

**PROJECT INFORMATION DOCUMENT (PID)
IDENTIFICATION/CONCEPT STAGE**

Report No.: PIDC25986

Project Name	Nutrition Sensitive Agriculture & Capacity Building of Small & Marginal Farmers Project
Region	AFRICA
Country	Benin
Sector(s)	Crops (80%), Animal production (20%)
Theme(s)	Nutrition and food security (60%), Other rural development (40%)
Lending Instrument	Lending Instrument
Project ID	P155822
Borrower Name	Ministry of Agriculture, Livestock and Fisheries
Implementing Agency	Ministry of Agriculture, Livestock and Fisheries
Environment Category	B - Partial Assessment
Date PID Prepared	20-Oct-2015
Estimated Date of Approval	10-Feb-2016
Initiation Note Review Decision	The review did authorize the preparation to continue

I. Introduction and Context

Country Context

The Republic of Benin has a population of almost 10 million and remains a low-income country with a per capita income of US\$800 in 2011. With a Human Development Index of 0.476, Benin is ranked 165th out of 187 countries, according to the 2013 Human Development Report. Benin's economy relies mainly on agriculture and services, particularly import/export activities through the Port of Cotonou. Agriculture accounts for over 30 percent of GDP and provides 70 percent of the country's employment. Cotton is the primary export commodity representing 25 to 40 percent of total exports. The informal sector contributes up to three-fourths of GDP. Re-export trade with Nigeria, mostly informal, accounts for 20 percent of GDP and 25 percent of government revenue. Benin's narrow economic base makes it vulnerable to the vagaries of climate and trade policy changes in Nigeria.

Real gross domestic product (GDP) over 2000-2011 grew at four percent, only slightly above the population growth rate of 3.2 percent. This four percent rate of growth is below the regional average and insufficient to contribute to meaningful increases in per capita incomes and human development. It is estimated that sustained real GDP growth of at least 7 percent per annum is needed to have a major impact on incidence of poverty in Benin. According to the latest statistics, the incidence of poverty at the national level remains stubbornly high at around 36 percent since 2006. This aggregate figure masks important urban/rural, regional, and gender-based differences. Moreover, the global economic and financial crisis has contributed to a significant economic slowdown in Benin, and a widening of the fiscal and current account deficits.

Benin is endowed with fertile soils and sufficient water resources as a result of which the country has a comparative advantage in agriculture. According to the Country Partnership Strategy (CPS FY 13-17), building on Benin's comparative advantage in agriculture will require public investment in rural transportation and water management and irrigation, together with institutional reforms that foster private investment and facilitate increased productivity and effective input distribution and marketing of crops. The CPS further alludes to the fact that there are many opportunities to increase the value-added in cotton and food processing.

Sectoral and Institutional Context

Benin's economic growth is underpinned by improved agricultural productivity and overall economic growth to reduce rural poverty and improve food security. The country ranks in the lower income group of countries. Since the 1990's, the country is engaged in important economic reforms which resulted in a sustained economic performance with an average annual growth rate of 4.3 percent over 1990-2009. The development outcomes of this positive growth have, however, been limited due in part to the relatively high population growth (3.2 percent) and the regular spikes in food prices, recurrent floods and other external shocks. Food insecurity is also rising. An estimated 40 percent of the agricultural produce is wasted due to post-harvest losses (more than 200,000 ha) which mainly affects staple foods. In addition to the obvious impact on food availability, many village food stocks and seed supplies are compromised. The national food security stocks are also being drawn down at faster rate further exacerbating food insecurity. The country depends mainly on import to cover its food needs.

The country's agricultural trade performance is generally weak with a persistently negative agricultural trade balance. Improving productivity and production, as well as strengthening food product diversification are on the top of the agenda of the agricultural and overall development strategy in Benin. The agriculture sector strategy in Benin is being defined within the broader framework of the Comprehensive Africa Agricultural Development Program (CAADP). The government's strategy for agricultural diversification is supported by three documents: the Growth and Poverty Reduction Strategy; the Benin Development Strategy and Orientation Document; and the Strategic Plan to Revitalize the Agricultural Sector and the related National Agricultural Investment Plan.

The Agriculture sector faces several challenges, that include (i) reliance on limited number of agricultural products due to lack of production diversification – in fact, in case of Benin, public resources are largely concentrated on a single crop - cotton; (ii) seasonality in the supply of food products; (iii) post-harvest and other losses, which are not only limiting the volume available for consumption and marketable surplus but also constraining diversification of food sources; (iv) low level of productivity and production mainly due to lack of access to resources, improved technologies and sources of finance; (v) insufficient consideration of nutrition in agricultural strategies and programs; (vi) limited capacity in supporting farmers to produce high nutrient content and diversified food products; (vii) impact of climate change (viii) lack of gender sensitive agricultural policies notwithstanding that women involvement will have a major contribution for improved nutritional outcome; and (ix) lack of adequate transport infrastructure and market facilities.

The worsening food insecurity has confirmed the vulnerability of Benin's economy to external

shocks. The percentage of households considered as actual or potentially food insecure increased from 24 percent in 2008 to 55 percent in 2010 and there are still 10% of the population who are undernourished in 2014 . The current levels of malnutrition in Benin are of concern. While Benin has seen gains in child survival and maternal health, no such gains have been recorded in nutritional improvements. Over the past 10 years, nutrition improvements at best are stagnated. In 2006 (latest data available), 45% of children under 5 were stunted (an increase compared to 2001 when 29% of children were stunted), and 15% of children were born with low birth weight (Global Nutrition Report). The country is therefore off course to reach the World Health Assembly Nutrition Targets for 2025 , according to the 2014 Global Nutrition Report.

Malnutrition is a contributing cause to almost half of the under-five mortality, as well as reduced cognitive development, productivity and life time earnings. Strikingly, various impacts resulting from nutritional deficiencies such as stunting, anemia during pregnancy and the first few years of life, low birth weight, inadequate breastfeeding, acute malnutrition (wasting) and iodine deficiency, have each been associated with IQ losses of varying degree (between 4-18 points). Therefore, malnutrition is a major (but often unrecognized) cause of potential intellectual loss in the Beninese population.

In addition to inadequate dietary intake which affect the majority of children in Benin, there are a number of challenges facing the efforts to improve nutritional outcomes, which includes: (i) insufficient (and poor tracking of) investments in nutrition compared to the needs; (ii) lack of institutional capacity and weak institutional arrangements to plan and implement nutrition interventions; (iii) complexity due to the need to involve a number of actors and weak coordination mechanisms; (iv) lack of accountability mechanisms; (v) lack of private sector involvement in developing the necessary value chain that will ensure an improved nutrition outcome, including processing agricultural products for improved nutrition; (vi) absence of long-term planning to demonstrate sustained nutritional outcomes; (vii) lack of assertive policies, legislative frameworks and political commitment for improving nutritional outcome. Institutional problem represents one of the major problems in improving nutritional outcome. According to one study, "...the effective use of available funds for nutrition in World Bank-supported projects is impeded primarily by the lack of an institutional home for nutrition and by the related question of responsibility for delivering nutrition services..." . Thus, according to the CPS, improving governance and accountability of multiple and multi-sectoral stakeholders will go a long way toward improving nutrition outcomes. The Multi-sectoral Food, Health and Nutrition Project initiated in 2013 is addressing these institutional challenges. The present project seeks to complement these efforts by enhancing involvement of the agriculture sector.

In addition to the agriculture sector support, there is a need for more support to address issues related to food insecurity and malnutrition. This PHRD grant is therefore provided to test a multi-sectoral approach to nutrition to further support the interventions funded under the ongoing IDA projects/program.

Relationship to CAS/CPS/CPF

The PHRD grant proposal is in line with the Government's aim to improve food and nutrition security outcomes and with the strategy for agricultural diversification and development. The grant will also support the CPS' goal of increasing sustainable growth, competitiveness and employment (namely improved agricultural productivity and diversification under Pillar 1) as well as improving

access to basic social service delivery and social inclusion (namely improved education, health and nutrition services under Pillar 2). The project will contribute to the ongoing efforts to strengthen competitiveness and accelerating private sector-led growth and the national interests in and ownership of food and nutrition outcomes. It supports the long term objects of reducing maternal and child under-nutrition and thereby contributes to the attainment of three MDGs. Going forward it is fully aligned with the SDGs and the Zero Hunger Challenge.

The Government's Strategic Plan to Revitalize the Agriculture Sector (PSRSA) sets out the Government's vision to transform the country into "an agricultural power". The strategy has two main objectives: (i) fostering efficient and sustainable agriculture production; and (ii) improving agricultural diversification and competitiveness to facilitate access to markets, boost agriculture exports and reduce imports. The proposed PHRD Grant is in line with the Government strategy, mainly as it applies to diversification.

The proposed PHRD supported project is very well aligned with the Agriculture Global Practice priorities that aim to increase the share of IDA/IBRD agricultural projects with an explicit focus on nutrition. Accordingly, IDA is financing the ongoing Agricultural Productivity and Diversification Project, which has the objective of restoring and improving productivity and value addition for selected value chains. Specifically, under component 1, the project will finance adoption of improved technologies for the development of the food security and export-oriented value chains. Component 2 will finance the rehabilitation and development of small scale irrigation infrastructures to improve productivity and reduce output variability; and the construction and rehabilitation of market and storage infrastructures. Component 3 aims to improve the coordination of targeted value chains and to help improve access to financial services for project beneficiaries. Component 4 is aimed to help strengthen the capacity of the Ministry of Agriculture, Livestock and Fishery (MAEP) to effectively coordinate the implementation of the sector program and to manage and monitor the Project. The aim and activities of all the components are very well aligned with the proposed Grant. Accordingly, the proposed project will benefit and will complement the activities financed under these components.

IDA has further supported the government through Phase I of West Africa Agricultural Productivity Program. The objective of the program is to generate and accelerate adoption of improved technologies in the Participating Countries' top agricultural commodity priority areas that are aligned with the sub-region's top agricultural commodity priorities as outlined in the ECOWAP. Component 1 aims to strengthen the mechanisms and procedures for generation, dissemination and adoption of improved agricultural technologies and tools. Component 2 will strengthen National Centers of Specialization and Component 3 will fund demand-driven technology generation and adoption. Clearly the generation and acceleration of the adaption of new technologies and supporting a demand-driven system will greatly support the proposed PHRD financed grant, which will rely on adoption of new technologies by beneficiary farmers to diversify into high nutrient content agricultural products and enhance their productivity and processing.

The new Multi-sectoral Food Health Nutrition Project objective is to increase the coverage and utilization of community-based child growth and nutrition interventions in selected areas in the Recipient's territory. Component 1 of the project will support Policy and program development, management and coordination; while Component 2 will focus on Community mobilization and services delivery strengthening to improve public service delivery in the food , health and nutrition sectors. The proposed PHRD financed Grant will build on and make use of the coordination

mechanism, community organizations and improved delivery mechanisms supported under this Multi-sectoral project, with a focus on strengthening the contribution of the Ministry of Agriculture and farmer organisations' contribution to multi-sectoral efforts for nutrition.

Overall, the proposed Grant is very well aligned with the CPS and in coordination with on-going projects, will build on the gains made and the institutional bases established. Thus, this proposed project will contribute directly to the target of increasing IDA/IBRD projects with nutrition focus to 40% by FY 15; and 60% FY 16.

II. Project Development Objective(s)

Proposed Development Objective(s)

The objectives of the PHRD grant are to support selected small and marginal farmers to diversify their production and to enhance the consumption of nutrient-dense foods.

The PDO will be achieved by: (a) promoting production of nutrient-dense foods (fruits and vegetables, pulses, dairy, non-wood forest resources or products, dairy and eggs, and aquaculture), both for consumption and commercialization; (b) reduction of post-harvest losses (including support to community food storage, processing and conservation) and support to market linkages; and (c) nutrition education for consumers and institutional and technical capacity development of local authorities and farmers on agriculture-nutrition linkages.

Key Results

The key expected outcomes are: (i) income of smallholder farmers targeted under the project increased by 4.5%; (ii) percent of beneficiaries reporting increased dietary diversity – at least 25% of the population in the project area; and (iii) increased volume in the production of nutrient-dense foods (at least 1,000 tons). In addition, the project will contribute to the Bank's Agriculture GP priorities to improve health outcomes, specifically, to end hunger and reduce child stunting as well reduce food related NCDs.

Direct beneficiaries of this grant would be about 5,000 small and marginal farmers' households in Benin. An emphasis will be put on women. In addition, 20,000 people are expected to benefit indirectly from project activities including availability of high nutrient food produce in the market and greater knowledge on nutrition. Beneficiaries will also include government policy makers, program manager and extension workers, who will benefit from capacity development in the field of nutrition. Furthermore, the number of indirect beneficiaries could substantially increase if the project is used to strengthen institutional mechanisms (including policy/legislative frameworks) and develop tools/approaches which enhance the nutritional impact of other agricultural investments in the country. The project activities will cover about 8 priority rural Communes in 4 "Départements". The preliminary four selected "Départements" are Atacora, Donga, Mono and Couffo. Selection of the eight Communes will be based on two major criteria: commune need to be in the food and nutrition insecure area; and is part of the selected Commune for the National Food Security Program (42 Communes are selected).

III. Preliminary Description

Concept Description

This project design recognizes the potential of agriculture in contributing significantly to sustainable nutrition outcomes and the challenges faced to achieve that goal such as: limited product diversification, reliance of single (mostly) crop production; seasonality of food availability; limited

knowledge and capacity on nutrition and agriculture-nutrition linkages; weak local organizations; low consideration on women's contribution to agriculture and household food and nutrition security, particularly for the children aged less than 5 years; limited/inexistent tracking of agricultural investments' impact on food consumption and nutritional outcomes. The design also takes into consideration the limited resource envelope available and therefore will prioritize specific defined regions, leveraging resources from other projects in the sector and beyond.

The project will have three components: Component 1 will focus on improving food production and diversification. Component 2 will support value addition to agricultural products and access to markets. Component 3 will promote institutional and technical capacity development on agriculture-nutrition linkages, including nutrition education. The proposed grant will complement ongoing Bank-supported projects and national programs. In particular, the proposed project will: (i) complement the Bank-supported Multisectoral Food Health Nutrition Project by supporting communities with appropriate methods and technologies for diversified food production throughout the year (e.g., vegetables, fruits, small livestock), conservation (e.g., drying), storage (e.g., community grain banks) and transformation (e.g., fermentation, cheese production); and (ii) seek synergies with technology generation and adoption activities by the Bank-funded West Africa Agricultural Productivity Program as well as value chain improvement activities by the Bank-supported Agricultural Productivity and Diversification Project.

Component 1: Production intensification and diversification: The aim of this component is to support the intensification and diversification of food production by promoting and providing agricultural inputs, technologies and services related to the diversification of production. This activity will be linked to research and will use various community channels such as farmer field schools and extension workers. Agricultural inputs will include improved variety seeds, fertilizers, as well as livestock and fisheries inputs. The services will consist in technical assistance in farming activities. Where feasible, the practice of mix-cropping and mix-farming will be encouraged. This component will work with and build on the farmer organizations' platform established under the IDA Agricultural Productivity and Diversification Project. A list of improved on-farm and post-harvest technologies has been identified for the targeted value chains by the IDA project and the PHRD supported project will make use of this readily made list. Further, the proposed Grant also will build on the experience gained by the IDA project in dissemination of planting materials and promotion of best farms management practices through farmers field schools. Partnership with the IDA's West Africa Agricultural Productivity Program will be instituted to extend the demand based agricultural technologies and adoption system to small and marginal farmers towards diversification of their products to include high nutrient crops varieties including introduction of new crops from their partnering institutions research fields. The project will target areas that are covered both by the IDA APDP and the Multi-sectoral FoodHealth and Nutrition Project (MFHNP), so as to crowd-in support by strengthening synergies with IDA projects and partnering with other interventions in agriculture and other sectors involved in nutrition.

Component 2: Value addition and market linkages: The aim of this component is to reduce food losses and seasonality in food availability as well as increase the market value of foods by: (i) improving access to storage and conservation facilities, as well as nutrition-sensitive processing technologies; and (ii) support to the creation of formal links between private sector and farmer associations. The aim of this priority area is to complement diversification activities implemented through component 1 by supporting farmer organizations to engage with private sector and build partnerships between farmers and private sector operators including small and medium scale food

processing industries. This should be a “win-win” partnership where both part will benefit. The strengthening of farmers’ associations will therefore be very useful. In fact, the more the small scale farmers’ associations are strengthened, the better they can defend they interest and be competitive. The support will include preparation of business plans; marketing, demand creation and facilitating partnership with the private sector – Business Partnership (BP). At least 30 BPs are expected to be supported under this component. The range of support will vary from assistance in marketing, facilitation of local processing, and development of supply line for nutrient-dense foods (including biofortified crops, fortified fertilizers, or fortified processed foods). Small innovation fund (matching grant) will be allocated to help BP undertakings and support investment. Eligible expenditure for support as an investment under this component will include: small micro irrigation for home garden vegetable crops; acquisition of improved agricultural technologies and tools; micro-and-small scale processing equipment; technology and tools that reduce waste such as post-harvest loss; livestock rearing activities that are directly related to enhancing nutritional impact; support to post-harvest quality enhancing and processing activities. Forty-percent of the Grant will be allocated to women beneficiaries and special support will be provided to them to prepare proposal, such as business plan preparation. Priority will be given to those activities that can demonstrate improved nutritional outcome and contribute to climate smart agriculture This component will be aligned with the IDA Agricultural Productivity and Diversification Project and to leverage additional resource for financing this component’s activities.

Component 3 : Capacity development on nutrition-sensitive agriculture and nutrition education: The aim of this component is to promote consumption of nutrient-rich foods and build the capacity of local authorities and farmer organisations to promote nutrition-sensitive agriculture through (i) nutrition education for farmers and consumers, (ii) capacity development of national and local authorities on agriculture-nutrition linkages; (iii) support to multi-sectoral coordination for nutrition; (iv) integrating nutrition outcome indicators in the monitoring and evaluation of agricultural projects, starting with the PHRD and IDA supported agriculture project. This component will align its activities with the Multi-sectoral Food Health Nutrition Project and support the involvement of stakeholders working in agriculture in multi-sectoral efforts to improve nutrition with a focus on improved infant and young child feeding practices and knowledge on care practices. The activities will include organization of nutrition trainings, development of food recipes books based on locally available foods, communication campaigns on nutrition (community and mass-media) and community food demonstrations. The component will effectively use existing learning centers and community nutritional points. The project will use nutrition education materials and expertise available through the MFHNP and complement these as necessary. The project will also sensitize policy makers, program planners and farmer organizations at central and local levels on nutrition-sensitive agriculture, and support the engagement of these stakeholde rs in multi-sectoral coordination mechanisms for nutrition. Finally, the project will develop capacities to monitor and evaluate the nutritional impact of agricultural projects, with an emphasis on dietary intake and feeding practices.

IV. Safeguard Policies that Might Apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
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	

V. Financing (in USD Million)

Total Project Cost:	2.475	Total Bank Financing:	0
Financing Gap:	0		
Financing Source			Amount
Borrower			0
Japan Policy and Human Resources Development Fund			2.475

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