

Strategic Review

FEED THE FUTURE

October 7, 2010

This presentation represents the preliminary strategic direction of a multi-year, whole-of-government, U.S. strategy to address food security in a Feed the Future country or region. It describes partner country progress and outlines how U.S. investments will align in support of partner country priorities. This document has not yet been approved or funded but will form the basis of a multi-year strategy in development.

1. Problem Statement
2. Analysis of Underlying Causes
3. Country Readiness
4. Country-priority Interventions
5. Proposed Feed the Future Five-year Strategy
6. FY 2010 Program Impact

Problem Statement

- Until now, Senegal has not been able to act with the scale and urgency needed to achieve sustainable food security, so hunger and under-nutrition persist.
- More than 3 million people in Senegal – ~25% of the total population – suffer from seasonal or year-round hunger, compromising Senegal's ability to achieve sustainable economic growth.
- This is the combined effect of longstanding underinvestment in agriculture and high vulnerability to food shocks and external factors. Poor competitiveness of the agriculture sector (68% of labor force, but only 14% of GDP) hinders food security and jeopardizes economic growth.

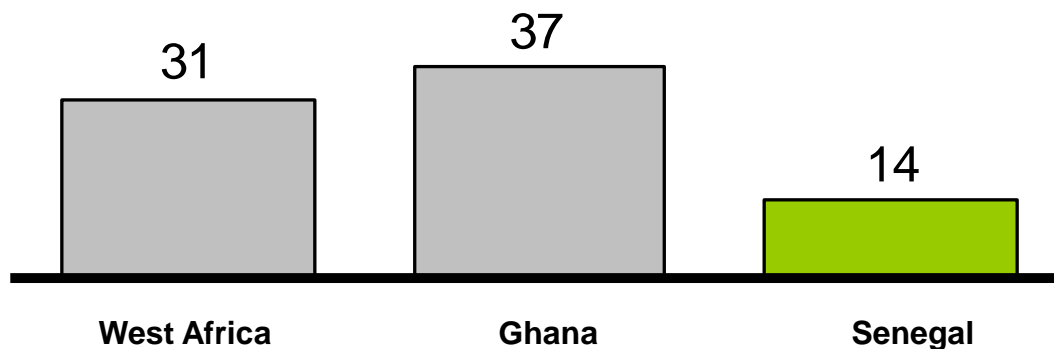
Country Context

- Geographically diverse area with wide range of climates and growing conditions
- Population: 13 million
- 1.8 million live in extreme poverty (<\$0.50/day)
- 65% of rural population and 58% of urban population live below poverty line
- 17% of children under-5 are underweight; 16% stunted; 7.6% wasted

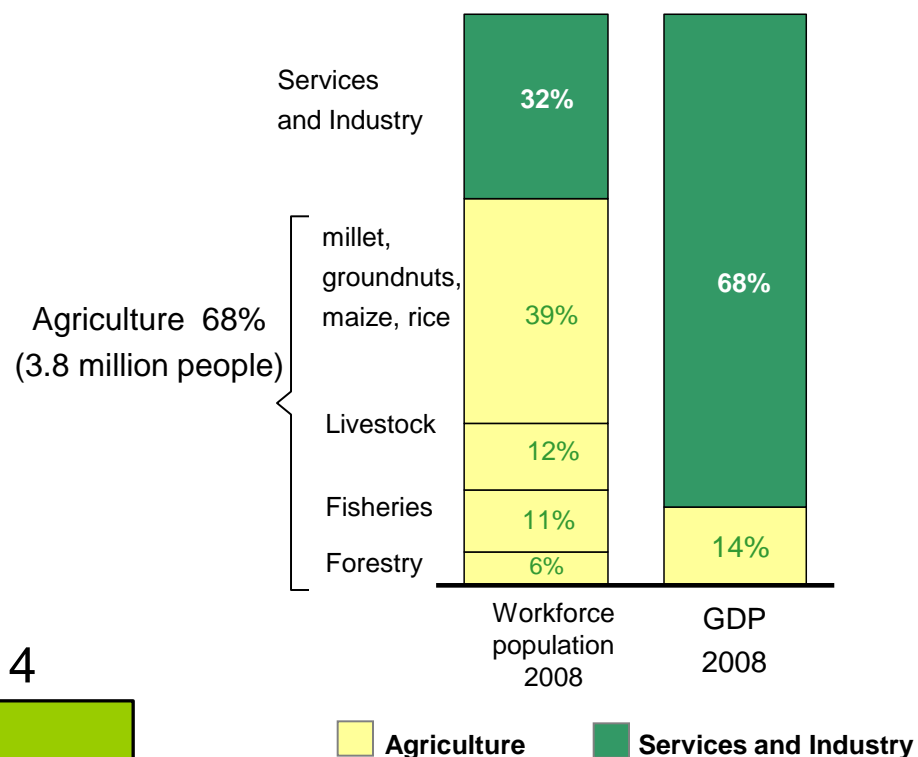
Agricultural Context

- Senegal's agriculture productivity is low compared to other countries in West Africa due to a lack of long-term vision & strategy for agriculture
- Due to geographic diversity, Senegal has no silver bullet value chains

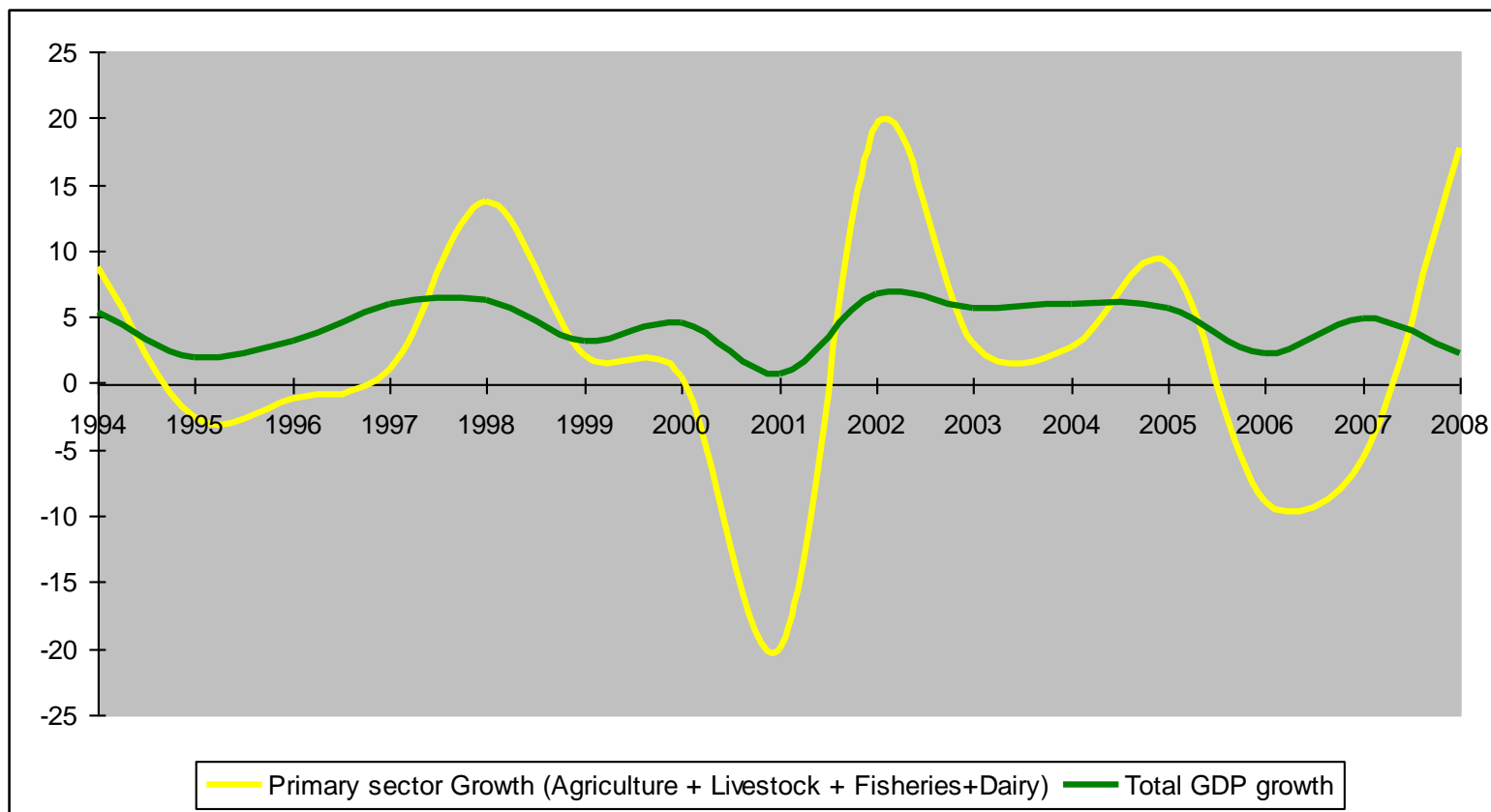
2008 Agriculture value-add share of GDP, %



2008 Agriculture workforce & contribution to GDP, %



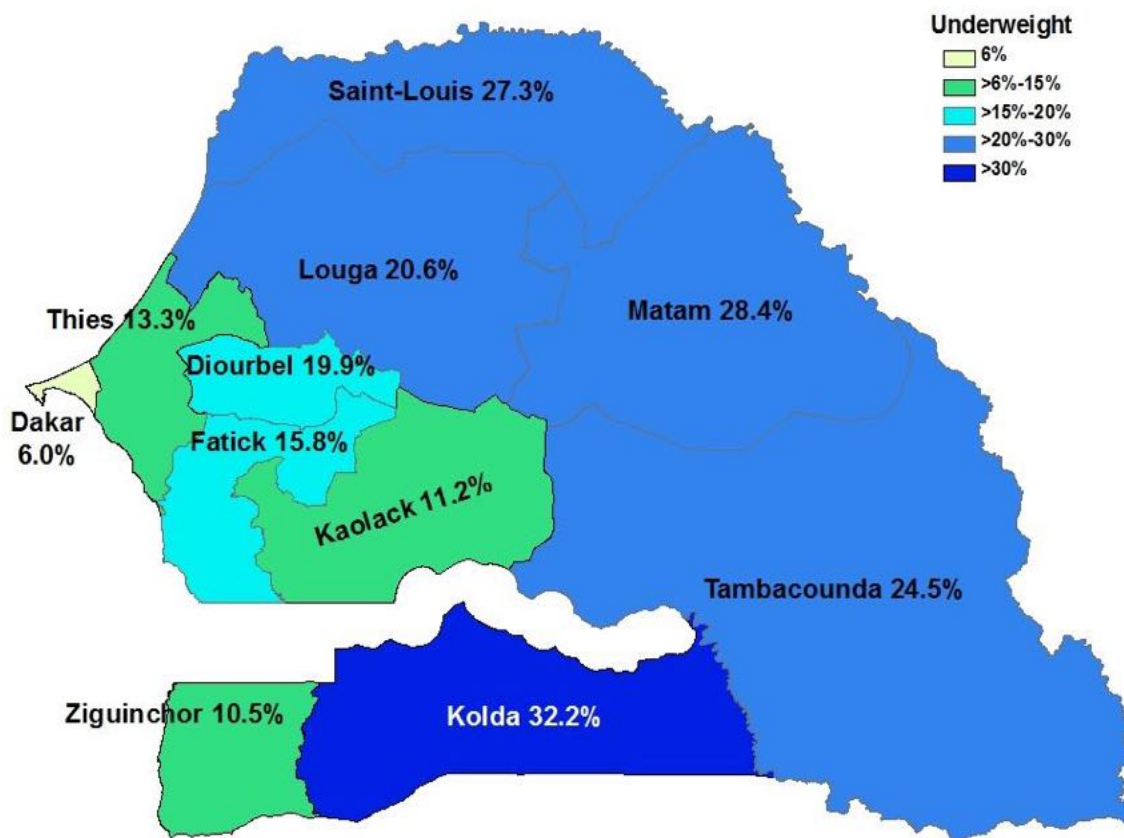
Agriculture sector growth is volatile and often negative. This sector's contribution to Senegal's overall GDP growth is marginal. Poor agriculture growth negatively affects GDP as evidenced by sharp decline in 2001 and 2006.



Nutrition Context

Senegal is characterized by **significant regional differences of underweight* prevalence**

For example, underweight prevalence in **Dakar is 6%**, while in **Kolda it is 32.2%**



Strategic Plans

- **GOS has finalized their AU NEPAD Country Investment Plan - *Plan National d'Investissement Agricole* (PNIA)**
 - National Health and Development Strategy
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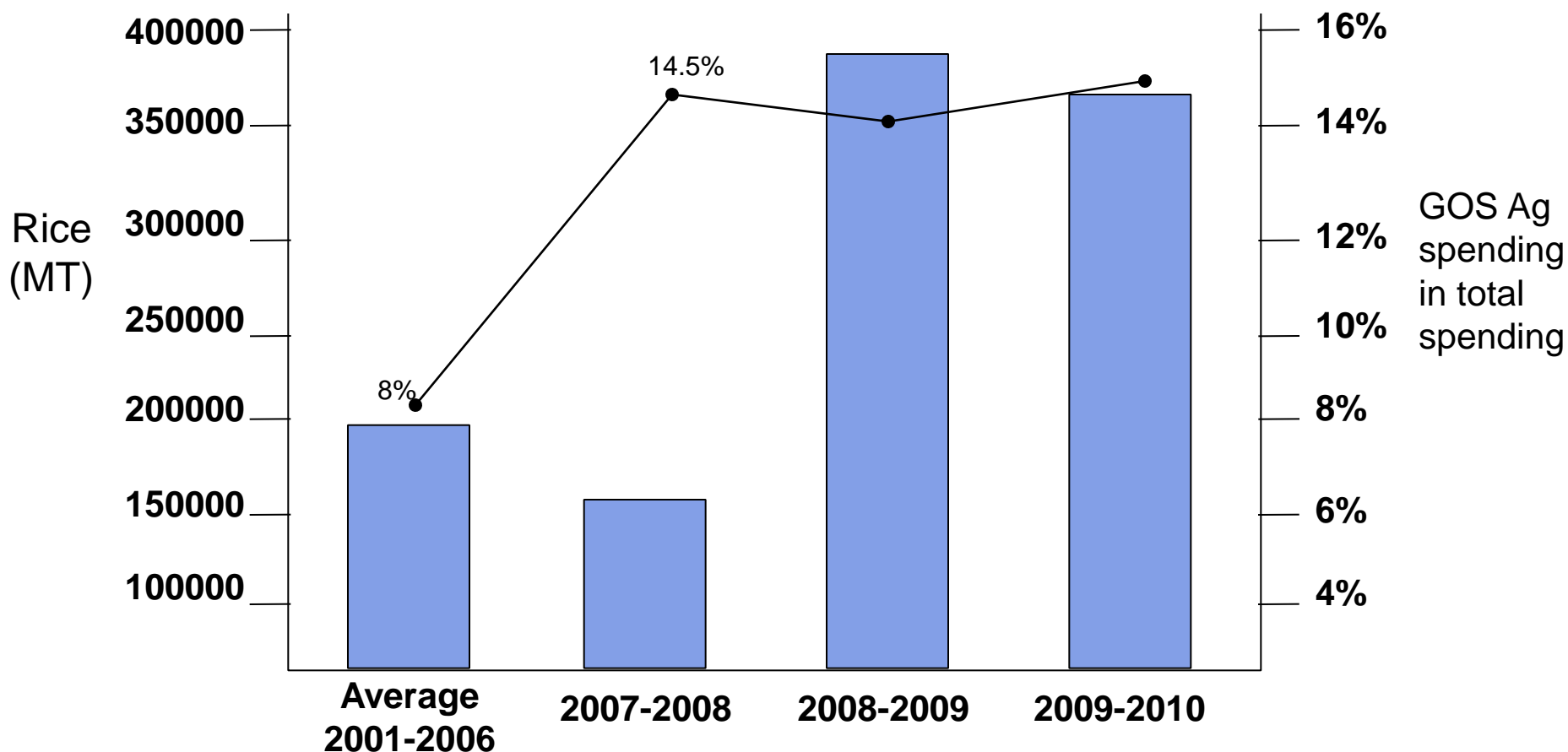
Governance and Stakeholder Outreach

- **Multi-sectoral Malnutrition Prevention Unit (*Cellule pour la Lutte Contre la Malnutrition*) created in 2001 at Prime Minister's level to define and coordinate nutrition policy.**
 - Prime Minister Office level coordination of PNIA has been established and working closely with Agriculture Donors Working Group.
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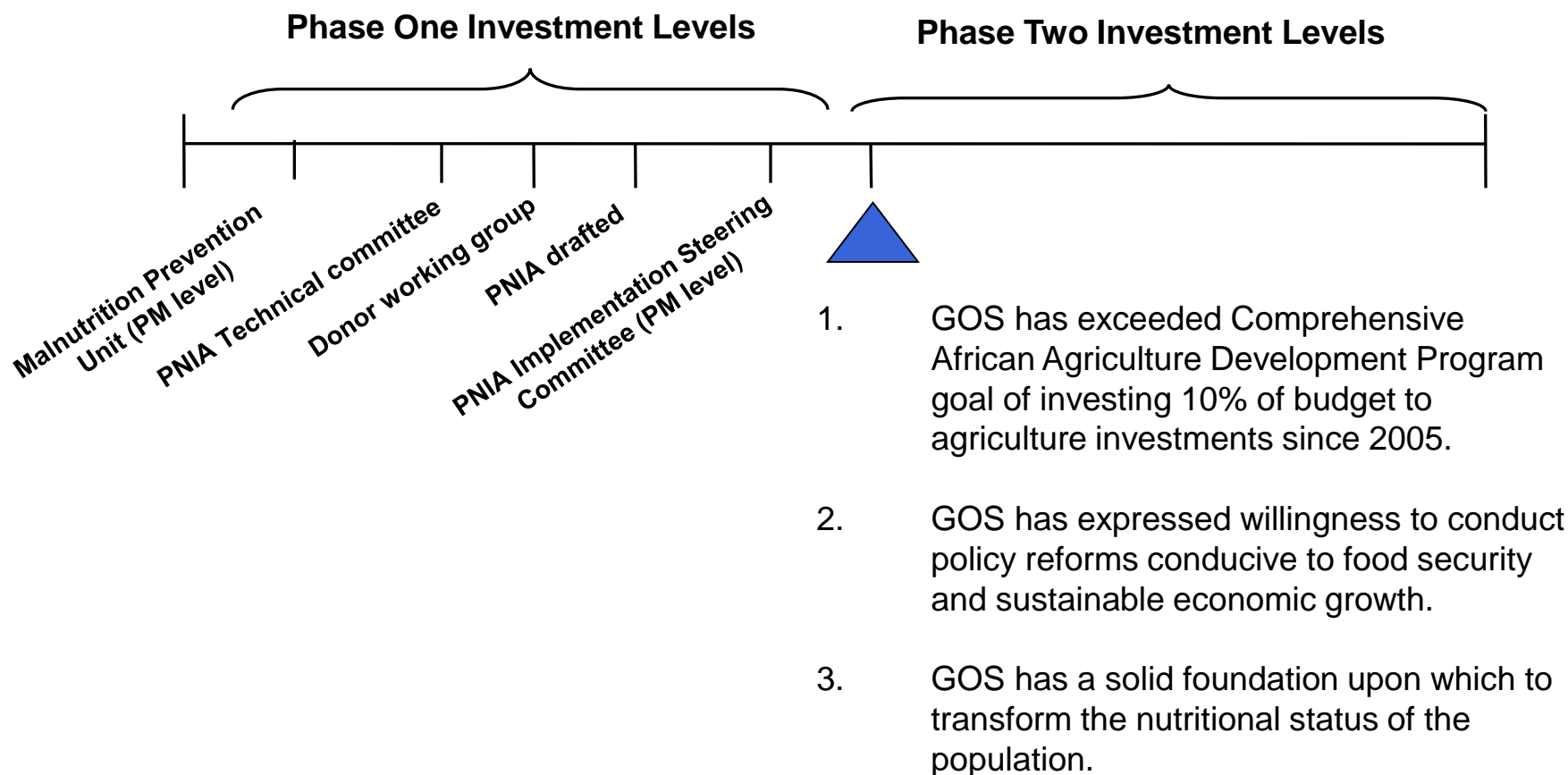
Conducive Environment

- **GOS has exceeded Comprehensive African Agriculture Development Program goal of investing 10% of budget to agriculture investments since 2005.**
- Successful national nutrition program covering 50% of the country

GOS has been investing above CAADP target since 2005



Senegal is ready for transformative development via the Feed the Future Initiative



Which country-priority interventions have the greatest potential for USG investment to address the problem?

Potential for USG Investment

GOS's PNIA Target for Prioritized Commodities

**Commodities
are equally
prioritized by
GOS.**

Other commodities:
Cotton, Fonio,
Jatropha, fisheries
and livestock
products

| | Avg 2004-08, baseline | | 2015 target | |
|------------------|-----------------------|--------------------------|-------------------|--------------------------|
| | Yield Tons/ Ha | Production Tons; '000 | Yield Tons/ Ha | Production Tons; '000 |
| Groundnut | 782 | 566 | 1.2 | 1200 |
| Cow pea | 292 | 65 | 730 | 210 |
| Cassava | 7.4 | 406 | 13.9 | 500 |
| Millet | 648 | 484 | 818 | 1000 |
| Sorghum | 831 | 149 | n/a | 375 |
| Maize | 1.1 | 307 | 6.1 | 1000 |
| Rice* | 2.6 | 255 | n/a | 800 |
| Banana | n/a | 20 | n/a | 42 |
| Onion | n/a | 142 | n/a | 175 |
| Potatoes | n/a | 5 | n/a | 50 |
| Bissap | 1.3 | 607 | n/a | 3685 |

* Rice yields include both irrigated and rain fed. Irrigated rice yields avg 6.2.

Potential for USG Investment

USG Comparative Advantage

- **Value Chain Approach:** USAID/Senegal has successful history of enhancing value chain efficiencies, which is being replicated by other donors
- **Policy Dialogue**
 - USAID leading 2 donor working groups
 1. Private Sector
 2. Rural Development and Food Security
 - USG is **key partner** in finalizing GOS policy strategies including PNIA & National Health Strategy
- USG is reputed for supporting **seed technology research**
- USG is largest & most consistent donor in health sector, especially for **community-based programming**
- USAID has **strong capacity building** advantage evidenced by US-trained leadership throughout the agriculture system

Current Donor Presence Across Elements of Agriculture Value Chains

Cross Cutting elements

Policy framework

- Price controls, contract law, business enablement, land tenure



Infrastructure

- Primary & feeder roads
- Irrigation, water management
- Electricity
- Post-harvest



Standards and Regulations

- Training: food safety, residue levels
- Consistency with WTO

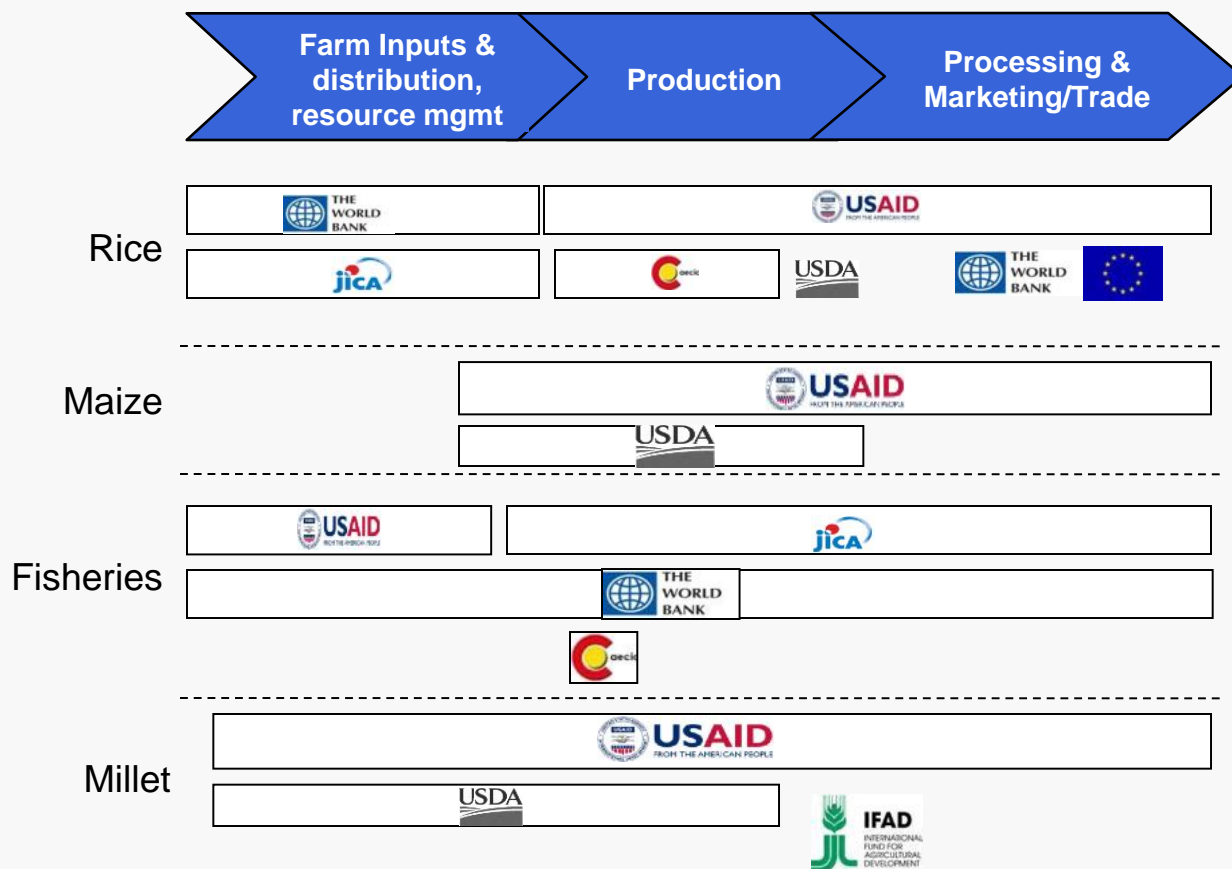


Financing

- Credit guarantees, loans, working capital



Value chain



USAID/Senegal Proposed Five-year Strategy

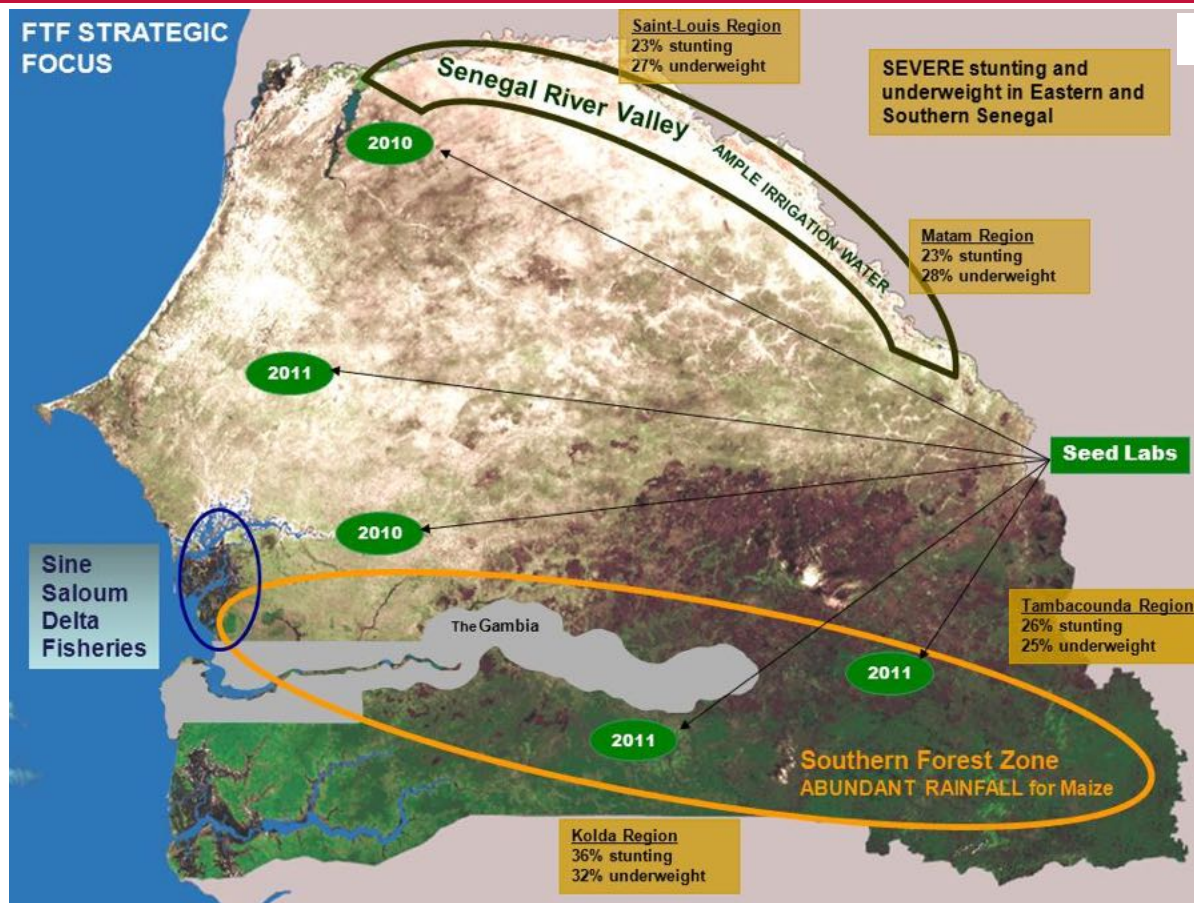
1. Increase productivity & market linkages focused in rice, maize, millet & fisheries
2. Bring to scale Essential Nutrition Actions*
3. Enhance policy reform
4. Improve rural infrastructure
5. Build human resource capacity

* 7 high-impact internationally acknowledged maternal and child health interventions that improve nutrition and reduce maternal and child mortality



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FROM THE AMERICAN PEOPLE

SEE
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CHANGE **FUTURE**



Senegal River Valley

Source of 97% of Senegal's irrigated rice
Under-utilized land and water resources
Proven demand and productivity potential
Supports gender, environment, & CIP goals

Seed Labs including Millet

Productivity Driver
Civil society/private sector link
Serves many Senegalese commodities

Southern Forest Zone

Source of 65% of maize
Potential breadbasket
Investment zone with high "multiplier" value

Sine Saloum Delta Fisheries

70% of dietary animal protein
Resource management
Policy reform

Alignment of the Feed the Future indicators to the 15 indicators the GOS will monitor and evaluate over the next 10 years:

| Government of Senegal CIP Indicators | FTF Indicators or Related Interventions |
|--|--|
| National poverty level | X |
| Percentage of vulnerable population or rural communities living in food insecurity | X |
| The rate of annual GDP growth attributable to agriculture disaggregated by crops, livestock, fisheries and forestry | X |
| External balance of agricultural trade in percentage of GDP | X |
| Increase in production levels and yields | X |
| Number of producer associations and extension agents trained | X |
| Share of agricultural processing by domestic agri-businesses | X |
| Number of hectares irrigated | |
| Increase in percentage of irrigated land amongst total land cultivated | |
| Number of kilometers of feeder roads or other infrastructure constructed or rehabilitated | X |
| Decrease in government subsidies to the agricultural sector | |
| Level of national food need coverage | X |
| The level of coverage of national food needs in cereals, milk, and meat | X |
| Level and value of increased milk and meat production | |

- 1: Increase productivity & market linkages
focused in rice, maize, millet & fisheries**

System-wide Transformation through Value Chain Interventions



Rice is Essential to Food Security & Economic Development

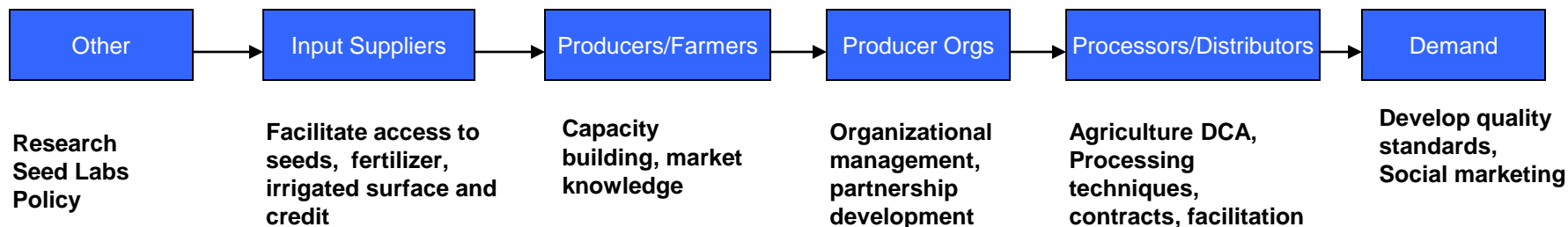
Context

- Rice comprises at least 45% of typical Senegalese diet
- Senegal is one of the largest consumers of rice in West Africa
- Senegal has achieved rice yields above that of other countries in the region, but irrigable land is under-utilized due to lack of investment
- Over 60,000 households (420,000 beneficiaries*) in rice production
- Women play a key role in rice value chain. FEPRODES, a women's organization, brings together thousands of women involved in rice seed development to gain better access to credit, technologies and trade opportunities. USAID rice interventions target this and other similar groups.

Goal

- Rice to arrive in the market place will be increased by 50% from 391,000 MT in 2009 to 600,000 MT by 2015
- Rice quality will meet standards for local demand as a result from USAID's post-harvest infrastructure interventions

Illustrative USAID Value Chain Intervention



*7 persons per household in River Valley region; FEPRODES – Federation de Productivite

Maize will Catalyze Value-Added Agricultural Processing

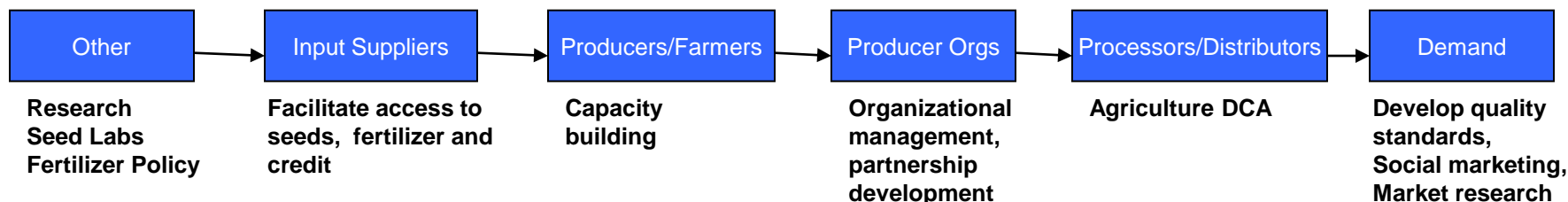
Context

- 350,000 MT produced in 2009; 46,400 households (325,000 beneficiaries*)
- There is a large and growing demand for maize in many sectors:
 - Poultry and livestock sectors - 65% of maize is used by the feed industry (3 main companies: NMA, Sentenac, GMD)
 - Culinary market - The national culinary powder market is 96,000 MT (20% distributed through 4 marketers: Jumbo, Maggi, Doli and Tem Tem)
 - Baby cereal market
 - Estimated market demand of 91,000 MT** for corn flour fortified with cow peas (niebe) and peanut butter which is not currently being met at current production levels.
 - More sustainable feed industry will contribute to the modernization of the livestock industry which will lead to increased availability of protein and dairy products.

Goal

- Maize to arrive in the market place will be increased by 40% to reach 500,000MT by 2015
- Maize will reach quality standards of Senegal market through communications and value-added processing.

Illustrative USAID value chain interventions



Millet - a secondary focus value chain - is Critical to Food Security for Ultra-Poor

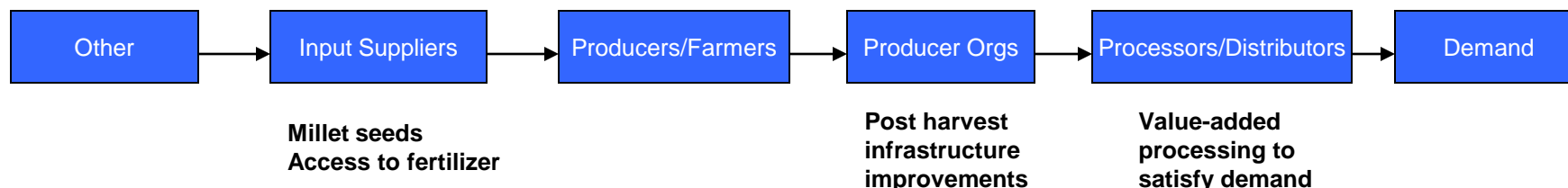
Context

- Millet is the most cultivated food produced in Senegal: 810,200 MT produced in 2009; 65,000 households (455,000 beneficiaries)
- IFAD and USDA are heavily involved in millet value chain.
- Current production does not meet current demand.

Goals

- Production will be increased by 35% (1M MT) by 2015;
- Small processors (mostly women) have better access to raw millet supply to link to major cereal processors/distributors (Jaboot, La Vivriere, etc.)

Illustrative USAID Interventions



Fisheries, a secondary area of focus, sustains livelihoods and nutrition

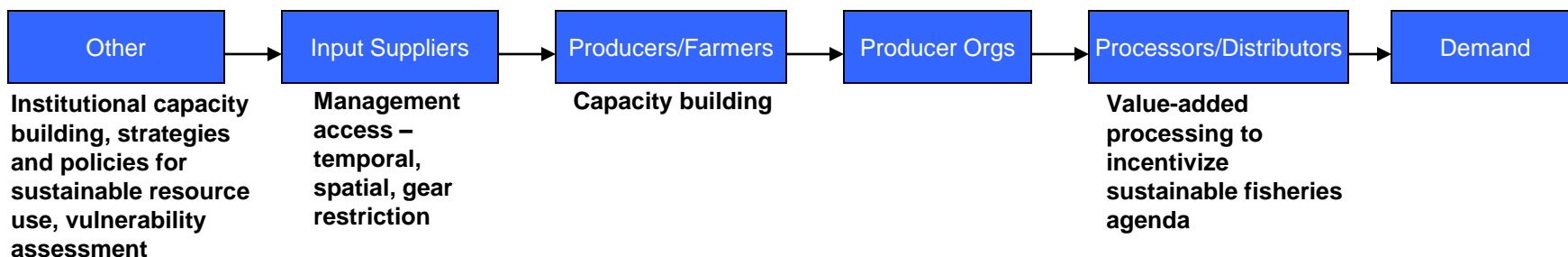
Context:

- The fisheries sector is a top export, and directly and indirectly employs 600,000 people (11% of total labor force)
- Fisheries provides the country with 47% of its total protein and 70% of its animal protein needs
- Many fish stocks are considered to be fully or over exploited
- Fisheries sector remains open access and fishing effort, particularly in the artisanal sector, continues to increase without control
- Total landings are approximately over 300,000 MT annually

Goal:

- Assist Senegal in the reform of their fisheries sector by strengthening many of the enabling conditions necessary for improved governance and demonstrating effective tools and approaches for ecosystem-based collaborative management of its marine fisheries.

USAID Interventions:



USAID's Contribution to Poverty Reduction

- Under the GOS PRSP III*, agriculture is considered to be the key driver for growth and poverty alleviation.
- In alignment with the PRSP III, the Feed the Future strategy will contribute to the reduction of poverty by 1.4 million people**.

*The Social and Economic Policy Document (DEPS) is equivalent to PRSP-III

**Estimation: Baseline scenario is 5% growth in accordance with the GOS PRSP III (2.5% annual growth of population; GDP per capita growth will thus be 2.5%); Gini co-efficient remains stable, thus poverty reduction from 2011 to 2015 will be 12.5%, or 1.4 million people.

2: Bring to scale Essential Nutrition Actions and embed nutrition into the agriculture value chain approach

Description of USAID/Senegal Health Sector Program

Health system-wide transformation



Expansion of high impact nutrition interventions

Policy Level:

- Fortification **policy framework** and regulations
- Supporting a multi-sector food security agenda

Clinical Level:

- Health **human resources capacity building** strengthening linkages between clinical & community services

Community Level:

- **Over 2000 community level health and nutrition service delivery points** nationwide provide integrated services and education (maternal and child health, nutrition, malaria, TB, neglected tropical diseases, and hygiene)

Communication:

- **Information, education and behavior change communication**
- Promoting of **healthy lifestyles** and **products** that support improved nutrition

Essential Nutrition Actions (ENA)

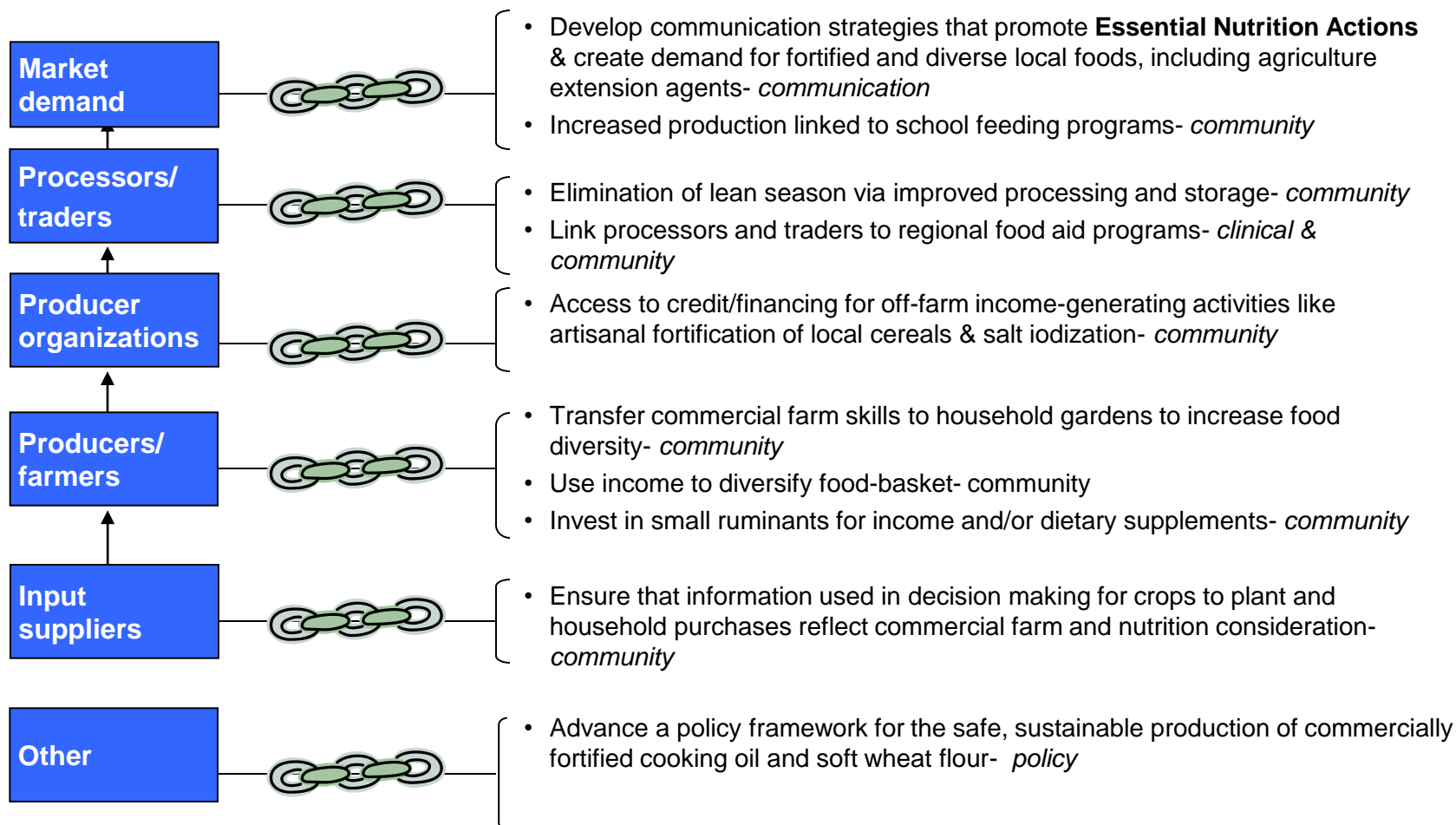
1. Exclusive Breastfeeding
2. Appropriate complementary feeding
3. Appropriate nutritional care of sick children
4. Maternal Nutrition including malaria prevention
5. Control of Vitamin A Deficiency
6. Integrated control of anemia
7. Use of iodized salt



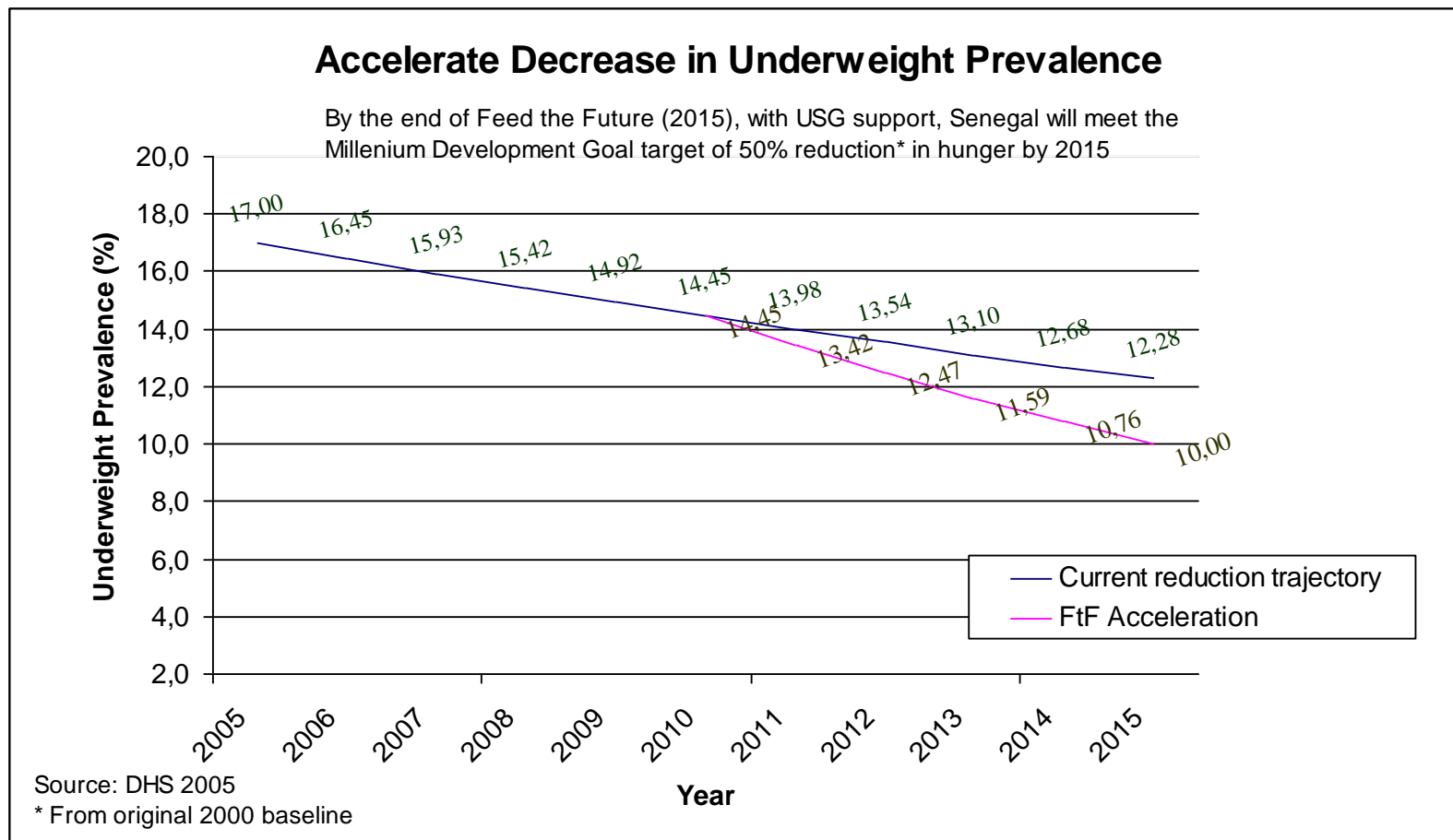
Nationwide impact:
1,600,000 women and children under-five in 14 regions will be reached

Embedding Nutrition into the Value Chain Approach

Value chain model illustrative examples: making the linkages



Feed the Future is Expected to Double the Current Rate of Reduction in Under-Weight Prevalence



FtF acceleration based on the doubling the amount of nutrition interventions, thus the rate of reduction is twice that of doing business as usual.

3: Enhanced policy reform

- Business environment
- Policy coordination and M&E

Policy Reforms (Business Environment, Coordination and M&E)

- Move towards a market-based agriculture by fully implementing 2004 agriculture law.
- Reform subsidies to more accurately target low income producers and avoid distortion of production decisions.
- Improve regional cross-border trade by reducing the number of controls on Dakar-Bamako trade transport corridor, and promoting a fluid border crossing for trade.
- On an ongoing basis, in conjunction with ECOWAS and the West Africa Trade Hub, promote reduction of regional barriers to trade, including implementation of SPS protocols, regional seed catalogues, removal of certificate of origin requirements and associated duties, and removal of export bans.
- Promote agriculture sector access to financial services by encouraging stakeholder led reform of the Agricultural Bank (CNCAS) to instill confidence in investors.
- Leverage development funding toward land policy reform and convene a high-level forum to begin building political consensus around the issue of land reform (legal as well as institutional).
- Support the development of a community health policy.
- Formalize food fortification policy framework and regulations.

4: Improved rural infrastructure

- Build and rehabilitate feeder roads connecting agriculture production to markets
- Improve environment of post-harvest operations
- Improve access to GOS health facilities

5: Increased human resource capacities for sustainability

- Increase capacity in higher education agriculture and research
- Strengthen human resource capacity across public and private sectors
- Use business incubator approach to encourage entrepreneurship and increase management capacities
- Reinforce GOS health facilities' personnel capacity targeting appropriate nutrition counseling for women
- Strengthen the supervisory and referral linkages between health facilities and communities for improved management of under-nourished children

Approach to Achieve Feed the Future Objectives

1

Drive productivity and market linkages through technology, infrastructure, and reinforced environment for private sector growth; scale up 2 value chains to focus on geographic zones that help ensure food security and combat poverty

2

Sustainably reduce under-nutrition and poverty by creating synergies between nutrition and agriculture.

3

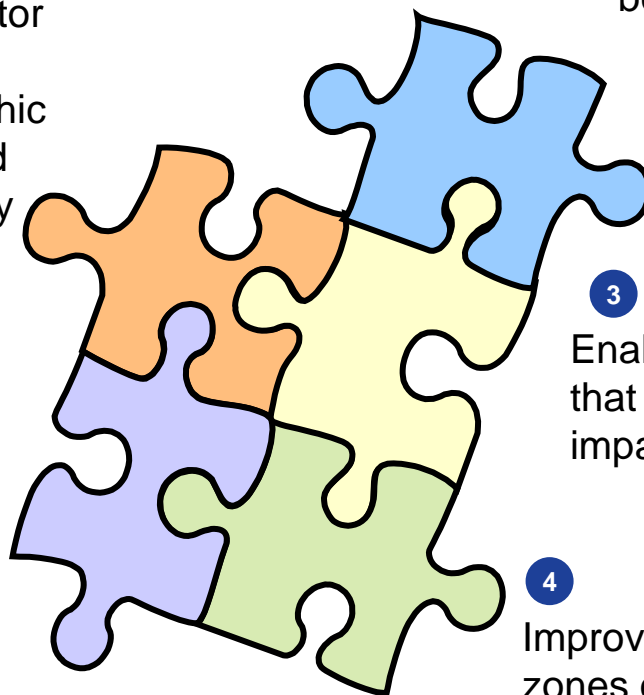
Enable policy environment to ensure that investments achieve desired impacts; scale up agriculture reforms

4

Improve rural infrastructure in zones of agriculture-driven economic growth to magnify impact of stakeholder investments

5

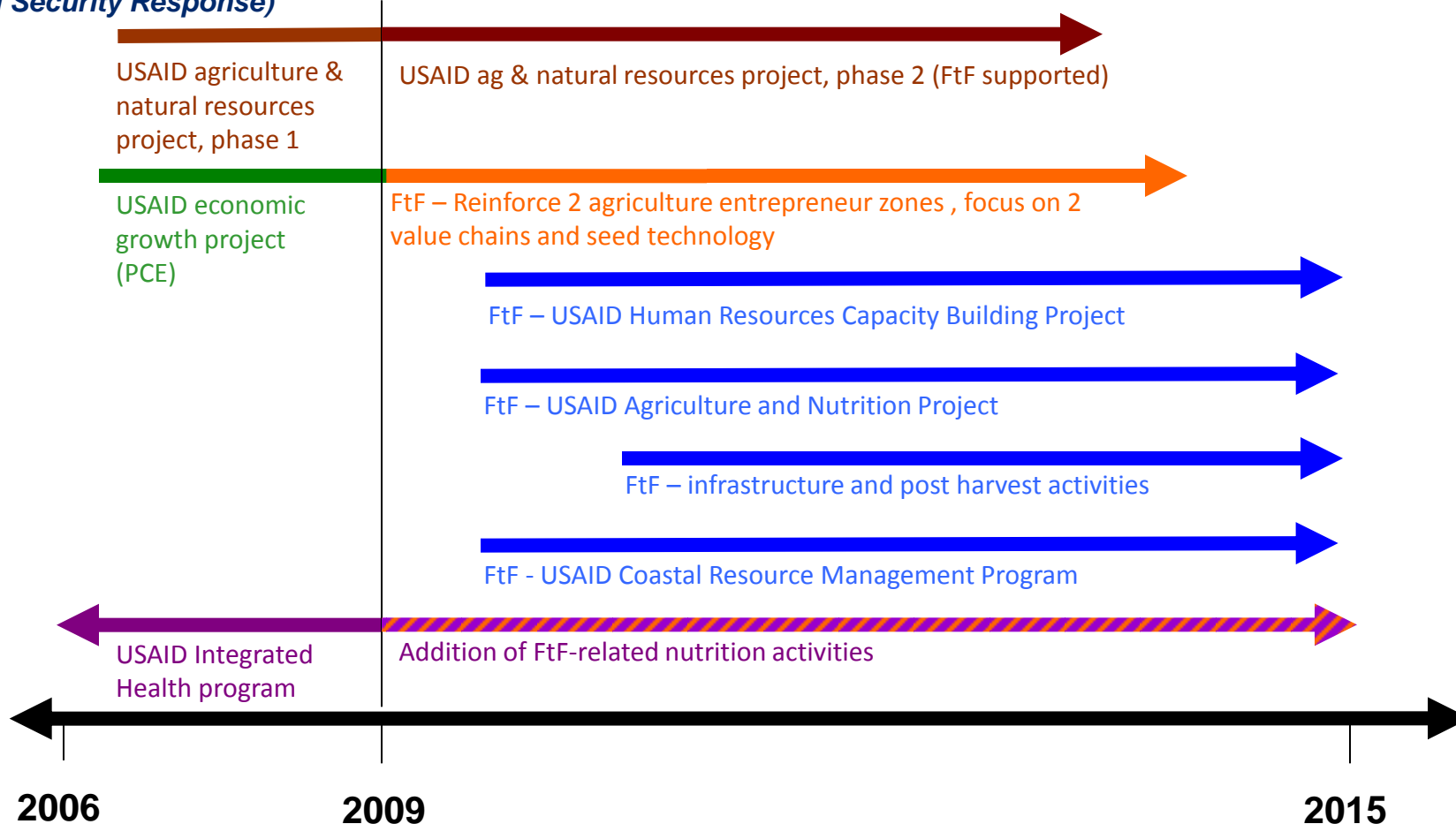
Build private and public sector entrepreneurial capacity; bring to scale what works and modify what doesn't



Evolution of Feed the Future Programming

Previous programming: build-up to Feed the Future (Global Food Security Response)

Beginning of Feed the Future (Global Food Security Initiative)



Completed and/or Ongoing Assessments and Studies

Studies have informed FtF strategy choices and will continue to inform programming decisions

Completed

- Gender Assessment
- Women in Agriculture Assessment
- Competitiveness Report
- Local Organization Operation Environment Report
- Rice Value Chain Study
- Maize Value Chain Study
- Millet Value Chain Study
- AGCLIR Action Plan
- US/Brazil funded bio-fuel commercial viability study
- World Food Program Vulnerability Mapping

Ongoing

- World Food Program Vulnerability Mapping
- Poverty Profile
- PRSP III
- Demographic and Health Survey
- Other USGS Studies, eg. Land Use Mapping
- GOS Agriculture Census
- Agriculture Sector Capacity Assessment
- Ministry of Agriculture Institutional Capacity Assessment
- Maize & millet product line study
- Domestic Cost Resources (DCR), value chain competitiveness
- Cost-Benefit Analysis to define policy choices in fertilizer subsidies and distribution
- Socio-economic Analysis to define the impact of FTF activities
- Climate Change Vulnerability Assessment on FTF activities

Gender

- Both men and women play a major role in agriculture in Senegal. USAID/Senegal will take a gender inclusive approach to agriculture interventions in the rice value chain and where appropriate, other commodities such as maize, millet, horticulture and fisheries.
- Gender equity integration:
 - address family involvement as part of nutrition sensitization, especially men
 - collect gender-disaggregated data
 - advance equitable land tenure policies
 - target female seed developers through training and access to credit
 - support rural women's advancement in processing, bulking, sorting, and transport opportunities
- USAID/Senegal will specifically target under-nutrition activities to women of reproductive age.

Anticipated Impact

| Illustrative Indicators— non-exhaustive list | Aspiration | Baseline 2010 | 2015 |
|--|---|--|-----------------------------|
| Rice: Increased volume of domestic rice marketed | Increase demand for domestic rice consumption by 50% | 200,000 MT | 300,000 MT |
| Maize: Increased value of production | Increase production of maize | 350,000 MT | 500,000 MT |
| Millet: Increase production to serve current processors and market demand | Increase production of millet by 35% | 810,200 MT | 1.2m MT |
| Fisheries: Number of hectares under fisheries management plans | 20,000 households benefitting from improved management plans | 0 ha under USAID-supported management plan | 400,000 ha |
| Capacity building & market development: Reinforce agriculture institutions | Reinforce 4 institutions in agriculture higher education | 1 institution | 12 institutions |
| Value of agriculture loans | Increase loan values to \$10million | \$1,500,000 | \$15,000,000 |
| Value of new private sector investment in the agriculture sector or food chain leveraged by FTF implementation | Increase private sector investment in agriculture to \$1.1M | \$0 | \$48M |
| Infrastructure: Increased number of feeder roads | Develop 184 km of feeder roads | 0 km | 184km of feeder roads built |
| Nutrition: Reduce prevalence of under-nutrition in children under 5 yrs old | Reduce prevalence of under-nutrition in children under 5 yrs old by 41% | 17%* prevalence of under-weight | 10% |
| Nutrition: Increase the percentage of infants 0-6 months that are exclusively breastfed | Double % of children exclusively breastfed | 34% infants (0-6 months) | 68% |

* Based on 2005 DHS; 2010 DHS data will be available in February 2011

Thank you

Merci

Jerejef