

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)

Support to NEPAD

Period of Report: July 2006 to June 2007

IFAD and its support to African development

Since its establishment in 1977, the International Fund for Agricultural Development (IFAD) has been involved in funding agricultural and rural development in developing countries, with a special focus on Africa.

By the end of 2006, African countries had received IFAD loans totalling approximately US\$4.1 billion, to finance about 400 projects and programmes in 51 African countries. For 2006 alone, IFAD financed 14 programmes in Africa to the tune of US\$224.4 million and provided grants to the tune of US\$4 millions to selected African countries.

Concerning the institution's core business, IFAD has identified national and regional priority sectors within its ongoing lending programme - as for example rural infrastructure - and supports their promotion through highly concessionary loans and grants. About 50% of IFAD's lending programme is devoted to African countries. Furthermore, continuous efforts are being made to mobilise additional resources to support stakeholder involvement and dialogue, as well as the Secretariat's activities in the formulation of regional programmes.

Institutional support to the NEPAD Secretariat

IFAD has been working closely with NEPAD and the African Union (AU) since they were established, seeking new ways to combat rural poverty across the continent. IFAD's most significant contribution to the NEPAD process is to enable major stakeholders advocating for the rural poor, particularly national and regional Farmer Organisations (FOs) as well as Inter-Governmental Organisations (IGOs), to play an increasingly proactive role in supporting the process. IFAD's support focuses on strengthening the latter's capacity in agricultural policy formulation and enabling the FOs to contribute grassroots input to the African consultative forums.

Regional consultations took place in 2003, and a continental synthesis workshop was held in Johannesburg in February 2004. Aside from the farmers' shared continental vision of African agriculture, a key outcome of the workshop was the FOs' commitment to continue supporting the NEPAD agenda by further organising the provision of grassroots inputs to the regional, sub-regional and national levels.

These activities are backed by thematic studies analyzing, for example, innovative approaches for agricultural water use, competitiveness of agricultural products and access to markets, rural finance, as well as empowerment of the rural poor through community-

based participatory approaches or farmer field schools.

To help the NEPAD Secretariat access and use the contributions from the African civil society, IFAD has prepared a support programme for partnership building and collaboration with civil society, including FOs, the private sector and other key stakeholders. More specifically, this programme consisted of the provision of technical assistance in organising the participatory design of selected agricultural projects. In addition, the concrete output in the form of projects and programmes helps expand the institutional framework for the implementation of NEPAD-sanctioned projects and programmes.

The Cassava Processing and Marketing Initiative for Sub-Saharan Africa will contribute to increasing the income of stakeholders throughout the commodity chain. A start-up workshop was held in March 2006, resulting in the Accra Plan of Action. To support NEPAD in coordinating the NEPAD Pan-Africa Cassava Initiative (NPACI) and to ensure complementarity and synergy of both initiatives, IFAD engages proactively in enhancing dialogue between the stakeholders of the cassava commodity chain at all levels.

IFAD collaboration with UN agencies in support to NEPAD

IFAD continues to collaborate closely with the other core partners in the NEPAD-led Comprehensive Africa Agriculture Development Programme (CAADP) Support Group (FAO, WFP, AfDB, WB, UNECA, UNIDO, etc.), particularly benefiting from the well-established traditional working relationship with the other two Rome-based agencies, which are meeting regularly to share information and coordinate their activities.

IFAD is currently playing a key role in specific NEPAD initiatives aimed at scaling up innovations. Such developments include New Rice for Africa (NERICA), the dissemination of processing technologies, and the development of regional markets for cassava. With respect to the latter, a programme has been developed for the promotion of innovative cassava processing and marketing opportunities combined with knowledge management and capacity strengthening. IFAD was one of the principal supporters of NEPAD's Africa Fertilizer Summit, held in Abuja in June 2006. This included financial support, technical expertise and active political backing. IFAD also expects to participate in developing and financing actions that respond to the Summit Declaration.

Further areas of continued collaboration include improved approaches for agricultural water use and the promotion of rural finance at regional and continental levels.

Financial support by IFAD to NEPAD programmes and projects

As a multilateral donor organisation, IFAD's primary mandate is the mobilisation of resources to enable rural poor to overcome poverty. IFAD's members demonstrate a continued commitment to financing development in Africa with the target to allocate at least 50% of IFAD's resources to the continent. With increased attention to performance-

based allocation, the major challenge is to maximise the impact of these resources mobilised for Africa's development.

In addition to the fund's core programme, a particular effort is being made to mobilise additional grant resources for catalytic activities, such as innovation, knowledge sharing and learning, stakeholder consultations, strengthening of thematic partnerships and networks, etc.

To respond effectively to the needs and opportunities with regard to CAADP implementation, IFAD has mobilised funding of US\$1.3 million from the Italian Government for a 3-year support programme to catalyse the impacts of IFAD's investment portfolio on cassava of about US\$106 million in Africa. This approach aims at increasing the projects' impact on rural livelihoods on the ground while providing opportunities for scaling up innovations and good practices through promotion and knowledge management in the context of NEPAD, involving all key stakeholders (multilateral and bilateral donor agencies, NGOs, FOs and PSOs, private investors, governments, research institutions, projects, etc.). One of the key expected outputs of the programme is increased private sector investment through initial subsidies to reduce risks and transaction costs.

IFAD also co-financed a number of special initiatives. Recent examples include:

- Technical and financial support of US\$200,000 for the organisation of the NEPAD Fertilizer Summit in Abuja (Nigeria) in June 2006. The Summit was also attended by the President of IFAD;
- Co-financing of the Forum on Food Sovereignty in the ECOWAS region in Niamey, Niger in November 2006;
- A commitment of US\$50,000 to support the participation of African FOs in the AU Summit on Food Security, held in Abuja (Nigeria) in December 2006.

Currently, the development of two further grant programmes is ongoing. These include:

- US\$170,000 towards reinforcing the capacity of the AU to undertake the implementation of major strategic initiatives to improve rural livelihoods in Africa;
- US\$200,000 in support to a AU/NEPAD Framework for Action to secure land rights, enhance productivity and secure rural livelihoods in Africa.

Advocacy and awareness-raising

IFAD continues to support NEPAD, in particular working to ensure that FOs are fully involved in implementation planning for the CAADP.

Using supplementary resources contributed by the Italian Government, IFAD has supported consultations among national and sub-regional FOs to enable them to agree on a common vision for African agricultural development. Based on these consultations,

delegates were prepared to represent the grassroots position at a series of CAADP regional implementation planning meetings held by NEPAD.

IFAD is committed to provide continued support to strengthening the capacity of NEPAD stakeholders at local, national and regional levels, as cooperation and partnership with FOs are being mainstreamed in IFAD's operations. In February 2006, IFAD organised a global Farmers' Forum to amplify the FOs' advocacy on behalf of the rural poor.

IFAD is regularly represented at high-level meetings, such as the AU Conference of African Ministers of Agriculture in Bamako, Mali in February 2006, as well as the NEPAD Summits on Fertilizer and on Food Security hosted by the Nigerian Government in Abuja in June and December 2006, respectively.