

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)

Support to NEPAD

Period of Report: July 2007 to June 2008

IFAD's support to Africa's 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, particularly in Africa where it devotes between 40-50% of its resources placing IFAD among the top three multilateral institutions investing in the continent. IFAD provides support for poor smallholder agricultural development through loans and grants to NEPAD countries for agricultural and rural development projects and programmes.

Between 40 and 50% of IFAD's total lending programme is devoted to African countries. In over 30 years since the establishment of IFAD, IFAD has lent African countries approximately US\$4.4 billion to finance some 371 projects and programmes in 51 African countries. In 2007, IFAD financed 18 programmes for a total amount of US \$278.8 million. A large proportion of these projects are co-financed by African countries and other development partners. When co-financing is included, IFAD-supported projects and programmes in 2007 constituted a total investment of about US\$560 million. In 2007, IFAD also approved regional and country grants covering selected African countries totalling about US\$3.6 million with additional grants accorded to CGIAR centres for work in Africa totalling some US\$6.6 million. Assuming a gradually expanding programme of work IFAD aims to reach over 20 million people in sub-Saharan Africa during the 2010-2012 period.

Consistent with IFAD's Strategic Framework 2007-2010, IFAD has identified priority areas for its operations at national and regional levels in Africa. These include, for example: increasing agricultural productivity; enhancing market access; strengthening organisations and human capital; improving equitable access to productive natural resources, technology and innovation; and addressing vulnerability and major threats to rural livelihoods. It supports activities in these areas through highly concessional loans and grants.

IFAD has also continued to mobilise additional resources to support stakeholder dialogue and involvement in NEPAD processes and the activities of the NEPAD Secretariat. For example, some of IFAD's contribution supported the formulation of regional initiatives such as the regional initiative on cassava processing and marketing, New Rice for Africa (NERICA) and the Comprehensive African Agriculture Development Programme (CAADP). In late 2007 IFAD also began collaborating with FAO, WFP and the African Union (AU) on the UN MDG Africa Thematic Group on Agriculture and Food Security.

Institutional support to the NEPAD Secretariat

IFAD has been working closely with NEPAD and the AU since they were established, seeking new ways to combat rural poverty across the continent in order to contribute to achieving the MDGs in Africa. In 2003, IFAD signed an MoU with NEPAD Secretariat as a framework to provide support to NEPAD to promote sustainable development and contribute to achieving the MDGs.

IFAD's most significant contribution to the NEPAD process is enabling major stakeholders advocating for the rural poor, particularly national and regional Farmers' Organizations (FOs) as well as Inter-Governmental Organisations (IGOs), to play an increasingly proactive role in supporting the process. IFAD's support has focused on strengthening the capacity of FOs, civil society, and private sector in agricultural policy formulation and enabling them to contribute producers' perspectives in various consultative policy fora in Africa.

In August 2007, IFAD's Vice President Mr. Kanayo Nwanze, and the Chief Executive Officer of NEPAD, Mr. Firmino Mucavele, met to review the cooperation between the two organizations. IFAD and NEPAD agreed to enhance their collaboration on cassava and rice, on policy dialogue and advocacy for the region and to explore possibilities for a closer engagement to working together in Central Africa.

IFAD has participated in the CAADP Partnership Platform, including participation in the CAADP partners' workshop held in Seychelles on 17-18 March 2008.

IFAD's financial support to NEPAD's programmes and projects

To respond effectively to the priorities of CAADP and its implementation, IFAD mobilised US\$1.3 million from the Italian Government for a 3-year support programme to maximize the impacts of IFAD's investment of about US\$106 million in the cassava subsector in Africa (2007-2009).

IFAD has specifically provided technical assistance to NEPAD on agriculture. It is within this context that the Regional Cassava Processing and Marketing Initiative (RCPMI) for sub-Saharan Africa was designed. This initiative aims to increase the income of cassava producers, processors and traders through a commodity chain approach. The programme aims to increase the impact of IFAD-funded Roots and Tubers projects' throughout Western and central Africa (WCA) on rural livelihoods by improving market access in domestic and export markets. It also provides opportunities for up-scaling innovations and good practices through promotion and knowledge management in the context of NEPAD. One of the key expected outputs of the initiative is increased private sector investment by means of initial subsidies to reduce risks and transaction costs.

A planning workshop for the RCPMI was held in March 2006 in Accra (Ghana), resulting in the Accra Action Plan. However, the RCPMI started its activities only one year later. IFAD's support in this field has recently focused on increasing linkages and complementarities between NEPAD Pan Africa Cassava Initiative (NPACI) and IFAD's Regional Cassava Processing and Marketing Initiative in WCA, which is also

co-financed by the Italian Supplementary Fund. A NPACI Steering Committee meeting, attended also by the RCPMI, was organized in Lilongwe (Malawi) from 4 to 6 December 2007 with the objective to plan the provision of support to cassava private sector operators. This is going to be implemented through provision of market/trade information services, market studies, organization of study tours and brokering deals between external private operators and institutions/operators in WCA wanting to venture into the production of bio-fuel from cassava roots.

Currently, two additional grant programmes have been developed to benefit the AU in the framework of IFAD's support to NEPAD:

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

IFAD is also reviewing a request to provide support to AU/NEPAD for its programme to eradicate trypanosomiasis.

Advocacy and awareness-raising

IFAD continues to support NEPAD, in particular working to ensure that farmers' organizations are fully involved in implementation of the CAADP and in participating in the CAADP Partnership Platform.

Using supplementary funds provided by the Italian Government, IFAD has supported consultations among national and sub-regional farmers' organizations to enable them to agree on a common vision for African agricultural development. Based on these consultations, delegates were prepared to represent the perspectives and priorities of farmers at a series of CAADP regional implementation planning meetings held by NEPAD in 2005. IFAD supported the regional farmers' organization in Western and Central Africa, ROPPA, to prepare the final version of the document "NEPAD's agricultural programme: African producers speak out" which has been prepared for publication and dissemination.

IFAD is committed to provide continuing 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. Partnership with smallholder farmers' and producers' organizations is a central part of IFAD's approach and strategic framework, and the Farmers' Forum held every two years is the process through which this partnership between IFAD and FOs is forged, developed and assessed worldwide. In 2007, IFAD and FOs significantly developed their partnerships in Country Strategic Opportunities Programme (COSOP) formulation and in projects. In 2007, FOs actively participated in the design of a large proportion of IFAD projects in Africa and have often been involved as implementation partners or service providers for some project activities. In sub-Saharan Africa, IFAD is currently funding regional and sub-regional FOs and networks for capacity building and institutional strengthening purposes, among them

the Southern African Confederation of Agricultural Unions (SACAU) and the Réseau des Organisations Paysannes et de Producteurs de l'Afrique de l'Ouest (ROPPA). In February 2008, IFAD organised a global Farmers' Forum to strengthen FOs' advocacy on behalf of the rural poor and provide a vehicle for them to feed conclusions directly into IFAD's governance processes (the IFAD Governing Council, held straight after the Forum), which included strong participation of African FOs.

IFAD has also actively participated in the UN MDG Africa Thematic group on Food Security and Agriculture which has established a business plan and set of priority recommendations building on and strengthening the pillars of CAADP. IFAD contributed substantively, along with the other Rome-based agencies, to the meeting on "Scaling up the Global financing for an African green revolution" held in Bellagio in February 2008. IFAD has prioritised increased aid effectiveness and implementation of the Paris Declaration and in this context has also helped put African FOs, agriculture and rural development back into the aid effectiveness agenda through participation in the Ottawa Civil Society Organisation Forum organised by the OECD/DAC in preparation for the Accra high level event on aid effectiveness to be held in September 2008. IFAD chaired a session on agriculture sector issues and effectiveness and co-ordinated an agriculture caucus at the event. IFAD is also in close consultation with IFDC and Alliance for a Green Revolution in Africa (AGRA) on ways to move forward in implementing the African Fertilizer Action Plan. Moreover, IFAD, in the context of its innovation initiatives and efforts to promote scouting and sharing of innovations, is engaging with NEPAD on initiatives designed to scale up innovations such as the dissemination of NERICA and cassava. IFAD's support to the development of NERICA has contributed to some 200,000 hectares of upland NERICA grown by over 100,000 farmers in 27 countries across sub-Saharan Africa.

IFAD is also involved in the Steering Committee of the African Enterprise Challenge Fund (AECF) and is developing a strategic partnership with AGRA. IFAD is contributing to the African Fertilizer Financing Mechanism hosted by AfDB, an outcome of the AU/NEPAD Fertilizer Summit held in 2006.