

## Support to Agricultural Value Chain Development and Diversification in Sub-Saharan Africa

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<b>Recipient Agency:</b>	UNOPS on behalf of the Rural Hub (Dakar)
<b>Web Address:</b>	<a href="http://www.theruralhub.org">www.theruralhub.org</a>
<b>Financial Arrangements for FY09 (Amount in US \$ Million)</b>	
<b>Total Budget:</b>	1.50
<b>DGF Funding Request:</b>	0.20
<b>DGF Percentage:</b>	13 %
<b>Objectives and Expected Outcomes</b>	
<p>This initiative seeks to build capacities for the development of competitive agricultural value chains for domestic, regional and international markets in SSA. In view of the long-term declining price trends of base commodities, farmers must be given opportunities to diversify and increase their incomes. This has become a priority in the growth and poverty reduction strategies of African countries, and is also one of the priorities of the Africa Action Plan (AAP). Moving from subsistence agriculture to market-oriented and high value commercial agriculture is critical in order to create economic opportunities for small farmers and small agro-processors and thus contribute to reducing widespread rural poverty in SSA countries. Several IDA-funded projects are already supporting agricultural diversification and improvement of the competitiveness of agricultural marketing chains in countries of West Africa such as Senegal, Ghana, Mali, Niger, and Burkina Faso. The Bank is also helping develop agricultural diversification strategies in Mozambique, Ethiopia and Madagascar. The resources provided by the DGF will help build a platform of communication and professional interaction between stakeholders in West Africa in order to enhance exchanges of knowledge and information on technologies and markets and support effectively agricultural diversification, competitiveness and supply chain development in the countries of the sub-region.</p>	
<b>Main Components</b>	
<p>The DGF-funded project includes the following main components: (i) <b>Construction and operationalization of the platform materializing the community of practice</b> through the establishment and maintenance of a dedicated website supported by a technical team housed at the Rural Hub, a support and coordination entity funded by donors (IFAD, EU and French AFD). (ii) <b>Technical assistance</b> for the facilitation of exchanges between country stakeholders, projects and organizations, (iii) <b>Training and capacity-building</b> through the organization of sub-regional workshops.</p>	
<b>Performance Indicators</b>	
<ul style="list-style-type: none"> <li>(i) Construction and effective operation of the website by the Rural Hub in Senegal;</li> <li>(ii) Effective facilitation and management of the platform;</li> <li>(iii) Number of active professional participants (individuals and groups),</li> <li>(iv) Establishment/strengthening of trade associations at sub-regional level; and</li> <li>(v) Implementation of capacity-building activities.</li> </ul>	

## Progress and Achievements

Progress in implementation is measured through the achievement of the above performance indicators. The initiative will also be evaluated based on its outreach to and support of practitioners in the respective value chains and agribusinesses, capitalization and dissemination of knowledge on the markets for high value products, and the fostering of exchanges of cross-regional and global experience between practitioners. Of crucial importance is the African ownership of the initiative. For this reason, the project is housed at the Rural Hub in Dakar (Senegal) with broad representation from professionals within the sub-region that will facilitate the development of linkages with sub-regional institutions such as WAEMU and ECOWAS. Following the signature of the grant letter with UNOPS in December 2007 and disbursement of the first tranche of the FY08 DGF allocation (\$100,000) in March 2008 project activities have been launched and are now being implemented. The CoP facilitator has been recruited and the process of selection of the website developer is at final stage. The first project Steering Committee was convened by VC on April 21 to review progress in implementation, as well as fiscal and reporting requirements. The second Steering Committee will take place in Dakar as the end of May, coinciding with the Bank first supervision mission.

## Partners

The initial partners include the EU, who contributes to the partnership through a first allocation of €2.5 million in the framework of the €45 million AAACP program on agricultural commodities signed with the ACP countries in December 2006. This program is implemented by the World Bank and various other international organizations (FAO, ITC, UNCTAD and CFC). Many donors (EU, USAID, AfDB, IFAD, Dutch and French cooperation agencies, DANIDA, DFID, CIDA, etc.) are also active at country level in promoting agricultural diversification and promotion of value chains in Africa. Discussions are also ongoing with a range of private organizations involved in this area (Gates Foundation, Technoserve, etc.). They all have expressed interest in joining the partnership.

## Governance and Management

As far as the EU-financed program is concerned, the following governance structure has been put in place: a Steering Committee comprised of key members of the partnership (EU and representatives of ACP countries), with the World Bank, the FAO, the ITC, the CFC and UNCAD) as observers, has been established. The Steering Committee is meeting periodically to orient and supervise implementation of the program. A Coordinating Unit (CU) has been recruited in September 2007 to ensure coordination between IOs. The Bank is in charge of managing the Multi-Donor Trust Fund (MDTF) set up for this partnership. The Rural Hub in Senegal is the implementing agency for the activities funded under the DGF. It has been contracted through UNOPS West Africa.

## Exit Strategy

The DGF support for the platform is planned for three years. FY10 will be the last year of DGF funding. A resource mobilization strategy will be developed during year one to ensure the sustainability of the initiative beyond DGF involvement. This could be a condition for release of funds for years 2 and 3 of DGF support. Development partners and major donors are demonstrating strong interest in agricultural value chain development in the region, and it is therefore highly probable that they will contribute to provide support to the Rural Hub and to this initiative. It is also expected that professional organizations will have progressively taken over the activities and that financing mechanisms will have been developed to cover the platform's recurrent costs and make it sustainable.