

Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 18-Sep-2020 | Report No: PIDC28312



BASIC INFORMATION

A. Basic Project Data

Country Western Africa	Project ID P172769	Parent Project ID (if any)	Project Name West Africa Food System Resilience Program (FSRP) (P172769)
Region AFRICA WEST	Estimated Appraisal Date Jan 25, 2021	Estimated Board Date Mar 31, 2021	Practice Area (Lead) Agriculture and Food
Financing Instrument Investment Project Financing	Borrower(s) Republic of Sierra Leone,Republic of Mali,Republic of Niger,Republic of Togo,Republic of Chad,Republic of Burkina Faso	Implementing Agency CORAF, ECOWAS, CILSS	

Proposed Development Objective(s)

To strengthen regional food system risk management, improve the sustainability of the productive base in targeted areas and to develop regional agricultural markets.

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	460.00
Total Financing	460.00
of which IBRD/IDA	435.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	435.00
IDA Credit	150.00



IDA Grant	285.00	
Non-World Bank Group Financing		
Counterpart Funding	5.00	
Borrowing Agency	5.00	
Other Sources	20.00	
NETHERLANDS, Govt. of THE (Except for MOFA/Min of Dev. Coop	20.00	

Environmental and Social Risk Classification

Substantial

Concept Review Decision

Track I-The review did authorize the preparation to continue

B. Introduction and Context

Country Context

1. The Economic Community of West African States (ECOWAS) is home to more than 360 million inhabitants of whom about 55 percent live in rural areas. Most derive their food and livelihood from agriculture, which contributes approximately 29 percent of gross domestic product (GDP) and constitutes 28 percent of total exports of ECOWAS by value. More than 30 percent of the population remains in poverty (below US\$1.90 PPP per day) and around 60 percent of the poor derive their livelihoods in part of entirely from Agriculture.

2. West Africa's population is growing at 2.75% p.a. creating the potential for a demographic dividend – as well as significant challenges for policy makers. The population is projected to double to about 800 Million people by 2050, 60% of the population is under the age of 25 and millions of people are entering the entering the labor force ever year.

3. **West Africa and the Sahel are among the most fragile sub-regions globally and very vulnerable to shocks**. About 4 million people have been uprooted from their homes in the Sahel region – 1 million more than in 2018 and a fourfold increase compared to five years ago. Climate change, extreme poverty, rapid population growth and insecurity are driving high levels of vulnerability of communities throughout the sub-region. At the same time, a sharp uptake in violence originating in 2012 in Mali has metastasized and localized into diverse forms of conflict across the sub-region, encompassing violent extremism, armed rebellion, and banditry, amongst others. West Africa is also a climate change migrant hotspot globally, projected to reach between 54.4 million (pessimistic scenario) and 17.9 million people (more optimistic scenario) by 2050¹.

4. As of April 2020, 11.4 million people in West Africa were severely food insecure and the number was projected

¹ Groundswell, World Bank. 2019.



to rise to 17 million by August 2020 – not taking likely major disruptions by COVID-19 and the locust outbreak in Eastern Africa into account. COVID-19 driven trade restrictions are threatening to trigger prices spikes in the largely food import dependent region and mobility restrictions have had immediate effects on food supply and demand, with strong expected impacts on food security and nutrition outcomes. ECOWAS and member states are deploying responses and focusing efforts to preserve and increase domestic production to secure the next harvest of key staples, anticipating further restrictions in international trade should the pandemic worsen. COVID-19 and the locust outbreak threatening to migrate to West Africa serve as reminders of the urgent need to build additional capacity in the management of pest & diseases, particularly the prevention of zoonotic diseases through a *One Health* approach, and mechanisms that permit early stage pro-active locust detection and suppression.

Sectoral and Institutional Context

1. **Agriculture is an engine for growth and poverty alleviation in Africa.** Africa has experienced faster agricultural growth (+4.6% over 2000-2017) than the global average over the same period (+2.9%). There is further headroom as African agriculture could be 2-3 times more productive if it intensified further². Increases in agricultural productivity have twice as much impact on reductions of extreme poverty than productivity gains in other sectors³. Demand for food is projected to grow by 4.6% per annum. This growth presents significant economic opportunities but also raises pressure on production to deliver enough food with shrinking per capita endowments of natural resources (land, water, soil).

2. In a dramatic trend reversal since 2006, food security is currently deteriorating in West Africa. Following an extended period of decline between 1981 and 2006 (from 49.7 Million to 31.9 Million), the number and share of undernourished people begun to rise from a low of 31.9 Million (10.4% of the population) in 2006 to 56.1 Million people (15.1%) in 2017. Similar reversals can be observed for key supply side variables, as per capita food production growth began declining and the volatility of food production increasing at about the same time

3. Worsening food insecurity has multiple drivers playing important roles: <u>On the demand side, rapid population</u> growth has recently been outpacing production growth resulting in a decline in food production per capita. Combined with urbanization, changing diets and increasingly resource intense diets by a growing middle class, food import bills have soared, and periods of high food prices have occurred. <u>On the supply side</u>, slowing production growth rates and vulnerability to shocks are principally driven by four factors:

4. **(a) Underdeveloped value chains and weak intra-regional trade integration.** Markets provide two thirds of food supply in West Africa, the vast majority of which (90%) is imported from outside the region. As a result, food import bills put severe strain on the balance of payments, which is likely to further deteriorate due to COVID-19 pandemic related changes in the global economic climate. Constrained by low levels of smallholder farmer integration into commercial value chains, the dominance of informality and a weak enabling environment, intra-regional trade remains below potential. There exists an opportunity to promote the role of trade in balancing between countries with seasonal or structural food staple deficits and surpluses, a crucial coping strategy with significant poverty alleviation co-benefits.

5. (b) Climate change has begun to impact food production exerting pressure on average yields, increasing production volatility. Its effects are projected to intensify drastically in the coming decades. Current impacts manifest

² McKinsey. 2016.

³ Ivanic & Martin. 2018.



through adverse changes in average temperatures (~+1C), precipitation variability (reduction in number accompanied by intensification of precipitation events) and an increase in frequency and intensity of extreme events (In 2015-2016 alone, ENSO events impacted the food security of 75 million people across Africa). In the medium to long term, the IPCC ((IPCC SR15) projects dramatic negative impacts on food supply stability overall with high probability and confidence.

6. (c) Rapid degradation of the natural resource base (water, land and vegetation). Driven by increased anthropogenic pressures and climate change, water scarcity, droughts, floods and erosion are all increasing, exerting negative pressure on the extent and productivity of agricultural and pasture lands and affecting communities' livelihoods and food security. A large share of land and water degradation occurs in transboundary valleys and watersheds requiring coordinated interventions between upstream and downstream riparian countries at the regional level.

7. **(d)** Increased incidence of conflict and fragility in West Africa, which is interacting with the food insecurity challenge in multifold and complex ways. A 2019 World Bank Sahel Regional Risk and Resilience Assessment highlighted (i) the heightened risk of conflict associated with marginalization and exclusion of communities from access to basic services, justice and state representation at the local level and (ii) competition over natural resources largely due to population growth and climate change as key exacerbating factors to conflict. Conflict, forced migration, and food insecurity can feed into each other, creating a vicious circle for rural populations (by which women are particularly affected). Food security outcomes have worsened significantly in conflict affected areas of Burkina Faso, Mali, Niger, Chad and in the north-eastern part of Nigeria.

8. The 2019 Kigali African Food Security Leadership Dialogue (AFSLD) was convened to bring together African leaders and development partners to highlight the need for joint action to solve the African Food Security challenges. It emphasized the need to implement existing commitments on agriculture and food security (AU vision 2063, Malabo declaration, ECOWAS vision 2025) and indicated key priorities for food system adaptation to climate change, including the need to leverage science and digital technology and the scale-up of support including through strengthened collaboration among development partners.

9. The availability of technological advances in the hydrometeorological and climate information for decision **support is a potential game changer to mitigate the impacts of increasing variability on agriculture and food security**. Modern systems that harness ground weather stations, satellite platforms (e.g. EU's Copernicus program, The Global Precipitation Measurement Mission), recent advances in ensemble forecasting systems, data management as well as innovative delivery models are transforming weather information for decision support across the entire value chain.

10. Advancing the food system resilience agenda in a systemic way requires regional approaches. Food crisis prevention and management is optimally implemented at regional level to adequately mitigate, diversify and transfer production risks. Trade has the potential to be a key shock coping mechanism but is constrained principally by a lack of regional integration. Agriculture relies on regionally shared natural resources where cross-border coordination is key to avoid exacerbating the tragedy of the commons. Second, regional cooperation has the potential to generate economies of scale. Climate change challenges on the supply side mirror agro-ecosystems – not national borders. Returns to research & development increase with scale⁴ – but resources in each country are very limited. For instance, regional and cross-borders collaboration for hydrometeorological and early warning information provision to farmers can generate positive spillovers as lower capacity countries learn from front-runners to build effective climate hazard forecasting abilities.

⁴ Goyal & Nash 2016



11. In West Africa, the ECOWAS Common Agricultural Policy (ECOWAP) is the principal framework for agricultural transformation and regional integration. Under ECOWAP, the region has adopted a Regional Agriculture Investment Plan (RAIP) with the objective to sustainably contribute to the satisfaction of the food needs of the people, economic and social development and poverty reduction in Member States, as well as inequalities between territories, zones and countries. ECOWAP identifies three core areas of activity to support these objectives (1) management of interdependencies amongst countries, (2) co-operation around common issues and (3) management of the region's relations with the rest of the world.

12. Decades of regional integration advanced by regional agencies and supported by the development community have created a set of regional institutions and mechanisms to support food and agriculture sector risk management and contribute significantly to food system resilience:

- Economic Community of West African States (ECOWAS), is a regional political and economic union of fifteen countries located in West Africa, with the objective of advancing regional integration notably through a trading union with a common market.
- West African Monetary and Economic Union (known under its French acronym, UEMOA) consists of a sub-set of ECOWAS countries. UEMOA has succeeded in deepening the integration of its members by playing an effective role in macro-economic, trade and agriculture policy, the latter through its Agricultural Policy (*Politique Agricole de l'UEMOA* - PAU).
- Permanent Interstate Committee on Drought Control in the Sahel (CILSS) is a regional entity that leverages political support and helps improve policies mostly related to drought management and agriculture in the Sahel, while providing technical expertise to its member states for concrete action on sharing methodologies and information, preventing drought and increasing resilience in the water resources and agricultural sectors. It hosts the Regional Food and Crisis Prevention Network (known under its French acronym, RPCA), that aims at building a coherent and shared understanding of the region's food and nutrition situation and inform decision making, through a Harmonized framework (*Cadre Harmonisé*).
- AGRHYMET Center (*Centre régional de formation et d'application en agrométéorologie et hydrologie opérationnelle*) which is hosted by CILSS, is the regional technical and training center focused on meteorology, hydrology and specialized knowledge in climatology, agrometeorology and operational hydrology. The center provides climate and agromet information services at the regional level (e.g. seasonal climate outlook), technical assistance and capacity building services to member countries including on a range of aspects related to agriculture and food security risk management. AGRHYMET has also initiated a process to become in the future the Regional Climate Center for CILSS and ECOWAS Member States.
- The West and Central Africa Council for Agriculture Research and Development (CORAF), coordinates a network of national and regional research organizations (Regional Centers of Excellence and National Centers of Specialization) to ensure countries leverage their comparative advantages in research and technologies can be exchanged across the region.

This regional architecture supporting food system resilience presents a natural starting point for a reinvigorated engagement. Strengthening and expanding their capacities and revamping the existing information and early warning systems would allow a faster and adapted response to the various challenges the regional food system faces.

Relationship to CPF

12. The FSRP fully aligns with key regional World Bank and client strategies and builds on existing operational and analytical engagements by the World Bank and its partners. FSRP supports Pillar 2 *Competitiveness and productivity* and



Pillar 4 *Resilience to shocks* of the Africa Regional Integration & Cooperation Assistance Strategy (2018); directly contributes to the new FCV strategy's pillars of engagement #1 prevention and #3 transition out of fragility, the WBG Adaptation & Resilience Action Plan (2018) and the Bank's Country Partnership Frameworks for participating countries. Furthermore, FSRP is also in line with Africa Union Agenda 2063; the Malabo Declaration on African Agriculture; the Comprehensive Africa Agriculture Development Program (CAADP); CORAF strategic plan, the Regional Economic Communities Agriculture Policies (such as ECOWAP-2025) and the Regional Agriculture and Nutrition Investment Plans (RANIPs), SAHEL/CILSS regional programs. FSRP is developed under the umbrella of the Africa Food Security Leadership Dialogue (AU-WBG-FAO-ADB-IFAD, Kigali, 2019). FSRP will also build on learnings from projects with high relevance to FSRP, including WAAPP, The Great Green Wall, the Sahel Irrigation Initiative Support Project (SIIP) as well as PRAPS I & II. To ensure that best available knowledge is harnessed, FSRP will work with partners including FAO, CGIAR, IITA, WMO, CREWS, OECD Club du Sahel, IFAD, AfDB, Agence Francaise de Development, the Netherlands and others.

C. Proposed Program Development Objective (PrDO)

To strengthen regional food system risk management, improve the sustainability of the productive base in targeted areas and to develop regional agricultural markets.

Key Results (From PCN)

13. The proposed PrDO level outcome indicators are: (a) Countries participating in renewed regional food risk management architecture (scorecard assessment, number of countries); (b) producers adopting supported agricultural technologies (number); (c) Surface area under sustainable land and water management (SLWM) (hectares); (d) Countries implementing regional trade policy in targeted input and output value chains (scorecard assessment, number of countries).

D. Concept Description

15. **The project is designed as a Multi-Phase Programmatic Approach (MPA).** This instrument will allow to tackle complex development challenges underpinning food system resilience for two principle reasons: (1) to guarantee the longer term commitment required to build sustainable regional mechanisms and institutions with sufficent substance at a regional level and (2) to allow a set of countries with varying degrees of readiness to adopt consistent approaches and accede to regional systems at appropriately differential speeds. Phasing the accession of countries according to their readiness will allow regional mechanisms to operate with maxium effectiveness.

The project will include the following five components and six sub-components:

16. <u>Component 1: Digital Advisory Services for Agriculture and Food Crisis Prevention & Management.</u> This component aims at (i) strengthening regional capacity and institutional sustainability to provide demand-driven digital advisory services including agro-advisory and impact-based hydromet/climate information and warning services and (ii) promote their use in agriculture and food crisis prevention, management and response

• **Regional Sub-component 1.1: Upgrading Food Crisis Prevention & Monitoring Systems.** The sub-component would transform the regional system for food security relevant data collection, analysis and management in order to information and advisory services through strengthening the capabilities, coordination and

organization of AGRHYMET and other institutions mandated to fulfil these functions at regional level.

• National Sub-component 1.2: Strengthening Creation and Provision of Digital Advisory Services for Farmers The sub-component would increase access to and use of location-specific information relevant to food security by decision makers and farmers via national extension systems, including through capacity building and institutional strengthening activities for public and private hydromet and agromet service providers.

17. **Component 2: Sustainability & Adaptive Capacity of the Food System's Productive Base.** This component targets the resilience of agro-sylvo-pastoral production systems allowing small and medium producers to sustainably meet their nutritional needs and raise incomes from the sale of surpluses in local and regional markets.

- Regional Sub-component 2.1: Adapting and adopting Innovations and Technologies for Resilient Food Systems. This sub-component would aim to strengthen the regional research and extension systems to deliver and scale up, in a sustainable manner, improved technologies and innovation including digital agriculture, climate-smart, nutrition-sensitive, and gender- and youth-sensitive technologies. By linking up with the national level, this component would support the implementation of national action plans of modernizing national research and extension systems to accelerate farmer adoption of innovations and technologies.
- National Sub-component 2.2: Building resilience in food security. This sub-component aims at improving sustainably rural households' food security and their resilience to climate variability in targeted areas through using food crisis prevention tools developed under component 1, CSA technologies and innovations adapted under above sub-component 2.1 as well as through implementation of coordinated and complementary interventions that restore degraded landscapes and mobilize water resources. This sub-component will also consider implementation modalities to improve resilience to climate and FCV risks such as building and sustaining bottom-up, community-level dialogues.

18. **<u>Component 3: Market Integration & Trade</u>**. The components' objective is to expand food trade in West Africa to enable an effective allocation of surplus produce to deficit regions and to attract agribusiness investment by tackling binding constraints in the development of regional food crops value chains along selected trade corridors with high impact on smallholders' food security.

- Regional Sub-component 3.1: Facilitate Trade Across Key Corridors and Consolidate Food Reserve System. The Project will support the implementation of sound regional regulation and policies to strengthen the regional food input and output markets. Activities would focus on removing barriers to intra-regional crossborder food trade (e.g., through policy harmonization as well as establishing better trade flow monitoring, and accountability mechanisms) and strengthening the relevant regional institutions (ECOWAS, CILSS) responsible for coordinating the integration of regional markets as well as strengthening the regional and national food reserve management mechanisms.
- National Sub-component 3.2: Value chain Development for Strategic Staple Crops. The project will support the development of up to three value chains per country focusing on staple crops that are already traded between countries. Specific activities would include the preparation and implementation of national VC action plans; matching grant support & TA for SMEs; and support to critical investments to leverage private financing along the value chains. Investments under this component would directly support the recovery from COVID-19.

19. **Component 4: Contingent Emergency Response** This component will allow for a reallocation of credit proceeds from other components to provide immediate emergency recovery support following an eligible crisis or emergency. An Emergency Response Manual (ERM) will be developed with fiduciary, safeguards, monitoring and reporting, and any other



necessary coordination and implementation arrangements as a condition for disbursement.

20. <u>**Component 5: Project management**</u> Project management would be coordinated by ECOWAS, which would delegate technical work to the relevant mandated organizations (principally AGRHYMET and CORAF). This component would aim at ensuring that the project is efficiently managed, and performance and impact are carefully tracked, including through supporting M&E and impact analysis; annual foresight conferences; productivity measurements.

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	TBD
Projects in Disputed Areas OP 7.60	TBD

Summary of Screening of Environmental and Social Risks and Impacts

The project's environment and social risks are rated as 'Moderate'. While project activities may generate limited and manageable environmental and impacts associated with agricultural intensification, expected environmental and social benefit will largely outpace adverse effects. No involuntary resettlement is anticipated or site-specific and very limited in scope. Both implementing agencies (ECOWAS, CILSS, and COARF) and participating countries are acquainted with World Bank environmental and social safeguards procedures, though additional support might be needed to upgrade on the new environmental and Social Framework (ESF). An environmental and social commitment plan is being prepared by ECOWAS in collaboration with WAEMU and CILSS.

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APPROVAL

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