affected countries to stamp-out the disease. This contingency requires that selected laboratories and institutions be prepared to maintain Rinderpest virus stocks in readiness to prepare vaccine and test kits to deal with reoccurrence of the disease. There are specific “exit strategy” actions that address these contingency concerns.

3.1. Objectives

Global eradication of the Rinderpest virus in the wild will remove the threat of this pathogen from causing mortality of domestic cattle and buffalo or selected wildlife species forever, thus safeguarding the livestock assets and livelihoods of the small holders. The absence of the threat from Rinderpest will prevent famines, facilitate steadily increasing crop production, allow livestock asset accumulation for rural households, help assure high quality protein and

⁶² It is recognised that specialised laboratories (diagnostic, research or vaccine production) may not be under the jurisdictions of the Ministry of Agriculture and identification of these difference will be important to engage the Ministry of Agriculture to positively affect and garner compliance to other agencies responsible for veterinary diagnostic work, rinderpest-related research, or rinderpest vaccine production.

calories from meat and milk, and facilitate international livestock trade with beneficial effects on the national economies and incomes of the rural and pastoral families. The livelihoods of cattle and buffalo owners, be they pastoralists or mixed crop farmers, will be more secure, family nutrition will be improved and poverty will be reduced. The removal of the threat of Rinderpest disease occurring again will contribute to achieving the Millennium Development Goals, directly to Goal 1 *Eradicate Extreme Poverty and Hunger* and indirectly to Goals 4 *Reducing Child Mortality* and Goal 5 *Improving Maternal Health*.

The overall objective of the actions proposed is to improve the incomes and livelihoods of ruminant livestock raisers and safeguard the Rinderpest virus.

The purpose of the project is to assist target countries in the Middle East, Africa and Asia to obtain international recognition of Rinderpest eradication, thus safeguarding family and smallholder livestock assets.

3.2. Expected results and main activities

The expected results are as follows:

Result 1: Surveillance and Verification of absence of Rinderpest infection carried out and small holder livestock and pastoralists' assets safeguarded in selected areas of previous activity (i.e., pastoral and rural areas). Completed dossiers from remaining countries for which documents are required that show that Rinderpest disease is absent and virus is not circulating. These dossiers to be submitted to the OIE by the second semester of 2010. Specifically, country authorities will be supported for undertaking surveillance, laboratory testing and dossier preparation. In few other countries not yet accredited, support will be needed only for dossier formulation as they are eligible as historically free countries.

Result 2: Global Declaration of Rinderpest Eradication announced. An international ministerial event ceremony(ies) announcing the Global Eradication of Rinderpest.

Result 3: An international agreement on sequestration of biological materials facilitated. An international agreement for the selection of laboratories where Rinderpest viruses and sera can be maintained; where vaccine master seeds and vaccine banks could be in place and a method by which all Rinderpest viruses, biological samples and Rinderpest vaccines have been destroyed by non-agreed laboratories.

Result 4: Post Rinderpest eradication strategies and contingencies developed. A contingency stock of Rinderpest vaccine and testing kits immediately available in the event of Rinderpest reoccurrence. These stocks will be pre-positioned in strategic laboratories and institutes for use if needed.

Activities for each of the four results are described below.

Result 1: Surveillance and verification of absence of Rinderpest infection carried out and small holder livestock and pastoralists' assets safeguarded.

- 1.1 Support for surveillance in target countries and ecosystems at risk.
- 1.2 Dossiers formulation for target countries and submission to OIE.
- 1.3 Field mission for serological/virological surveillance in high risk areas/ecosystems.
- 1.4 Provision of diagnostic kits for testing of samples collected and data analysis.
- 1.5 Formulation of guidelines for respond to stomatitis/enteritis events and emergency response.

Result 2: *Global Declaration of Rinderpest Eradication announced*

- 2.1 Organisation and implementation of the ceremony for Global Declaration.
- 2.2 Prepare medals and Awards for keys players on Rinderpest eradication.
- 2.3 Support the reporting (TV, media and radio) of major events during the eradication phase.
- 2.4 Support to selected FAO Representations for the 2010/2011 Declaration to create awareness on Rinderpest eradication and the benefit for the country.
- 2.5 Special Communication Tools and other Declaration activities.

Result 3: *An international agreement on sequestration of biological materials facilitated*

- 3.1 Survey worldwide of biological materials
- 3.2 Database creation and listing of holdings and identify potential laboratories and specific conditions for virus sequestration.
- 3.3 Support for vaccine or master seed sequestration.
- 3.4 Vaccines and/or vaccines seed banks to maintain under appropriate biosecurity conditions under the responsibility of the Joint FAO-IAEA Division, OIE and FAO.
- 3.5 Undertake research for Rinderpest reversion of virulence and latent Rinderpest virus).
- 3.6 Support FAO/IAEA work for reviewing sero-monitoring data.
- 3.7 Letters of Agreement for vaccines depository during the time frame of the project.
- 3.8 Undertake field missions to assess laboratories capabilities.
- 3.9 Extend Letters of Agreement with FAO Reference Centres (including World Reference Laboratory for morbilliviruses) for differential diagnosis of Rinderpest and samples from suspect cases.
- 3.10 Maintain emergency vaccine and diagnostic kits stocks to be managed by selected partner organisations.

Result 4: *Post-Rinderpest eradication strategies and contingencies developed*

- 4.1 Post-eradication strategy formulation for Rinderpest and other TADs.
- 4.2 Regional training to create pools of young professionals for the response, recognition of Rinderpest and other TADs.
- 4.3 Risk-based surveillance where disease incidence is low and field mission for monitoring for morbilliviruses is undertaken.

3.3. Risks and assumptions

The several “risks” of the proposed actions and results bear on technical risk analysis, risk reduction and quantification of the risk that Rinderpest virus is still circulating or might be released from supposedly safe repositories. But risk here is used in the technical scientific sense, not for improving project implementation.

The “risks” to implementation of various actions are outlined below.

Risk	Impact	Probability	Mitigation
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Insecurity	Inability to access pastoralists and their animals in some ecosystems where conflict is ongoing.	Likely, but lessons learned over the last 80 years will be applied (i.e. use of NGOs).	Contingency plans which either temporarily delay surveillance and revert to alternative indicators (wildlife) or take a longer-term, holistic evaluation of the data will help mitigate this risk. Lessons have been learned in this regard from the Horn of Africa and elsewhere.
If not initiated immediately	Delay to the certification of freedom from Rinderpest in high-risk ecosystems with possible undetected viral activity that could extend from a small focus into a large epidemic.	Low to Moderate	None; continuing reliance on national capacity with back up technical assistance and financial support from FAO-TCPs in the event of reemergence.
Lack funding to support the last phase of Rinderpest eradication	Delay of certification of global Rinderpest eradication; reduced further donor interest; opportunity lost for certifying eradication of the 2 nd pathogen from the globe.	Low	During project implementation awareness for the global significance of Rinderpest eradication will be re-kindled among decision makers.
Safeguarding Rinderpest virus in select laboratories	Inability to control access and use of Rinderpest material in a responsible manner.	Moderate	Garner political will at high levels of government and compliance with relevant Ministries and research institutes.

3.4. Crosscutting Issues

Reduction of environmental degradation is a primary crosscutting issue following on from eradication of Rinderpest. Livestock productivity will increase as the periodic mortality from the disease is eliminated, particularly important for small holders of livestock and the preservation of pastoralist communities. Removal of the threat of Rinderpest disease and its high mortality can, in time, make livestock owners and mixed crop – livestock farmers aware that sufficient traction animals will be available to meet cropping, transport and related needs. The decline in large ruminants retained for draught purposes in many developing countries

will accelerate as 1) they are replaced by tractors and 2) as livestock raisers realize they do not need to over compensate livestock numbers in order to account for periodic mortality from Rinderpest. Large ruminants, mainly males, can now be diverted to fattening for slaughter, most often in confinement feeding and a “cut and carry” feeding system. This diversion not only removes slow growing ruminants from pastures, where they can contribute to overgrazing and pasture degradation, but will also directly contribute to livestock owners’ income generation through the sale of fattened slaughter animals.

Promoting efficiency through improved health in slow-growing draught animals will also reduce livestock’s global production to green house gas production. Reducing the proportion of national herds kept as slow-growing traction animals, which are only productive during a short part of the cropping season, by diverting young stock (mostly males) into fattening will hasten total herd off take of younger aged large ruminants. Younger animals i.e. in the first 1 to 3 years of life are more biologically efficient and thus need less forage or feed supplements and thus contribute less to green house gases.

This Action will also promote gender equality and equity through the systematic compliance with FAO’s stated commitment to and policy on mainstreaming a gender perspective into its normative work and field activities. In order to promote gender equality and equity, men and women will be targeted for inclusion in the workshops/trainings, global declaration and field activities and, in this regard, instructions will be given so that gender parity is obtained in participation. Any resurgence of Rinderpest would necessitate its stamping out with greater negative impact on the environment.

The proposed interventions have been tailored to respond to the needs of the Governments and to provide a sound basis for the development of the sector and the national society as a whole. These interventions are in line with the current participating governments’ policies and strategies. The devolution of responsibilities to national structures is expected to contribute greatly to the sustainability of the intervention. The participatory approach to the implementation of key project activities will ensure legitimate and robust planning, decision-making and implementation. The project will contribute to long-term sustainable economic and social development by enhancing the contribution of the sector to the economy. Improved information on the sector and possibilities for development will benefit the wider national community.

3.5. Stakeholders

Target Beneficiaries: As the project is global in nature, traditional selection criteria for beneficiaries are not applicable. Rather, there will be beneficiaries in more than 70 countries which were previously affected by Rinderpest and where vaccination was critical for its control and elimination over the last 25 years. As small livestock producers are traditionally most vulnerable to loss of their livelihoods through loss stock through disease, they are the ones who will benefit most from the declared eradication of Rinderpest. The action will strengthen the ability and resources of participating countries to determine evidence of viral activity in their countries/ecosystems, improve methods of sampling and investigation, develop Rinderpest dossier for accreditation and prepare decision makers for actions required in the event of Rinderpest still being active. All those historically infected or which had used the vaccines will gain assurance that the virus has been removed from its natural host and laboratories. In addition, according to the OIE procedure (OIE Pathway), all governments are requested to submit their Rinderpest dossiers for evaluation in order to obtain freedom status. In supporting their participation, the action will enable Ministers of Agriculture/Livestock to sign the International Convention for global freedom from Rinderpest and commit their

countries to the post declaration monitoring. This will be an important achievement as the Rinderpest virus is an agent for bioterrorism.

Beneficiaries will be the international community and the population at large by ensuring that the Rinderpest virus is under control and is not circulating within the national/ecosystems borders. Livestock owners and wildlife personnel will also benefit from the successful removal of the virus from the environment and the consequent contribution to the protection of biodiversity (livestock and wildlife). By removing the threat of the Rinderpest virus, small livestock producers will be protected from milk and meat production losses therefore providing income and protein to women and children. Finally, by obtaining the Rinderpest freedom status, the countries (decision makers, veterinarians, pastoralists, livestock owners/keepers, women and children) will have access to meat/milk and have greater opportunities for trade of their livestock, contributing to poverty reduction.

In addition to national governments, other main stakeholders will be:

World Organisation for Animal Health (OIE). The need to fight animal diseases at global level led to the creation of the Office International des Epizooties, known by the acronym of OIE, through an international Agreement signed on January 25, 1924. In May 2003 the Office became the World Organisation for Animal Health but kept its historical acronym: OIE. The OIE is the intergovernmental organization responsible for disseminating information on the health status of livestock and aquatic animals in individual countries worldwide. It is recognized as a reference organization by the World Trade Organization (WTO) and as of April 2009 had a total of 174 Member Countries and Territories. The OIE maintains permanent relations with 36 other [international and regional organizations](#) and has regional and sub-regional offices on every continent. The OIE has worked closely with FAO for the development of strategies in the control of animal diseases worldwide through the Global Framework for the Progressive Control of Transboundary Animal Diseases (GF-TADs) initiative. One of the thrusts of GF-TADs is the global declaration of Rinderpest eradication. In June 2009, an agreement was signed between the two institutions for the joint future declaration of Rinderpest eradication. This project will largely fund the actions envisaged in this agreement to bring about global declaration of Rinderpest eradication and implement the exit strategy recommended by the GREP Secretariat and various advisory committees.

Joint FAO/International Atomic Energy Agency Division (FAO/IAEA). The creation in October 1964 of the Joint FAO/IAEA Division of Nuclear Techniques in the FAO marked the beginning of what is certainly a unique and arguably the best example of inter-agency cooperation within the whole UN family. The aim of setting up the Joint Division was to use the talents and resources of both organizations for broadening cooperation between their Member Countries in applying nuclear science and technology in a safe, secure and effective manner for providing their people with more, better and safer food and other agricultural products while sustaining natural resources. The Joint Division's uniqueness stems both from the nature of the technology itself and from the fact that all activities for applying nuclear and molecular technologies to food and agriculture within the UN system are conceived, planned and executed jointly by IAEA, FAO and their member States only after their scrutiny and approval by their Governing Bodies - implicitly providing a "nod of approval" from both the world's Ministries of Agriculture and the world's Atomic Energy Authorities. Rinderpest virus is regarded as a bioterrorism agent, thus the FAO/IAEA Division will become more important in a role to sequester the Rinderpest virus and monitor its use for research purposes.

The African Union / Inter-African Bureau for Animal Resources (AU-IBAR). AU-IBAR is the specialized technical office of the African Union (AU) under the Department of Rural Economy and Agriculture (DREA) that works with African regional economic communities (RECs) and other relevant institutions in its member countries. FAO's Animal Production and Health Division (AGA), as well as the mandate of IBAR, recognize that animal resources have to significantly contribute to increased incomes and food security in rural Africa. The importance of livestock in the economic development of Africa is well documented with there is wide agreement that livestock provide for food, employment, incomes and fulfill social and cultural needs. For the past 20 years, by their commitment to the Pan-African Rinderpest Eradication (PARC) campaign programme and later to the Pan-African Control of Epizootics (PACE) programme, the European Commission and the member Countries of the African Union have demonstrated their desire and determination to eradicate Rinderpest from the African continent. The common goal is to release the livestock sector, and hundreds of millions of people who depend upon it, from all future threats of devastation by Rinderpest disease to their large ruminants and susceptible wildlife species. The EU, FAO and AU remain committed to this policy of eradicating Rinderpest, for further development and betterment of terms of trade of Africa's livestock sub-sector.

Pan African Veterinary Vaccine Centre (PANVAC). The PANVAC was re-launched in March 2004 as a specialized agency within the AU Department of Rural Economy and Agriculture. It was founded on the belief that, with respect to the major vaccine-preventable infectious diseases, the health of livestock in Africa can be drastically improved by the use of good quality vaccines and good diagnostic biologicals. The most notable and essential achievements of PANVAC include:

- the adoption of improved vaccine production and quality control methods by the PANVAC network laboratories through a vaccine quality assurance programme that led to priority vaccines (contagious bovine pleuropneumonia, Rinderpest, and *peste des petits ruminants*) pass rates close to 80 percent as opposed to less than 30 percent at the inception of PANVAC in the 1980s;
- establishing and maintaining an African repository of well characterized reference biological materials to supply most veterinary vaccine production laboratories of the African region;
- the training of over 300 veterinarians and technicians from vaccine production laboratories in Africa, Asia, the Middle East and Europe.

Institute for Animal Health (IAH), Pirbright, UK. The IAH is a world-leading centre of excellence for research into transboundary and endemic infectious diseases of farm animals. IAH in Pirbright, UK, is the FAO World Reference Laboratory for morbilliviruses (i.e., Rinderpest and related viruses). The core staff of IAH and some visiting scientists have prioritized their basic research on Rinderpest virus over the past two decades. It is the natural partner with FAO and the Joint Division (FAO/IAEA; above) for virus sequestration and diagnostics activities. Giving IAH the mission to deliver high quality, fundamental, strategic and applied science-focused on infectious animal diseases will assist FAO in formulating the framework for virus sequestration. Furthermore, a major facet of the Institute's work is that they have the historical perspective on infectious animal diseases for Europe, Asia and Africa, have developed systems for virus nomenclature and have had a large diagnostic and research facility dedicated to pathogenesis, diagnostic test development and seminal molecular techniques for safer and agent discriminatory vaccines. As such, IAH is in the best position to assist FAO.

Centre International de Recherche en Agriculture et Développement (CIRAD), Montpellier, France. CIRAD's main mandate and statutes were drafted when it was founded in 1984 and remain to "... contribute to rural development in tropical and subtropical countries through research, experimentation, training operations in France and overseas, and scientific and technical information, primarily in the fields of agriculture, forestry and agrifoods". Those statutes also instruct CIRAD to provide training through research and disseminate scientific and technical information to benefit development. CIRAD scientists are also expected to use their collective expertise to support public policy in terms of research for development in both North and South countries. As with IAH, CIRAD is also a reference laboratory for morbilliviruses, especially for Small Rinder Pest virus.

World Health Organization (WHO). WHO is the directing and coordinating authority for human health within the United Nations system. It is responsible for providing leadership on global human health matters, shaping the human health research agenda, setting norms and standards, articulating evidence-based policy options, providing technical support to countries and monitoring and assessing health trends. Smallpox is an acute contagious disease caused by variola virus, a member of the orthopoxvirus family. It was one of the world's most feared diseases until it was eradicated by a collaborative global vaccination and monitoring programme led by the World Health Organization. The last known natural case was in Somalia in 1977. Smallpox was officially declared eradicated in 1980. WHO is a key partner, as FAO and its animal health partners could learn from their experience.

Biological Weapons Convention (BWC) Implementation Unit. The Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction⁶³ was the first multilateral disarmament treaty banning the production of an entire category of weapons. It was the result of prolonged efforts by the international community to establish a new instrument that would supplement the 1925 [Geneva Protocol](#). The BWC was opened for signature on April 10, 1972 and entered into force March 26, 1975 when 22 governments had deposited their instruments of ratification. It currently commits the 162 states that are party to it to prohibit developing, producing and stockpiling [biological and toxin material that could be used as weapons](#). Despite thirty years since entry into force of the Biological Weapons Convention (BWC) the majority of States Parties still have not implemented effective national measures to ensure compliance with Convention obligations. In the realm of animal diseases, however, Rinderpest and foot-and-mouth disease viruses lead the list of potential weapons that would warrant control. Staff from the CBW Implementation Unit can be key FAO partners in learning from sequestration and compliance activities proposed for Rinderpest virus.

4. IMPLEMENTATION ISSUES

4.1. Method of implementation

Joint management through the signature of one Contribution Agreement with FAO.

Project management will be based in the GREP Secretariat, FAO Rome. There will be selected consultants carrying out field missions in key countries, various missions to veterinary research and diagnostic institutions and frequent informal and programmed joint meetings of the GREP Secretariat, FAO reference centres, the OIE Biological Standards

⁶³ Often referred to as the Biological Weapons Convention (BWC), or Biological and Toxin Weapons Convention (BTWC).

Commission, the OIE Scientific and Technical Department and a Joint FAO–OIE Committee on Rinderpest eradication. The GREP Secretariat will be the working secretariat for the latter committee.

The executing agency of this project will be the Food and Agriculture Organization of the United Nations (FAO). The project will be executed by the Animal Health Service (AGAH) and Emergency Operations Service’s (TCE) Emergency Centre for Transboundary Animal Diseases (ECTAD) under the supervision of the Chief of the Animal Health Service (AGAH) in the Animal Production and Health Division (AGA) with the operational responsibility of the Chief of TCES. Coordination with other EU Food Facility activities of the Organization and liaison with Brussels will be provided by the EUFF Programme Implementation Unit.

All project activities will be coordinated through the ECTAD in FAO, Rome, and with decentralized units established in the FAO Regional Offices for Africa (RAF), Middle East (RNE), Asia and Pacific (RAP), and Europe (REU). Technical backstopping will be provided through the ECTAD (AGAH) in FAO, Rome, but calling upon known experts in all relevant regions.

4.2. Procurement and grant award procedures

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the International Organisation concerned.

4.3. Budget (in €) and calendar

Description	Total (EUR)
Human Resources	734,668
Travel	428,800
Equipment and supplies	448,000
Office costs	60,000
Other Costs, services	844,250
Administrative Costs	176,100
Total	2,691,818

Indicative time frame: The project will be implemented over 15 months, from the signature (starting) date.

4.4. Performance monitoring

The performance of the project will be closely monitored by FAO. The EU Delegation in the country will also ensure adequate monitoring on the basis of key indicators established in the Logical Framework, progress reports and participation to relevant meetings/committees. External Results Oriented Monitoring missions may be carried out by the European Commission.

4.5. Evaluation and audit

The project will undergo a final evaluation, to be carried out by the European Commission.

Audits will be carried out by FAO according to its/their Financial Regulations, Rules and directives. In addition, expenditure verifications may be carried out by the European Commission.

4.6. Communication and visibility

In accordance with the visibility provisions under the European Commission-UN Financial and Administrative Framework Agreement (FAFA) and with the European Commission-UN Joint Action Plan on Visibility signed in September 2006, the European Commission and the implementing organisations will work together to ensure appropriate visibility actions for the programme as a whole, as well as for specific interventions and activities under the programme.

Standards regarding visibility will be derived from the "EU (check title) visibility guidelines for external actions" http://ec.europa.eu/europeaid/visibility/index_en.html

ACTION FICHE CALL FOR PROPOSALS FOOD FACILITY

The purpose of this action is to further increase the budgetary allocation foreseen for the Food Facility call for proposals which was formally approved as one of the measures of the 2nd Food Facility financing decision N°C(2009) 3068 of 29 April 2009. The original action fiche is attached as an annex to the current fiche.

1. IDENTIFICATION

Title/Number	Supplementary budgetary allocation – Call for Proposals in the framework of the Facility for rapid response to soaring food prices in developing countries		
Total cost	€ 4.55 million		
Method/ Management mode	Call for proposals – Centralised/indirect centralised management (Grants/delegation agreements)		
DAC-code, if applicable	52010	Sector	Food security

2. RATIONALE AND COUNTRY CONTEXT

Following the adoption on 29 April 2009 of the 2nd Financing Decision within the framework of the Food Facility, a restricted call for proposals for the amount of €200 million has been launched in May 2009.

The initial allocation of the call has subsequently been increased by €11.7 million following the adoption of two distinct financing decisions on 9 December 2009⁶⁴.

At the same time an amount of €1.865 million has been re-allocated from the non contracted amounts from the 2nd Set of Measures increasing as such the allocation for the call to € 213.565 million.

The present action fiche proposes the further increase of the allocation to € 218.115 million further to recent modifications to the overall plan for implementation of the Food Facility agreed by the programming authority. These, related to the political situation in Madagascar and the final allocation of the balance on the non allocated funds of the same overall plan.

Further to recent political developments in Madagascar it was decided to temporarily hold the implementation of the budget support component (€6.3 million) initially

⁶⁴ Decisions C (2009) 9883 and C(2009) 9932.

foreseen for this country in the Overall Plan. Accordingly, part⁶⁵ (€3.9 million) of the funds intended for this component will be reallocated to the call for proposals.

In addition an amount of €650.000 from the non-allocated reserve (residual funds in the Overall Plan) will be allocated to the call for proposals. As a consequence a total supplementary amount of €4.55 million will be allocated to the call for proposals in order to finance additional projects to be selected from the reserve list following the scores attributed to the projects from the independent external evaluators.

3. DESCRIPTION OF THE CALL FOR PROPOSALS

A comprehensive description of the call is included in the original action fiche to which the present fiche is referring to.

3.1. Basic and Financing source

The call has been launched on 26 May 2009 and the application process was completed on 22 September 2009. The contracting of 131 provisionally selected proposals is underway and expected to be completed by the end of 2009. To date, 30 projects from the reserve list remain available for funding.

3.2. Objectives of the programme, fields of intervention/priorities of the year and expected results

Reference is made to the original Action Fiche annexed to the present one.

⁶⁵ Out of the € 6.3 million earmarked for budget support in Madagascar, € 2.4 million will be transferred from budget item 21 02 03 (Food Facility) to item 01 03 02 (macro-economic assistance) of the general budget of the European Union for 2010.

ANNEX:

ORIGINAL ACTION FICHE CALL FOR PROPOSALS FOOD FACILITY.

1. IDENTIFICATION

Title/Number	Call for Proposals in the framework of the Facility for rapid response to soaring food prices in developing countries		
Total cost	€ 200 million		
Method/ Management mode	Call for proposals – Centralised/indirect centralised management (Grants/Delegation agreements)		
DAC-code, if applicable	52010	Sector	Food security

2. RATIONALE AND COUNTRY CONTEXT

On 16 December 2008, the European Parliament and the Council agreed to a Regulation establishing a facility for rapid response to soaring food prices in developing countries⁶⁶. This Regulation provides for the implementation of the € 1 billion 'Food facility', and constitutes the main EU response to the worsening global food security situation in 2008.

The Food facility will support measures in developing countries and regions that aim to (a) encourage a positive supply response from the agricultural sector; (b) respond rapidly and directly to mitigate the negative effects of volatile food prices on local populations; (c) strengthen the productive capacities and the governance of the agricultural sector to enhance the sustainability of interventions⁶⁷. Addressing the period in-between emergency aid and medium- to long-term development cooperation, it will operate for a period of 3 years.

In accordance with the requirements of Article 3 (1) of the Regulation, the Commission adopted⁶⁸ on 30 March 2009 an overall plan for the use of the financing facility.

In line with the intention expressed and formalised in the Regulation with regard to the scope of eligible entities, the overall plan includes a budget for a call for Proposals open to selected eligible entities as listed under Article 4 of the Regulation. It is envisaged that eligible applicants will add value to Food Facility implementation in the countries concerned.

⁶⁶ Regulation (EC) No 1337/2008 of 16 December 2008. OJ L354/62, 31.12.2008

⁶⁷ Article 2(1) of Regulation (EC) No 1337/2008 of 16 December 2008

⁶⁸ Commission Decision No C(2009)2185

This call, as succinctly described in the present action fiche, takes into account notably the experience gained from the functioning of the EU/ACP water and energy facilities. It will ensure transparency, equal opportunities and non discrimination between entities eligible for the call and this on the basis of clear and objective selection and award criteria, taking into account the beneficiary countries' context, including needs and ongoing activities.

In particular, the evaluation process and criteria will pay due attention to coherence and consistency in the selection and implementation of the food facility projects as a whole. The same principles will apply for ensuring coordination and coherence between the food facility projects and activities funded under EC development or humanitarian instruments, with national activities, and projects funded by EU Member States or other donors.

2.1. Basic and Financing source

Regulation (EC) N0 1337/2008 of the European Parliament and of the Council of 31 December 2008 establishing a facility for rapid response to soaring food prices in developing countries.

This Action will be financed from the budget item 21 02 03 of the general budget of the European Union for 2009.

2.2. Objectives of the programme, fields of intervention/priorities of the year and expected results

Objectives

The objectives of the programme are to: a) encourage a positive supply response from the agricultural sector in target countries and regions; b) support activities to respond and directly to mitigate the negative effects of volatile food prices on local populations in line with global food security objectives, including UN standards for nutritional requirements; 3) strengthen the productive capacities and the governance of the agricultural sector to enhance the sustainability of interventions.

Projects to be selected should cover one or several of the programme objectives.

Expected results

- Improved access to agricultural inputs and services
- Agricultural production increased and agricultural productive capacity maintained or improved
- Basic food needs for the most vulnerable people covered

The eligible activities of selected projects may include:

- Purchase and distribution of agriculture inputs and services including fertilisers and seeds, paying special attention to local facilities and availability;
- Safety net measures to maintain or increase agricultural production and/or to cover basic food needs of the most vulnerable people, including children;

- Other small-scale measures aiming at increasing production based on country needs: microcredit, investment, equipment, infrastructure and storage; as well as vocational training and support to the professional groups in the agriculture sector

The selection criteria will take in due consideration the best match of the Regulation and call for Proposals objectives with the country situation (e.g.: needs, sector policy, complementarities with existing projects).

2.3. Eligibility conditions

A) Eligible countries

See table under item 2.6

B) Eligible applicants

- (7) Decentralised bodies, in the partner countries listed in 2.6, such as municipalities, provinces, departments and regions
- (8) The following entities and bodies of the Member States, partner countries and regions and any other third country complying with the rules on access to the Community's external assistance set out in Regulation (EC) No 1905/2006, insofar as they help to achieve the objectives of the Regulation (EC) No 1337/2008
 - (a) Public or parastatal bodies, local authorities and consortia or representative associations thereof;
 - (b) Companies, firms and other private organizations and businesses
 - (c) c) Financial institutions that grant, promote and finance private investment in partner countries and regions
 - (d) d) Non-State actors operating on an independent and accountable basis

Profit-making organisations will be eligible under the call, but will be required not to make profit out of the activities co-financed by the EC.

International organisations as defined under Article 4.1.(d) of the Regulation will not be eligible and can not apply under the Call.

2.4. Essential selection and award criteria

The selection and award criteria will follow the lines laid down in the "Practical Guide to Contract Procedures for EC external actions".

The evaluation criteria will primarily take into account the relevance of the proposed actions with regard to the call for Proposals and Regulation objectives and the partner countries' context.

Other criteria will be coherence, complementarities, feasibility, implementation capacity, sustainability and cost-effectiveness.

During the preparation of the centralized Call to be organised and published by the Commission Headquarters and before launching it, the Commission will take appropriate initiatives at eligible countries level to facilitate in an effective, coherent and coordinated manner the understanding of the needs to be addressed by the Call. The result of these initiatives will be used in the selection process.

The maximum rate for co-financing is:

- 90% for entities under 1) and 2) d above
- 50% for entities under 2) a (except for those of the partner country itself), b, and c above

The method of calculation of the required level of co-financing referred to above will use the flexibility allowed by the Financial Regulation.

This differentiated co-financing takes into account the need for additionality and the potential to leverage additional financing.

Full financing may only be applied in the cases provided for in Article 253 of the Implementing Rules of the Financial Regulation where financing in full is essential to carry out the action in question.

Grants and contributions awarded under this call are expected to fall between € 1 million and € 5 million

The minimum amount for entities under 1), and 2) d above is € 1 million

The minimum amount for entities under 2) a (except for those of the partner country itself), b and c above is € 2 million

Experts and officials from the European Commission (Headquarters and EU Delegations) will participate in the evaluation process of the call for Proposals.

Contracting will be done in accordance with Financial Regulation provisions, grants or delegation agreements may be concluded if applicable conditions are met.

2.5. Schedule of calls for proposals

A restricted call for Proposals (two steps procedure) will be used for selecting the proposals under this Call, in order to minimise the administrative burden for all applicants. The proposals may cover one or several countries.

This call is to be launched in May/June 2009. Accelerated procedures will be applied whenever possible.

2.6. Indicative amount of call for proposals

The indicative amount available is €200 million with the following list of partner countries and indicative allocations:

Partner Country	Indicative Amount (€million)
Afghanistan	10.2
Bangladesh	15.0
Benin	6.1
Burkina Faso	5.0
Burundi	3.4
Cambodia	6.0
DRC	4.6
Eritrea	4.4
Ethiopia	13.0
Ghana	5.9
Guatemala	4.0
Guinea Bissau	2.4
Guinea	13.5
Haiti	4.0
Kenya	7.2
Laos	5.8
Lesotho	2.0
Liberia	2.75
Madagascar	3.0
Malawi	2.0
Mali	3.05
Mauritania	7.6
Mozambique	4.5

Nepal	6.0
Nicaragua	4.15
Niger	3.2
Pakistan	10.0
Philippines	11.3
Sao Tome e Principe	2.1
Senegal	3.6
Sierra Leone	2.85
Tanzania	12.4
Togo	3.0
Yemen	3.0
Zambia	3.0
TOTAL	200.00

3. SUPPORT MEASURES

The projects will be subject to auditing or verification and monitoring by the European Commission, including under the annual Result Oriented Monitoring and annual audit plans. EU Delegations will be involved in the monitoring process.

The selected projects must include clear visibility and communication plans in accordance with the Communication and Visibility Manual for EU External Actions:

http://www.cc.cec/dgintranet/europeaid/info_com/visibility_issues/documents/communication_and_visibility_manual_en.pdf