



Attachment 1: Project Document.

GOVERNMENT OF THE REPUBLIC OF SIERRA LEONE

OPERATION FEED THE NATION
(OFTN)

TOWARDS MAKING FARMING A PROFITABLE BUSINESS

**Food and Agriculture Organization,
United Nations Development Programme
and
Ministry of Agriculture and Food Security
Freetown
May 7th 2007**

UNDP/FAO/GOVERNMENT JOINT PROGRAMME

Project Title: Operation Feed The Nation

Project Symbol: UNDP/FAO/MAFS/SIL

Donor: UNDP/FAO/GOSL/Irish Aid

Duration: Eight months

Estimated Starting Date: May 2007

GOSL/Farmer/Contribution: US\$ 491, 511

FAO Contribution: US \$ 872, 000

UNDP Contribution: US \$ 397, 000

Total Funding: US \$ 1760,511

A. Background and Introduction

On assuming power in May 2002, the President of the Republic of Sierra Leone made a solemn pledge of doing everything humanly possible to ensure that no Sierra Leonean goes to bed hungry by 2007. This pledge was made against the background of the country having just gone through a bitter and devastating rebel war that completely destroyed the social, economic and political advancement of the country.

With the civil war now a thing of the past, the next major effort is to wage war on hunger, disease and poverty. According to the United Nations (UN) human development index Sierra Leone is ranked as the least developed for over four years now. The situation is of great concern as life expectancy stands at 35 years, under-five mortality (316/1,000 live births), maternal mortality (1,800/100,000 live births), per capita income (\$130 per annum), and adult literacy (36% of adults).

Varied efforts by both the Government and the international community are being vigorously pursued to attain better standards of living. The Food and Agriculture Organization (FAO) of the United Nations has been in the lead to champion the attainment of food security by the year 2007. Since the President's proclamation, upon the request of the Government of Sierra Leone (GOSL), FAO immediately sent out multidisciplinary missions that led to the following actions:

- preparation of interim policy statements on agriculture, fisheries and forestry;
- an in-depth review of the agriculture sector;
- establishment of the Right to Food Secretariat
- the implementation of the Farmer Field School (FFS) Programme.

Farmer Field Schools are an agricultural extension approach, originating from Indonesia in the late 1980s, that emphasizes adult learning based on innovative, participatory and interactive learning approach among farming groups through trials, enquiries and investigations as a way to identify the most profitable and appropriate cultivation methods that fetch higher yields to the varied farming systems. In Sierra Leone the programme started in 2003 with funding from the United Nations Development Programme (UNDP) and FAO, with the Government of Germany coming on board in 2005. To date, a total of 1,465 farmer field schools have been established across the country. The Ministry of Agriculture and Food Security and NGOs in collaboration with FAO are currently using the FFS as an extension approach through which food security can be attained in Sierra Leone. It is being used as a means by which farmers can be mobilized, made to acquire new skills and knowledge in production and marketing through field participation and experimentation. As the FFS is a community-based activity, it is the core of the proposed programme. The program activities are based on the commodity value chain approach which links production, marketing and consumption that opens the way for increased productivity and better living standards.

In the same vein UNDP is actively supporting the Government of Sierra Leone and civil society in the development and implementation of a policy of decentralisation and the establishment of elected local government after a lapse of 32 years. Since the elections, UNDP's focus has been on supporting the devolution of services from central to local government, on promoting local resource mobilization and on integrating the principles of Transparency, Accountability and Participation (TAP) into local service delivery. The Local Government Act mandates significant fiscal and functional decentralization of government services like agricultural extension, support to forestry and fisheries activities; feeder roads; water and sanitation etc.

Pilot initiatives have been designed in key sectors to help “jump start” the institutional process of devolution, and to help create some early opportunities for citizen involvement in local governance. In 2005, the most comprehensive activity in this area was to support the decentralisation of agricultural services. Through this support to the ministry of Agriculture and Food Security, farmers were trained to do farming as a business, farm in groups, increase their acreage and pay community contributions to Local Councils. To date a total of 700 ABUs each comprising of 400 members has been established across the country.

Efforts towards food security are beginning to bear fruit as the recently launched Food Security, Farm Production, Health and Nutrition survey for 2005 conducted by WFP/UNDP/UNICEF/WHO/FAO and the Ministries of Agriculture and Food Security and Health and Sanitation shows a steady improvement in the attainment of food security. The report states that the area cultivated to rice, which is the staple food, increased from 329,151 Ha to 517,189 Ha in 2003/04 and 2004/05 cropping seasons respectively, giving a 57.1 % increase. Total paddy produced increased from 445,033 Mt in 2003/04 to 526,618 Mt in 2004/05 cropping season giving an 18.3 % additional production. Similarly cassava production recorded an 85% increase in 2004/ 05 when compared to 2003/04 farming season. Total cassava production was estimated at 900,631 Mt in 2004/05. Sweet potato was estimated at 153,196 Mt in 2004/05 compared to 28446 Mt in 2003/04. Overall, there had been a substantial production increase of 50.2% for all the major food crops since the year 2002. It is estimated that about 40% of this increase could be attributed to the gains of the ABUs and OFTN.

Regrettably, over 30% of the harvest is lost through post harvest activities such as processing, preservation and storage. Huge quantities of perishable crops are seen to rot during the harvest period due to the lack of ready markets and improper post harvest facilities. The lack of post harvest facilities further compounds farmers’ inability to realize an appreciable income from the value added. The increase in production has not been accompanied by better post harvest assistance and by appropriate modernization of the processing. The recent food security survey states that only 4% of the households have access to rice mills amidst the fact that rice is the staple and most important crop. The report further states that only 18% and 14% of all households do have access to drying floors and grain stores respectively.

Marketing activities are conducted either at the farm gate or at village/periodic markets. In some cases, especially during the hunger period July – September, farmers are lured into selling part of the expected harvest to the middlemen at meager prices before the actual harvest. There are no established marketing institutions with the sole responsibility of procuring food items from the farmers. The road condition is very deplorable during the rainy season, which makes transportation cost quite exorbitant. The situation denies the farmers of the actual market prices that would earn them maximum profit.

Furthermore, the lack of capital is considered as a major problem confronting farmers to overcome food insecurity. Financial institutions often charge 25-40% interest rate on loans, which seems quite high for small-scale farmers. Besides, they often request for collateral, which the poor farmers do not have. Accessibility to these institutions is also difficult as they are located in big towns far away from the farming villages. The above condition seriously increases the production costs and reduces the chances of increasing the areas of production. Micro credit is needed to procure production inputs, hire tractor services or labour for much larger acreage cultivation.

Above all the management of the limited human and physical resources to overcome hunger is seen by many as the underlying factor undermining the full attainment of food security. Farmers often do not plan the kind of agricultural enterprises they want to undertake nor do they determine the profitability of these businesses. For many farmers, farming is considered as a way of life and as such cannot think of ways of improving upon it. They continue to practice subsistence agriculture just to get their basic food items and the surplus, if any, to sell to satisfy other basic needs. The attitude and outlook of the farmers need to be dramatically changed if commercializing agriculture is to succeed and give benefits to farmers.

The need to combat these problems in overcoming food insecurity should not be over emphasized. Often and again farmers get frustrated as a result of the break in the production to marketing chain. The attainment of food security can only be possible if there is a corresponding assistance to farmers in the areas of post harvest losses, micro credit facilities, marketing and business skills development of farmers. The absence of these facilities is a disincentive to farmers to produce, as they will continue to incur huge loss from the farm work. It is against this background that making farming a profitable business project is being put together for funding to enhance increased farm productivity and the attainment of food security.

A merger of the ABUs and the FFS members is seen as a step in the right direction to support the food security drive. Both projects intend to improve the capacities of farmers with FFS looking at the production, processing on to the marketing aspects while the ABUs build the financial and managerial skills. The merger would move the farming groups from subsistence level of production to commercial farming and secure a better standard of living in the various rural communities.

B. Project Rationale/Justification

1. Problem to be addressed; the present situation

As stated in the above background/introduction, with the war now a thing of the past in Sierra Leone, the next target is the complete eradication of hunger, poverty and disease. This objective is in line with the President's pledge, which read as follows:

‘Fellow Sierra Leoneans, my own principal objective in the second leg of our journey together is also centered on a basic right – the right to food.

So, today, with the mandate you have given me, I shall make another pledge. This time I pledge to work even harder, and with greater resolve, to do everything in my power, to ensure that within the next five years, no Sierra Leonean should go to bed hungry`.

This objective is also true for the Poverty Reduction Strategy Paper pillar 2 and the United Nations Millennium Development Goals that are aimed at improving the quality of life of the rural poor. The proposed programme is geared towards addressing the current problems that are seriously hindering the attainment of household food security. The programme would create the enabling environment for all institutions having similar objectives to come onboard to jointly fight the eradication of hunger and poverty.

As reported earlier, there has been a significant increase in food crop production by over 50% since 2002. But the problem of post harvest losses and lack of market and credit facilities is grossly undermining the achievements gained. For most of the food crops harvested, a lot of

losses are experienced either from the lack of post harvest facilities or ready market that denies the peasant farmers the much-needed resources. Similarly for those crops that are marketed, very poor prices are offered as the farmers often face the problem of high transportation costs and low bargaining power. In addition, it will require a number of days to carry out the marketing of the crops, which the farmers cannot afford. To further compound these problems is the lack of credit facilities, which prevents small farmers from undertaking large scale food crops production to benefit from economies of scale and fetch larger harvests and incomes that would significantly contribute to their socio-economic advancement.

Besides all of these is the stark reality that small-scale farmers do not look at farming as a business but as a way of life just to get their daily bread. This is quite disturbing and unprogressive as they will never endeavour to produce above the household needs to tap an appreciable income and live a better life. Prior planning of the agricultural enterprises are never carried out nor profitability analysis done to determine the returns on their farming activities. As such, farmers are notorious in misusing their harvests because they either always underestimate their food needs or over estimate the harvest and therefore always run short of food, especially during the rainy season.

Without the solid foundation of ensuring adequate food supplies the year round, all other development aspirations would not be achieved. This is particularly true for a developing country like Sierra Leone where over 60% of the population are farmers and depend on agriculture as a means of livelihood.

2. Expected end of project situation and sustainability of project results

As the year 2007 is the target period as proclaimed by the President, to ensure that no Sierra Leonean goes to bed hungry, the programme would create the unique opportunity of using the available limited resources from various sources over the next eight months, to meet this avowed goal. It is expected that the farmers' technical capacity base in terms of cultivating crops or rearing livestock would have been improved upon; material resources, which are highly lacking made available to address the post harvest and marketing issues; capital mobilization enhanced both from within and outside to build up the self-reliant capacities of the farming communities and managerial skills of farmers upgraded to efficiently use both the physical and human resources to achieve food security. The ABUs and the FFS will work together and get integrated as one body of highly capacitated farmers and the networks consolidated with market options. Farmers would first acquire production skills through the FFS process and on graduation supported to establish ABUs for the eventual attainment of food security

These actions and outcomes will create employment opportunities and result in increased availability and use of nutritious diversified food supplies and income levels. It is expected that the problems hindering farmers to attain food security would be vigorously pursued and overcome for the full attainment of food self-sufficiency.

3. Target Beneficiaries

The direct beneficiaries are those impoverished members of the 1,465 farmer field schools and 32 ABUs who have received prior assistance from FAO and UNDP. The 12 500 farmers from the ABUs will receive training in the FFS process while the entire 36 625 farmers will receive entrepreneurship training and both mobilized for large-scale agricultural production. Subsequently the programme will be up scaled to cover the 500 farm families in the country.

Indirect beneficiaries will be those from neighbouring villages who stand to benefit from this intervention and include colleague farmers, teachers, children and the general public. Additional people will include transporters, market women and non-farmers who will be involved in the food chain.

4. Project Strategy

The strategy for deepening of the FFS Operation Feed The Nation (OFTN) and the Agricultural Business Units (ABUs) is based on the old Chinese proverb, which states that if you teach a man how to fish and provide him with fishing gears, he will learn to live forever. As farmers graduate from the FFS they would like to put into practice, on a larger scale, what they have learnt and be in a position to drive away chronic hunger and poverty. In the same vein the ABU farmers who did not get the opportunity of participating in FFS activities will need to be brought on board to improve upon the production/marketing skills. This can only be accomplished by providing them access to the necessary production inputs (through farm grant or credit) and post harvest on to marketing facilities, coupled with good financial and managerial ability. The proposed solution is to empower farmers through the FFS and later work together as ABUs to expand on food production, processing and marketing to maximize profit and income.

The situation requires a multifaceted approach of all relevant stakeholders committed to the attainment of food security. It will include strengthening networking and linkages between Ministry of Agriculture and Food Security, Education and Health, Non Governmental Organizations (NGOs), United Nations agencies, National Agricultural Research Coordinating Council (NARCC), Institute of Agricultural Research (IAR), Rice Research Station (RRS) and Donors to ensure complementarity and reduce duplication of efforts.

The aim of this project is to re-orientate resource poor small-scale farmers that they need to work together in groups, start up with limited resources under good management conditions to undertake food production activities and within two to three years grow to become market oriented farmers and later (five to ten years) large scale food producers. This therefore demands that farming must be treated as a business and should be run and managed like any other successful business where the motivating factor is to maximize profit. For such a situation to take place, the skills of rural farmers should be enhanced in the areas of production, finance, management and marketing. Once this is achieved then we would have placed the subsistent farmer in a sustained position to overcome hunger and poverty. It is in this perspective that the following activities are proposed in a holistic manner to address the issue of food insecurity. They include:

- Establish 500 FFS (12,500 farmers) with training provided by MAFS extension workers.
- Conduct ToT for 150 for extension workers in ABU formation, management enterprise development and marketing.
- Delivery of training in ABU formation, enterprise development and marketing, literacy and village savings scheme to farmers graduating from FFS.
- FFS open up accounts and maintains financial records
- FFS established and carry out farming as a business
- Procure and distribute processing equipment to farmers through district committees.
- Construct processing shed and drying floors
- Monitoring, supervision, loan recovery of equipment cost and auditing of business enterprise

Farm radio discussions will be organized in each district to further sensitize and mobilize farmers on pertinent issues affecting crop and livestock production. Market information will be broadcasted to farmers to keep them abreast with the prevailing situation.

5. Institutional arrangements and counterpart support capacity

The OFTN (Operation Feed the Nation) Unit of the Ministry of Agriculture and Food Security will implement the project in collaboration with FAO, UNDP, NGOs, Ministry of Trade and Industry (MTI), Ministry of Education, Science and Technology (MEST) and United Nations Industrial Development Organization (UNIDO). The OFTN National Coordinator will coordinate the activities of the project under the supervision of MAFS. A coordinating committee will be established at the national level by the OFTN Steering Committee in MAFS comprising all relevant stakeholders that meet regularly to guide the project activities. At district level, the project will be fully integrated with MAFS and MEST. Effective collaboration and cooperation will be established and strengthened with the District and Town/City Councils. Similarly, at the chiefdom level, the Paramount Chiefs and chiefdom elders will participate in the FFS process up to the ABU formation. The arrangement will be the same for Literacy programmes at the local level with MEST, District and Town/ City Councils and chiefdom elders.

6. Reasons for assistance from UNDP/FAO/ Government Collaborative Programme

The international community played a significant role during the brutal rebel war, providing humanitarian assistance to the internally displaced and refugee populations. The assistance provided included health, food aid, education, water and sanitation, child protection, shelter and agriculture. They also provided support to the disarmament, demobilization and reintegration (DDR) of ex-combatants that finally ushered in peace and tranquility in the country. Immense support also continued during the transition process to ensure that no civil conflict is erupted that will disrupt the gains achieved in consolidating the fragile peace.

FAO and UNDP have been in the lead to promote agriculture and socio-economic development across the country. They considered the President's pledge of combating hunger, poverty and disease as a genuine desire by the government to move forward the country to prosperity and are in line with the millennium development goals. The OFTN project is geared towards translating the vision of attaining food security into reality in which direction tremendous progress has been made. This project is meant to further push forward the aspirations of food security by engaging the farmers for a market-oriented production and laying the foundation for a national up scaling programme.

7. Coordination arrangements

The Ministry of Agriculture and Food Security will coordinate the project under the OFTN Unit. Proper linkage and networking will be sought with UN agencies, NGOs, government institutions and the private sector for complementarities and reduced duplication of efforts through a coordinating committee. The National Coordinator will collaborate and cooperate with all major stakeholders dedicated to ending hunger and poverty. At the national level a steering committee will provide the forum for sharing of information, reports and jointly take decisions to meet the

project targets. The coordination arrangements enable agencies to provide specialized services that each has strengths in, to ensure that the beneficiaries get the best. FAO and UNDP will help to facilitate proper coordination mechanisms through communication, meetings, assessments and reviews.

Similarly, at the district level a steering committee will be established for all stakeholders, including the district council and possible donors. The district steering committee will collaborate and cooperate with the ABU district committee on the implementation of activities at the field level. The ABUs formed at the ward level will liaise with the district committee for the smooth implementation of the project.

C. Development Objective

The program goal of Operation Feed the Nation is to expand the capacities of on-going and newly established Agricultural Business Units (ABUs) to significantly contribute to the attainment of food security in Sierra Leone and its consolidation for 2007. The focus of the program is to establish a continuous process from food production onto marketing on a sustained basis. This demands that the production, financial, marketing and managerial skills of farmers are greatly enhanced through provision of farmer training, coupled with processing, preservation, storage, farm grant and marketing facilities to the various ABUs through the ABU District Committees. Crop and livestock production and productivity will be increased and livelihood opportunities created for farmers and in particular women and youths to gain employment and earn appreciable income. The farm business project has four objectives.

D. Program Objectives, Outputs and Activities planned (2007)

Outputs	Activities
Objective 1: Establish 500 FFS from members of the Agricultural Business Units (ABUs). This will ensure that the productive capacities of ABU farmers are improved upon for increased food crop and livestock productivity.	
Output 1: Skills and knowledge for increased food crop and livestock production acquired by farmers.	Establish 500 FFS from ABU members with training provided by MAFS extension workers
	Train 100 farmer facilitators in FFS process for subsequent delivery of training to ABU members
	Conduct training in literacy and savings scheme and its establishment for ABU members graduating from FFS
Objective 2: Enhance the capacity of 733 farmer field schools and 150 extension workers through financial and managerial training to acquire entrepreneurship skills for actualizing farming as a business and maximizing profit.	
Output 2.1: Good farm and off farm enterprises established. Output 2.2: Skills in ABU formation, management enterprise development and marketing acquired by extension workers.	Conduct training of trainers for 100 farmer facilitators in small scale enterprise formation and development and literacy and savings scheme
	Farmer facilitators carry out training in enterprise development and literacy and savings scheme at FFS level
	FFS open up accounts and maintains financial records
	FFS establish and carry out farming as a business
	Monitoring, supervision and auditing of business enterprise
	Training of trainers for 150 extension workers in ABU formation, management enterprise development and marketing
Objective 3: Support 500 graduated FFS with post harvest and marketing facilities (through the district committees) on cost recovery bases to reduce losses and add value to attain sustainable livelihoods.	
Output 3: Food processing and marketing enhanced	Procure and distribute processing equipment to ABUs through district committees. Construct processing shed and drying floors
	Carry out the processing of food crops
	Value added attained for better prices
	Loan recovery of equipment cost

E. Risks

The major risk envisaged is the timely approval of the proposal and the disbursement of funds.

F. Prior Obligations and Prerequisites

The Government of Sierra Leone through the Ministry of Agriculture and Food Security will provide the following:

- Assign extension, drivers and secretariat staff at the national and district levels
- Ensure cooperation and coordination among the various stakeholders through meetings, field visits and reports
- UNDP through the Poverty and Human Development Unit, shall maintain an active management and monitoring role to ensure the success of the project.

G. Project Review, Reporting and Evaluation

All project activities will be reported upon and will include an inception report within one month of project take off and give details of the work plan, budget and end of project report highlighting activities undertaken, outputs achieved with recommendations and a financial report. Quarterly progress reports will be prepared and submitted. The end of project report will be prepared by the National Coordinator for subsequent submission to the FAO Representative for onward submission to UNDP, GOSL and FAO headquarter.

H. Budgets

A. Government Contribution in Kind/Cash

The Government of Sierra Leone will provide office space, warehouses, overhead costs and salaries of government assigned staff at the field level. The farmers too will provide the labour, land and local materials for the implementation of programmes. In kind GOSL and farmers contribution will amount US \$ 491, 511.

The breakdown is as follows:

GOSL Contribution -

- | | |
|--------------------------------------|----------------|
| ▪ Salaries for 150 extension workers | = US\$ 228 013 |
| ▪ Office/quarter space | = US\$ 6 000 |
| ▪ Ware houses | = US\$ 6 000 |
| ▪ Overhead costs | = US\$ 1 500 |

Sub Total = **US \$ 241, 513**

Farmers Contribution –

- | | |
|-------------------|----------------|
| ▪ Land | = US\$ 166 666 |
| ▪ Labour | = US\$ 66 666 |
| ▪ Local materials | = US\$ 16 666 |

Sub Total = **US \$ 249, 998**

B. FAO contribution

Italian Trust Fund expected by October 2007 = US\$ 500 000

South South cooperation involving 18 Chinese experts = US\$ 372 000

Sub Total = US\$ 872,000

C. UNDP Contribution (in US dollars)

No.	Component Description	Amount (US \$)
	<i>Training</i>	
1	Training of farmers consisting of 500 FFS at US \$ 300/FFS	150 000
	Training of 150 MAFS staff and 300 farmer facilitators in ABU formation, financial management, literacy and village Osavings scheme	20 000
	Delivery of financial management, literacy, loan and savings scheme to 700 FFS	34 000
	<i>Travel</i>	
	Duty travel for staff	10 000
	<i>Non expendable equipment</i>	
	Assorted processing, transportation, marketing equipment/facilities	150 000
	<i>General operating expenses</i>	
	Operational and field level costs	10 000
	<i>Consultants</i>	
	National Project Coordinator at US\$ 1,500/month for 4 months	6 000
	National Consultant for post harvest, marketing and enterprise development at US\$ 1,500/month for 4 months	6 000
	National Facilitator at US\$ 1,000/month for 4 months	4 000
	<i>Contracts</i>	
	Weekly/monthly district level farm news broadcast	5 000
	<i>Monitoring</i>	
	Supervisory visits by National Extension Coordinator at US \$ 500/month	2 000
	GRAND TOTAL	397 000