

PROJECT INFORMATION DOCUMENT (PID) APPRAISAL STAGE

Report No.: PIDA11801

Project Name	Emergency Livestock and Food Crisis Response Project (P151215)
Region	AFRICA
Country	Chad
Sector(s)	Crops (40%), Animal production (40%), Agricultural extension and research (20%)
Theme(s)	Other rural development (100%)
Lending Instrument	Investment Project Financing
Project ID	P151215
Borrower(s)	Republic of Chad
Implementing Agency	FAO, WFP, PAPAT
Environmental Category	B-Partial Assessment
Date PID Prepared/Updated	14-Sep-2014
Date PID Approved/Disclosed	15-Sep-2014
Estimated Date of Appraisal Completion	05-Sep-2014
Estimated Date of Board Approval	09-Oct-2014
Decision	

I. Project Context

Country Context

Chad is a large land-locked country with a cereal deficit and a population of 12.5 million. It ranks 184th out of 187 countries in the Human Development Index (HDI) and 73rd out of 78 countries in the Global Hunger Index (GHI). The population is highly vulnerable to shocks and exposed to crises and disasters. Seventy-eight percent live in rural areas, of which 80 percent depend on subsistence farming and livestock activities.

Chad's location in an unstable geopolitical neighborhood makes the country vulnerable to the impact of crises in neighboring countries. Conflicts in Darfur beginning in 2003 and the 2012 military coup in CAR have already led to the presence of 450,000 refugees in eastern and southern Chad, putting pressure on the limited resources of the already highly vulnerable local population.

The agricultural sector, including subsistence and commercial agriculture, livestock and hunting, fishing, and forestry accounted for about 40% of GDP until 2004. Petroleum exploration has profoundly altered the structure of production and exports of the Chadian economy. Since 2004, agricultural GDP has broadly accounted for about 25% of national GDP. Between 2003 and 2012, the agricultural sector, mainly cotton, accounted for 45% of non-oil export earnings. Seventy-eight

percent of the population still live in rural areas with agriculture as the main source of income. The agricultural sector remains critical for broad-based growth and poverty alleviation. Since oil resources are necessarily limited, the sector also forms the basis for sustainable economic development of Chad.

Sectoral and institutional Context

The agricultural sector grew on average 2 percent per year between 2007 and 2011. However, this average masks some rather large fluctuations – a decrease of 14 percent in 2011 and an increase of 27 percent in 2010. The year 2011 was marked by a drought that significantly affected agricultural production. The growth of the livestock, forestry and fishing subsectors was relatively stable during that period with an annual average growth rate of 1.9 percent. Aside from climate, additional factors have affected agricultural performance include (i) lack of productive infrastructure; (ii) low usage of modern agricultural inputs; (iii) lack of coordination in the sector; and (iv) limited capacity of sectoral ministries and public institutions which is compounded by institutional instability.

Despite its shaky performance, the Chadian agricultural sector has significant potential to increase production, create employment and contribute to poverty reduction. Chad has 39 million hectares of potential cultivable land, representing 30 percent of the national territory. Of the area under cultivation (3 million hectares), 2/3 is in the Sahel region and a third in the Sudan region. The actual land under cultivation constitutes less than 10% of the country's potential. Chad also has significant water resources that are underutilized. Out of these, 5.6 million hectares constitute potential irrigable land, including 335,000 hectares that would need only modest infrastructure investments to become productive. This resource coupled with the agro-ecological diversity of the country creates a huge potential for crop diversification. Moreover, 50% of the workforce is under 25 years, which represents a young work force that is critical for agricultural development.

Livestock also makes a significant contribution to the Chadian economy. However, its contribution to export revenues is sub-optimal as a result of the enormous uncontrolled migration of herds to markets in Nigeria each year. Transhumance and extensive herding are the most dominant herding practices in Chad which represent 80% of the livestock sector. Cattle herding is practiced in the Sahel while it is secondary activity in the Sudanian zone. However, the relative availability of food resources, agricultural by-products and agro-industrial attract many herders from the north to co-exist with agro-pastoral populations which pose land management problem and conflict

Food insecurity in Chad is volatile owing to a largely rainfall-based agricultural production system, with numbers more than tripling when drought conditions severely limit production and inflate food prices. Southern Chad, where most of the refugees/returnees will settle, is characterized by smallholder agriculture producing a moderate surplus primarily marketed locally. Cross-border trade with Cameroon and CAR is also important. While local trade with CAR has been significantly affected by the conflict, markets in the areas where vouchers are being implemented continue to be well stocked and no unusual price movements have been observed in association with voucher transfers these past month. A January 2014 market assessment indicated that food production surpluses were about 30% above the five year average, with traders having higher stocks than previous years.

II. Proposed Development Objectives

The project development objective is to improve the availability and access to food and livestock

productive capacity for targeted beneficiaries affected by the conflict in the Central African Republic (CAR).

III. Project Description

Component Name

Component A: Targeted Food Assistance (US\$ 7.00 million IDA)

Comments (optional)

Under this component WFP is scaling up an existing safety net operating for vulnerable households in Chad, to provide for support for 31,200 refugees/returnees for 12 months. This will improve their food security and help them establish livelihoods by preventing sale of their few productive assets. Surveys indicate that the majority of the population, both host and refugees/returnees meet most of their food needs from the marketplace, indicating that food insecurity is mainly an access problem. Thus WFP will provide vouchers, with the value based on the cost of a local standard food basket (currently about \$0.30 per day), for 8 months of the year. These vouchers allow beneficiaries to buy food of their choice from local traders.

Component Name

Component B: Agriculture Production and Livestock Productive Capacity (US\$ 11.00 IDA)

Comments (optional)

This component aims at restoring and maintaining the crop and livestock production capacity of affected populations in a context of increased pressures on the natural resource base. The project will finance the purchase and distribution of agricultural inputs, the acquisition of medicine and vaccination, the purchase of feed and additional livestock, and the cost of official and general operating expenses. The activities will be implemented through three sub-components: (i) support for agricultural production activities, (ii) support for livestock stabilization and (iii) conflict prevention activities.

IV. Financing (in USD Million)

Total Project Cost:	18.00	Total Bank Financing:	18.00
Financing Gap:	0.00		
For Loans/Credits/Others			Amount
BORROWER/RECIPIENT			0.00
IDA Grant			18.00
Total			18.00

V. Implementation

The project will be under the responsibility of the Ministry of Planning and International Cooperation.

Responsibility for overall coordination, M&E and consolidated reporting will be handled by the Project Coordination Unit of the on-going Emergency Agriculture Production Support Project (EAPSP)

No new PIU will be created.

Due to the Government limited capacity to respond rapidly in an emergency situation implementation of the project will be contracted to WFP and FAO. This alternative is the best

choice given the strong complementariness between the United Nations agencies and the World Bank based on their respective mandates, capacities, and comparative advantages. Both institutions have track record of delivering services in challenging environments. WFP will provide services for activities related to reducing the impact of food and nutrition insecurity (Component A), and FAO will focus on activities related to supporting agricultural production and livestock stabilization (Component B). The cost of FAO and WFP intervention will be in line with what has been agreed in the Central Africa Republic and in Mali.

Component A: Targeted Food Assistance: WFP will ensure the operational coordination, programming, planning, data collection for M&E purposes, day-to-day technical supervision, and reporting of all activities under Component A. The component will be implemented in collaboration with the Ministry Health and Social Development Services and their decentralized services, where this capacity exists and is functional, as well as with United Nations agencies and NGOs. Nutrition interventions will be implemented jointly with the Ministry of Health, UNICEF and NGOs, and coordinated with UNICEF through a joint nutrition strategy. Nutrition NGOs will organize screenings upon arrival in the transit sites for children aged 6–23 months and ensure referral to appropriate treatment facilities.

National and international NGOs will be contracted through bilateral and tripartite agreements with WFP to carry out the activities. They will be chosen based on their operational presence in southern Chad and knowledge of the intervention areas. Potential partners include the World Lutheran Federation, OXFAM, Catholic Relief Services, Chadian Red Cross and Centre de Support en Santé International. WFP will promote collaboration between local and international NGOs to enhance complementarity of experience and resources and strengthen national capacities.

WFP will work with Government counterparts and establish agreements with private sector operators for voucher activities. Vouchers distribution to selected beneficiaries will be implemented by cooperating NGOs partners with the required technical expertise. Value-based paper vouchers will allow beneficiaries to purchase food commodities in participating shops. Only food products will be authorized for voucher transactions. Food will be distributed to beneficiaries through local retailers and cash payments to retailers redeeming vouchers will be made through microfinance institutions and banks.

WFP's existing regional offices in Gore, Maro and Haraze provide an extended field presence, bringing the organization closer to beneficiaries in the south and supporting operations. WFP staff presence in the areas of intervention will be reinforced under the project.

Component B: Agricultural Production and Livestock Productive Capacity: FAO will ensure the operational coordination, programming, planning, data collection for M&E purposes, day-to-day technical supervision, and reporting of all activities under Component B. To implement these activities FAO will recruit a small implementation team consisting of a technical coordinator, two agronomists to be based in regional offices and one livestock specialist. FAO will partner with national and international NGOs and the Government agencies decentralized units for the execution of project activities. The NGOs will (i) facilitate the exchange of information on the targeting of population groups; (ii) provide logistical support for input distributions; and (iii) participate in the organization of training beneficiaries. The central and decentralized services of the Ministry of Agriculture and Environment and the Ministry of Livestock and Hydraulics will provide support to

producers and herders in the implementation of these activities through memorandum of understanding with FAO.

VI. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01	x	
Natural Habitats OP/BP 4.04		x
Forests OP/BP 4.36		x
Pest Management OP 4.09	x	
Physical Cultural Resources OP/BP 4.11		x
Indigenous Peoples OP/BP 4.10		x
Involuntary Resettlement OP/BP 4.12		x
Safety of Dams OP/BP 4.37		x
Projects on International Waterways OP/BP 7.50		x
Projects in Disputed Areas OP/BP 7.60		x

Comments (optional)

VII. Contact point

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