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AL-MANAR

Issue (139) - October 2020



WORLD
FOOD
DAY

OCTOBER 16

**Providing food in times of disasters:
Lessons learned from IsDB Group**

CORPORATE PROFILE

THE ISLAMIC DEVELOPMENT BANK

ESTABLISHMENT

The Islamic Development Bank (IsDB) is an international financial institution established pursuant to Articles of Agreement signed at the city of Jeddah, Kingdom of Saudi Arabia, on 21st Rajab 1394H, corresponding to 12 August 1974. The Inaugural Meeting of the Board of Governors took place in Rajab 1395H (July 1975) and the IsDB formally began operations on 15 Shawwal 1395H (20 October 1975).

VISION

By the year 1440H, the Islamic Development Bank will have become a world-class development bank, inspired by Islamic principles, that has helped significantly transform the landscape of comprehensive human development in the Muslim world and helped restore its dignity.

MISSION

To promote comprehensive human development, with a focus on the priority areas of alleviating poverty, improving health, promoting education, improving governance and bringing prosperity to the people.

MEMBERSHIP

The IsDB has 57 member countries across various regions. The prime conditions for membership are that the prospective country should be a member of the Organization of the Islamic Cooperation (OIC), that it pays the first instalment of its minimum subscription to the Capital Stock of the IsDB, and that it accepts any terms and conditions that may be decided upon by the Board of Governors.

CAPITAL

At its 38th Annual Meeting, the IsDB's Board of Governors approved the 5th General Capital Increase whereby the Authorized Capital was increased to ID100 billion and the Subscribed Capital (available for subscription) was increased to ID50 billion. By the same Resolution, the Board of Governors agreed to the calling in of the callable (in cash) portion of the 4th General Capital Increase. As at the end of 2018, the subscribed capital of the IsDB stood at ID50.2 billion.

ISLAMIC DEVELOPMENT BANK GROUP

The IsDB Group comprises five entities. The Islamic Development Bank (IsDB), the Islamic Research and Training Institute (IRTI), the Islamic Corporation for the Development of the Private Sector (ICD), the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), and the International Islamic Trade Finance Corporation (ITFC).

HEAD OFFICE AND REGIONAL HUBS

Headquartered in Jeddah, Kingdom of Saudi Arabia, the IsDB has eleven regional hubs in Abuja, Nigeria; Almaty, Kazakhstan; Ankara, Turkey; Cairo, Egypt; Dakar, Senegal; Dhaka, Bangladesh; Dubai, United Arab Emirates; Jakarta, Indonesia; Kampala, Uganda; Paramaribo, Suriname; and Rabat, Morocco.

FINANCIAL YEAR

The IsDB's financial year used to be the lunar Hijra Year (H). However, starting from 1 January 2016, the financial year was changed to the Solar Hijra year starting from 11th of Capricorn, (corresponding to 1 January) and ending on the 10th Capricorn (corresponding to 31 December of every year).

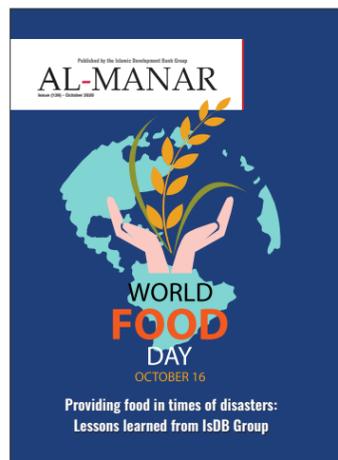
ACCOUNTING UNIT

The accounting unit of the IsDB is the Islamic Dinar (ID), which is equivalent to one Special Drawing Right (SDR) of the International Monetary Fund.

LANGUAGE

The official language of the IsDB is Arabic, but English and French are also used as working languages.





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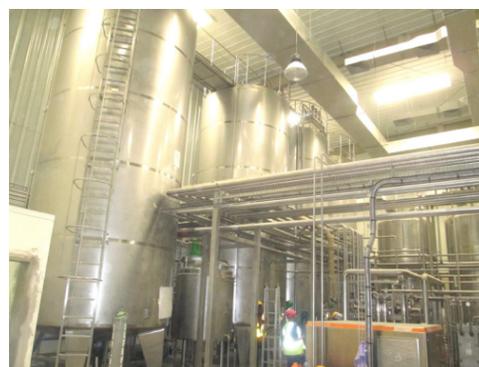


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Coherent long-term strategy to address the economic fallout from COVID-19

This year farmers and rural communities around the world – that farm and feed the world - are being impacted by the COVID-19 pandemic in unprecedented ways. The supply chains that enable them to have access to inputs and sell their produce have been disrupted. The lockdowns and social distancing had impacts both on production and processing of food. For some of our member countries, the pandemic came at a time when farmers are facing natural calamities - locust invasion, cyclones and droughts that have put many lives and livelihoods of many rural households at risk. While in other countries, rural and urban alike, communities experience some of the elements of social disruption associated with conflict and civil strife. Governments, in many member countries, are forced to repurpose meager budgets to provide personal protective equipment to health workers and procure food to feed the most vulnerable. It's loud and clear, the pandemic and associated economic recession will have far-reaching impact on agri-food industry for many years to come.

The IsDB Group, thanks to its leadership, had early on recognized the importance of coherent long-term strategy to address the economic fallout from COVID-19 across its member countries by launching Strategic Preparedness and Response Program (SPRP). Beyond the immediate response support to address the health crises, the plan offers member countries the opportunity to build back better and develop resilient economies through innovations, employment growth and raised productivity. It provides platform for donors and private investors to co-locate and co-invest in commodity value chains that are globally competitive.

In this special edition of Al-Manar we highlight some of the IsDB Group key investments supporting member countries' mitigation efforts in combating the pandemic. We also highlight how previous investments by the bank in the agriculture and rural sector and the partnership developed around them is now providing a launching pad for developing rapid response to the pandemic in many countries.

Dr. Mansur Muhtar
 VP- Country Program Complex



IsDB President Discusses Preparations for the Next Annual Meeting, with the Deputy Prime Minister of Uzbekistan

H.E. Dr. Bandar Hajjar, President of the Islamic Development Bank, held a virtual meeting with H.E. Sardor Umurzakov, Deputy Prime Minister of Uzbekistan, and IsDB Governor.

The meeting hosted discussion IsDB's support to help the member country to respond to the impact of the COVID-19 pandemic, as part of the Strategic Preparedness and Response Programme (SPRP).

Mr. Umurzakov expressed his appreciation to the Bank, for the assistance that has thus far been provided to the member country.

The meeting also hosted discussions on the arrangements that are underway for IsDB's upcoming annual meeting, which will be hosted by Uzbekistan.

Mr. Umurzakov shared the country's readiness to host the meeting, adding that the preparations were set to officially start very soon.

In addition, the leaders discussed the progress of various development projects and proposed projects that have been and/or will be funded by the Bank. The Deputy Prime Minister shared ways the projects

were expected to support the national economy and regional cooperation.

IsDB Group has been supporting socio-economic development in Uzbekistan through numerous financing and non-financing activities. IsDB Group's total net approvals amount to US\$ 2,035.2 million in support of inclusive and sustainable development in the country.

IsDB's net approvals for development projects in Uzbekistan amount to US\$ 1,456.4 million worth for high-impact projects and technical assistance initiatives. The Bank's portfolio in Uzbekistan is well-diversified across sectors, mainly agriculture and rural development, transport, energy in addition to health and education.

IsDB support to Uzbekistan has contributed significantly to realising the Sustainable Development Goals, and particularly, SDG1- No Poverty, SDG 2- Zero Hunger, SDG 3-Good Health, SDG 4-Quality Education, SDG 6-Clean Water, SDG 7-Clean Energy, SDG 8-Decent Work, and SDG 9-Infrastructure.

IsDB President Hosts Panel Event on the Rise of Ethical Financing for a Sustainable Future, on the Sidelines of UNGA

H.E. Dr Bandar Hajjar, President of the Islamic Development Bank (IsDB) Group hosted a panel discussion alongside esteemed speakers, Brian O'Hanlon, Executive Director, The Rocky Mountain Institute's Centre For Climate-Aligned Finance; Dame Elizabeth Corley, Chair of the Impact Investing Institute; Delilah Rothenberg, Founder and Executive Director, The Predistribution Initiative; and Jaakko Kooroshy, Head of Sustainable Investment Data and Methodologies, FTSE Russell.

The panel posed the question "Is There an Economic Silver Lining to this Crisis"? and explored "The Rise of Ethical Investing for a Sustainable Future." It was moderated by Billy Nauman, Producer of Moral Money, FT and focused on how the pandemic severely damaged the global economy. Dr Bandar Hajjar emphasised the role that Islamic Finance can play in bridging the \$2.5 trillion funding gap to meet the Sustainable Development Goals. He also urged partner organisations to continue supporting women and children and other vulnerable groups during these unprecedented times.

Dr Bandar Hajjar spoke on the importance of utilising innovation and risk investment, and went on to highlight IsDB's commitment to supporting the most vulnerable and responding to the ever changing market.

He stated that the world is entering the decade of action to achieve the 2030 agenda; an era marked by tremendous global challenges, enormous development needs that raise the threshold of needed financing from billions to tril-



lions.

"The COVID-19 pandemic has showed that the world was not ready for such an incident with dramatic economic and social impact and therefore developing countries in particulate need to build resilient economies" he said.

Dr. Hajjar stressed that we need to revisit our development narrative and stop focusing on the symptoms. Instead, we need to address the root causes hindering development.

"Sustainable development can only be achieved through a new business model based on enabling a wider development community to deliver the promises of the SDGs, creating partnerships and financing mechanism that attract new types of investors" he added.

Then, Dr. Hajjar touched on the IsDB new business model which revolves around making markets work for development, poor, women, the marginalized groups,

the environment, and so on.

"This market incorporates the public and private sectors, philanthropists, the people and partnerships, or what we call the (5Ps). It also involves the (3Rs) referring to the return, risk and results/impact focusing on sourcing bankable development projects that lie at the nexus of financial profitability and development impact" he said.

He noted that principles of Islamic finance are centering around asset-based, risk sharing, discouraging speculation and emphasizing social welfare, environment and governance, and that all these features give this model its true universality.

He stressed that we need to focus on the future and address the challenges of aligning finance with growth, and we need to know what growth will look like in the future (the economy of 2030 and beyond) to be able to provide an adequate response as the world is on the threshold of the Fourth Industrial Revolution.

IsDB approves more than US\$320.6m to finance development projects in Sierra Leone, Burkina Faso, Yemen and Indonesia

The Board of Executive Directors of the Islamic Development Bank approved US\$320.56m in financing to new development projects in water and sanitation, health, roads and women empowerment at its 337th meeting, held virtually and chaired by the Bank's President, Dr. Bandar Hajjar.

The Board increased the grant allocation from Ordinary Capital Resources to 10% of the Annual Net Income, up from 5% currently, to implement the President's 5-Year Programme and help member countries meet their social, human, technical and operating needs.

It doubled, as of 2020, the grant allocation from the Bank's Annual Net Income to 4%, up from 2% currently, to finance the Scholarship Programmes. It approved the regulations of the Awqaf Financing Fund in the Kingdom of Saudi Arabia, to take effect as of the date of its approval.

The Board also approved two policy documents. The Urban Sector Policy establishes the overall directions to guide the Bank's future urban development operations, focusing on the ultimate goal of achieving inclusive and sustainable urban development in member countries. The Water Sector Policy for sustainable and resilient water and sanitation systems for all is designed to guide the Bank's future contribution towards overcoming the major challenges of using and managing water resources and providing water and sanitation services.

Following are the details of projects approved by the Board during the same meeting.

The Freetown WASH and Aquatic Environment Revamping Project, Sierra Leone, for US\$40m

The overall objective of the project is to improve the water supply and sanitation services and ensure the sustainability of the vital aquatic ecosystem in the Western Area of the capital Freetown. The development objectives of the project are to:

- meet the potable water needs of Freetown by 2025 through increased production capacity from 70,000

to 110,000 m³/day;

- rehabilitate and expand water treatment, transmission, storage and distribution systems;
- improve solid and liquid waste collection and disposal services;
- provide infrastructure and enhance capacity for the effective protection of the forest land in the Western Area, and;
- promote good sanitation, hygiene and child nutrition practices.

Supplementary financing for the construction of Pendembu-Kailahun road project, Republic of Sierra Leone

The supplementary financing will allow for the completion of the Project, achieve all its initial objectives and allay the fears of the local population. Located in the southeast of Sierra Leone, it connects the towns of Pendembu and Kailahun, with no intermittent villages in between. The Project aims to enhance the accessibility of the south eastern agricultural provinces to the other parts of the country and develop trade between Sierra Leone and its neighbours, Guinea and Liberia. The Project will contribute to poverty alleviation through better access to the mainly agricultural Project area, create new employment opportunities and improve revenues for the local population.

Technical Assistance Grant to Support the Continuity of Medicines for Thalassemia and Genetic Blood Disorder Patients in Yemen for US\$363.000

The development objective of the project is to provide access to life-saving medicine to the most vulnerable among Thalassemia and Genetic Blood Disorder patients, including women and children. This project is expected to enhance access to free medicine for one year to 4,549 poor Thalassemia and Genetic Blood Disorder patients, no less than 40% of them are female. The proposed grant will complement the support of the WHO for blood transfusions and medicines and can be considered as an investment in improving Yemen's human capital.

Business Resilience Assistance for Women Value-Adding Enterprises, Burkina Faso Project for US\$8.5m

The project aims to support Burkina Faso's National Plan for Economic and Social Development, designed to transform the economy and achieve strong, sustainable and resilient growth that will create jobs and raise living standards. Some of the key outcomes include:

- Support in entrepreneurship programmes for 240 women-owned or led MSMEs reporting increased sales or profits;
- Creation of 600 direct jobs by women owned or led MSMEs;
- Support 13 lead firms that introduce new products to markets.

Strengthening National Referral Hospitals and Vertical Technical Units Project, Indonesia for US\$261.7m

The Project aims to improve the health conditions and livelihoods of the people of Indonesia in general and the target population of around 77 million in particular. The development objective is to improve the availability, accessibility, quality, and delivery of health services through upgrading six national referral hospitals and vertical technical units in five provinces. The Project will lead to improved and strengthened mother and child health in terms of inpatient, outpatient and intensive care services; decreased maternal and child mortality, and increased cancer survival rates nationwide. Key output indicators by the end of the project will include the construction of 231,000 m² of health facilities, the provision of 952 hospital beds, and the training of 5500 hospital staff.

ITFC CEO Affirms the Group's Commitment to Supporting Trade and Investment to Achieve SDGs

This week, Eng. Hani Salem Sonbol, CEO of the International Islamic Trade Finance Corporation (ITFC), participated in the Trade and Investment G20 Ministerial Meeting on behalf of H.E Dr. Bandar Hajjar, President IsDB Group, where he applauded the Saudi Presidency for the Group's Meetings and for its coordination of the global trade and investment movement as part of the response to the COVID-19 pandemic.

He also stressed on the solidarity expressed by the IsDB Group towards its member countries to fight the impact of COVID-19 through the Group's pledged US\$ 2.3 billion Preparedness and Response Package through the 3Rs (Response, Recovery and Restart) phases, which is in line with the G20 recommendations to mitigate the effects of the pandemic.

Eng. Sonbol went on to say that "COVID-19 poses multidimensional challenges and the particular response of trade and investment is of critical nature to support growth, secure supply chains and GVCs, create employment and protect the most vulnerable. Trade and investment are essential contributors to achieve the sustainable development of all countries. Moreover, trade finance and investment guarantee are critical factors in the upcoming economic reconstruction."

He also added that the Group supports the Presidency's plan to revive the international trading system with the WTO at its centre. He said, "We are committed to support the development of MSMEs, trade in services, e-commerce and regional economic integration. We are already supporting the African Union and its relevant bodies in the implementation of the African Continental Free Trade Area (AfCFTA) through a combination of grant financing, policy work and technical assistance."

IsDB Group is an active supporter of the Aid for Trade Initiative. The ITFC, on behalf of IsDB Group, has been vested by the Heads of Arab States to launch the second phase of the Aid for Trade Initiative for Arab States (AFTIAS 2.0).

SDGs achievement is at the heart of IsDB Group interventions, and we put a special emphasis on building inclusive societies. We are active partners with ITC in the She Trades Program in Egypt, Morocco and soon in Saudi Arabia.

Finally, as we are chairing, MDBs Coordination Group, at the IsDB Group, we find ourselves ready, in our fight against COVID-19 to partner with development agencies, NGOs, foundations, corporates and the civil society."

The pandemic imposes additional challenges on MCs



H.E. Dr. Bandar Hajjar
President of the IsDB Group

As we commemorate this year's World Food Day, it is important to reflect on the additional challenges the COVID-19 global pandemic has imposed on the member countries (MCs) of the Islamic Development Bank (IsDB). The COVID-19 challenges have confounded other development challenges the countries were already struggling with including high youth unemployment rates, low productivity, climate change and growing weather variability.

To support its member countries at these difficult times associated with the COVID-19 pandemic, the Islamic Development Bank has launched - the Strategic Preparedness and Response Plan to support the basic and emergent needs of IsDB member countries including enhancement of health institutions and food security. To finance the SPRP the IsDB Group allocated US\$ 2.3 billion. It also launched the first ever AAA-rated Sustainability Sukuk to support the SPRP. Moreover, the bank called on its development partners to come on board to support the response plan. This generated a commitment of US\$ 10 billion.

To accelerate the pace of disbursements of the funding to the member, we have mobilized our various partners, UN Agencies as well as the private sector for this purpose. The World Food Program has, for instance, been engaged in several projects in member countries, providing support particularly to the rapid response needs. The engagement of the private sector and the civil society are also encouraging in the roll out of the response projects. Also, the bank has established a country platform employing the blockchain technology through which the bank's support channeled to MCs.

I am confident that, together, we can not only contain the negative impacts of the pandemic but also build strong resiliency of our member countries in their agriculture and food systems. Finally, I would like to seize this opportunity to salute and thank farmers in our member countries for their hard work and dedication to feed the world.

U.N. Report Says Pandemic Could Push Up to 132 Million People into Hunger



The coronavirus pandemic could push up to 132 million people into hunger by the end of 2020, according to a new report from the United Nations.

"As progress in fighting hunger stalls, the COVID-19 pandemic is intensifying the vulnerabilities and inadequacies of global food systems," UNICEF said in a statement.

"While it is too early to assess the full impact of the lockdowns and other containment measures, at least another 83 million people, and possibly as many as 132 million, may go hungry in 2020," the agency added.

The finding was included in the latest version of The State of Food Security and Nutrition in the World, published annually by U.N. agencies, including the World Health Organization.

The report said an economic recovery expected in

2021 would bring the number of undernourished people down – but it's not clear by how much, and the number will remain above pre-pandemic projections.

World hunger had been declining for years before 2014, the U.N. reported, but has shot up by nearly 60 million since then. It estimated that around 690 million people were undernourished in 2019.

Asia has the highest number of hungry individuals. The report estimates that 381 million people there were undernourished in 2019 – more than half of the world total.

UNICEF also highlighted the high numbers of people without access to a healthy diet, saying that "the race to end malnutrition appears compromised."

The report estimated that around 3 billion people worldwide cannot afford a healthy diet.



Bashir Jama Adan
Global Lead Food
Security Specialist

Biola Kazeem Badmos
Global Rural Institutions
Specialist

Africa Regional Rice Value Chain Program – a timely investment to manage the COVID-19 impacts

Rice is an important staple food in most IsDB member countries. This is particularly the case in Africa, especially in West Africa where per capita consumption is generally high and it is growing fast. Rice production falls short of demand. And so are the imports that are equally high, about 9 million metric tons annually costing the countries nearly US\$ 4.0 billion. The imports are expected to grow to 24 million metric tons by 2025 (NEPAD, 2019).

Rice – a strategic food crop

The rapid rice demand is fueled by rapid population growth rates coupled with urbanization that has strong preference for the imported rice that is easier to cook than the local ones. Additionally, the import bills might rise or even become difficult to access rice if the main export countries in Asia (Thailand, Vietnam, India, China,) USA, Brazil, Uruguay put restrictions to it to first secure their own needs. Unlike other crops, little of the global production of rice is traded on the world markets (less than 7%).

To address these challenges, the countries have put up what is referred to by some as productivist national food self-sufficiency programs. These ‘zero-imports programs’ that started in earnest during the 2008 food crisis (Demont and Rizzotto, 2018) are gaining momentum in the COVID-19 pandemic. Countries all over the world are developing measures to enhance own sovereign food security given the high risks imports expose them to.



The rapid rice demand is fueled by rapid population growth rates coupled with urbanization

Can the countries, therefore, use the ‘window of opportunity’ created by the COVID-19 pandemic to meet any potential shortfalls in imports in the short term with local production but build a strong foundation to increase local production and its competitiveness as part of their self-sufficiency strategies? The local rice has generally higher nutritional value than the imports. This can be capitalized on, especially this time round when there is no known treatment of the COVID-19 virus, and better nutrition is critical to enhancing one’s immune systems to it.

Key drivers are raising production and productivity, increasing under irrigation (generally less than 20% of the arable land in all the target countries) and value addition. While it is debatable whether the countries can meet their ambitious goals, but if they do, if local rice can compete with the imports that the urban consumers prefer. And there are good lessons on this front to learn from Mali that has made the most progress of any country in West Africa toward self-sufficiency in rice.

The RRVCP – a potential game changer

Taking a regional approach, the program is focused on 10 countries for a start (Figure. 1). Nine countries are among the Economic Commission of West Africa States, and Cameroon from Economic Community of Central African States. The program adopts three strategic approaches that are considered game changers:

- Support the farmers and government’s efforts to substantially intensify and increase the production and productivity in a sustainable manner
- Create commercial opportunities for farmers through private sector that enhance access to markets and increase competitiveness of the rice produced, and
- strengthen institutional delivery capacity, including the effective engagement and retention of the private sector as a strategic partner of the program.

The program’s design takes into consideration three important points: a) potential for countries to learn from one another, b) trade between the countries on locally produced rice, and c) strong substitution goal of

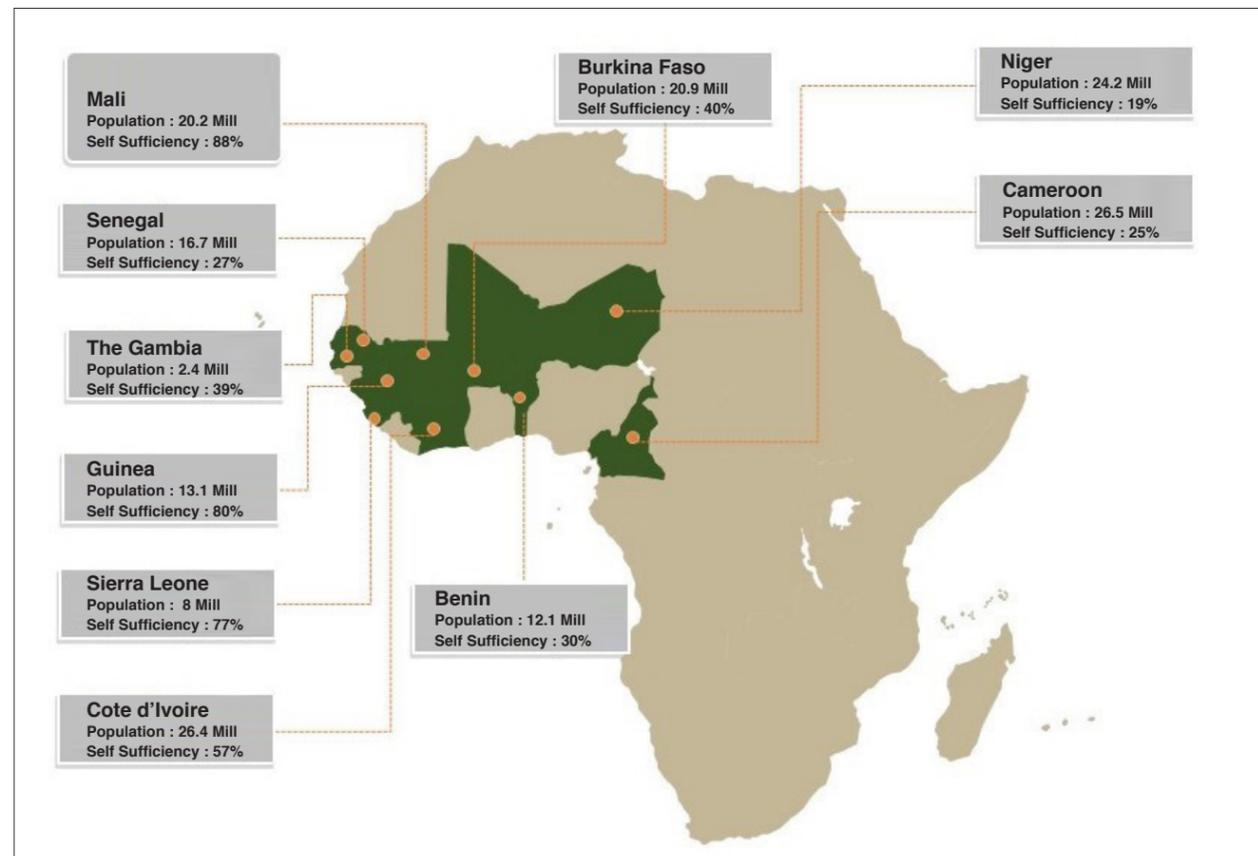


Figure- 1: Countries under the Africa Regional Rice Value Chain program

imported rice. The program's development is advanced, with approval for 5 out of the 10 countries that the President of the IsDB, Dr. Bandar Hajjar, announced in 2018 at the Tunis Annual Meeting of the Bank's Board of Governors.

On the production side, business as unusual. The program aims at more than doubling the current low, 1- 2 t/ha to 4-6 t/ha paddy rice. Again, there are good lessons to learn from Mali where double cropping and significant yield increases under irrigation have been achieved due to higher-yielding varieties and better fertilizer application that are crop and site specific (Figure 2).

With better water management and appropriate crop varieties, farmers can produce 2-3 crops in a year instead of the predominant practice at present of 1-2 crops in a year. The crops produced will include a wide range of vegetables and grain legumes in rotation with the rice or in different plots in a given seasons. This will further enhance the incomes of the farmers and improve their nutrition of the community in general.

Strong end-to-end value chains with the input dealers and produce off-takers, including the rice millers, will be engaged. Access to financing for the farmers and

agribusinesses along the value chain will be enhanced through microfinance schemes as well as lines of financing through commercial banks in the countries.

First 5 countries

These are Guinea, Niger, Sierra Leone, Senegal, and The Gambia. Funding to the tune of US\$ 160 million was approved through the Lives and Livelihood Fund (LLF), in December 2018 by the bank and the concerned member countries. Rice imports is costing these countries over US\$1.2 billion annually. Taking into consideration the targeted areas to be brought under irrigation, raising productivity (tons per ha), and achieving double rice crops in a year, the project could have rice import substitution effects of between 4 to 33% annually among the first countries..

Second five countries

These are Benin, Burkina Faso, Mali, Cote D'Ivoire, and Cameroon. All are proposed for funding under the 3-year Annual Workplan of the bank, with Benin and Burkina Faso programmed for 2020. The projects feasibility appraisals are completed.



Crowding in strategic partners

The program also attracted co-funding from some development partners: the Arab Bank for Economic Development in Africa and Swiss Development Cooperation (SDC) for development that is supporting the monitoring and evaluation framework of the program and bringing on board good practices from the Sustainable Rice Program of Asia that it is also funding. The Africa Development Bank is also co-locating and parallel financing synergistic investments in some of the countries.

In early 2020, the Coalition for Africa Rice Initiative (CARI) joined the partnership and will, through CARI Phase 3, provide dedicated support for rice millers that are critical to development of sustainable rice value chains. The partnership will also provide support to ECOWAS to establish a Regional Rice Observatory, an institution that will oversee the development of enabling policies and coordination to grow the rice sector in its member countries. The policies need to reconsider, among others, national subsidies in the form of tax waivers that support imports in ways that undermine local production. (National institutional purchases of locally produced rice.)

The CARI partnership brings along some strategic development partners that are co-funding it: the BMZ – the German Development Agency, the Bill and Melinda and Gates Foundation, and the Alliance for a Green Revolution in Africa. Additional agencies associated with these agencies include the Coali-



With better water management and appropriate crop varieties, farmers can produce 2-3 crops in a year



Countries all over the world are developing measures to enhance own sovereign food security

tion for Africa Rice Development (CARD) and Japan International Development Agency.

Through these partnerships, the regional program will endeavor to grow a wide range of sustainable agribusinesses related to the rice sector. This would contribute to growing local economies and minimize the social and economic fallout from the COVID-19 pandemic. In some countries and locations where private sector engagement is weak, and this is the case in Sierra Leone, the program is in partnership with the World Food Program (WFP) to initiate market linkages for farmers through its 'home grown' school feeding programs. This will be part of WFP's Purchase for Progress (P4P) that aims to secure much of its relief food program through local purchases.

While this 'crowding in' of other development partners is essential for developing a program that is holistic in scope and coverage, it comes with enormous challenges in coordinating the inputs of each partner and managing expectations. Clarity is required early on the role of each, including the need to minimize co-effectiveness requirement where the resources are pulled together. This created long delays in declaring effective in some of the co-funded country projects.

Implementation progress forging on well

The program is beginning to take shape in the countries, although at different pace, due to local dynamics. The Project's Management Units are in place and are active in engaging with the governments and

development partners rolling out interventions that will minimize the risks of farmers missing out on the cropping seasons due to the COVID-19 pandemic. In Sierra Leone, for instance, the project has acquired tractor services that are helping the farmers plow the fields fast given the labor shortages associated with the COVID-19 social distancing restrictions.

Mechanization is becoming a growing phenomenon in this labor-intensive sector. Digital solutions are also being utilized to conduct training events related to base-lines development and the monitoring and evaluation framework. In the Gambia, input support (seeds, fertilizers, tractor services). Due to the COVID-19 pandemic, The Gambia project has requested in 2020 for some budgetary re-purposing to address emergency food needs of highly vulnerable target households of the project. The production of vegetables is receiving priority towards improving the nutritional status of the community. Support for the extension staff include health kits, and sanitizers. Operational agreements with some key technical partners are at advanced stage of development. This includes Africarice that will support the national programs acquire elite high yielding and/or climate change resilient-building rice varieties. This will include varieties that are nutrients rich, particularly micro-nutrients that are important for building the immune systems against diseases. Other agreements are being developed with private sector entities that could improve the efficacy of the value chains through digital solutions. This also includes private sector led extension and advisory services that complement public efforts rolling out good agronomic practices at scale through text messaging and other digital solutions. OCP-Africa is partner in the program that is committed to providing these services that are also supported by the mobile clinics (Fig. 3) that provide rapid on-site soils and agronomic advisory services.



Figure- 2: Smallholder rice fields— one crop (background) is ready for harvest; the seedlings (foreground) are ready for planting the next crop. A third crop (vegetable and grain legumes) could be planted in rotation instead of the second rice crop, or planted in additional fields in any given season

Emerging lessons

Although still in infancy stage, some key lessons of relevance in managing fallout from the COVID-19 pandemic and maintain the overall developmental goals of the program include:

- The scope and content of such regional program provide a broad platform for other development partners to co-invest in ways that add enormous value. The Global Practice functions of bank can play an important catalytic role in developing the partnership. This role was performed well by the Agriculture Infrastructure division of the bank.
- Getting operational team at the regional hubs dedicated to such large and complex programs is critical to expediting implementation and managing expectations. Limited operational staff in the regional hubs who also manage many other projects could be reinforced through consultancies if the recruitment process can be expedited.
- The digital revolution can be relatively effective in connectivity to the project teams and continuity of business at times when travels and face-to-face meeting are curtailed by the COVID-19 pandemic restrictions. The digital solutions can also be deployed to increase outreach and extension services to farmers. The projects, however, need to invest more in improving their connectivity given that this will serve them and their partners well, even in post COVID-19 era.
- Increasing competitiveness – urban consumers are extremely price sensitive when it comes to buying rice since a large portion of their disposable income goes into it.

Source: IsDB Group



Figure- 3: Mobile clinic van for soil health – OCP Africa, Senegal



Addressing the Impact of COVID-19 Pandemic on food and yield gaps in IsDB MCs

The low and middle-income countries (LMICs), including those already fragile after years of conflict are predicted to soon become the epicenter of Corona virus (COVID-19) pandemic (WEF, 2020). In this category of LMICs are about 87% of the member countries (MCs) of IsDB (WB, 2019). About 55% of IsDB MCs classified as low-income food deficit countries (FAO, 2018) are obviously LMICs.



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The agro-based MCs are facing significant Yield Gaps (difference between attainable yield under good agronomic practices and actual farmers' yields in their locations over time) (Lobell et al., 2009), and the COVID-19 pandemic will widen the gap. Prior to the pandemic, most member countries that recorded increase in production was mainly due to agriculture land area expansion (horizontal increase) and partly due to increase in yield on existing agricultural lands (vertical or productivity increase). The Pandemic is already affecting crop yield in several ways. Weak access to input will contribute to low yield, even, under good climatic and environmental condition. This will enhance food insecurity and imports, exposing the countries more to volatile global markets. The pandemic has affected the supply chain of key agricultural input such as quality seeds, fertilizers, pesticides, etc. Limited movement of people as a result of the lockdown caused delays in various farm operations (land preparation, transplanting, weeding, agro-chemical application), and this in turn is contributing to low yield or even crop failure. The lockdown prevented extension



Increased production of major staples would allow the farmers to have surplus that can be sold to earn more income



The the COVID-19 pandemic has affected the supply chain of key agricultural inputs such as quality seeds, fertilizers, pesticides, etc

Strategies for closing Crop Yield Gaps

- Favourable policies (tax regimes, subsidies) that will encourage private sector involvement.
- Improving research, technology, extension and information dissemination.
- Improving access to finance and insurance services.
- Regular capacity development for farmers and strengthening of rural institutions.
- Use of high yielding climate resilient planting materials, proper use of agrochemicals (fertilizer, pesticides), and improving soil and water management technique.
- Improving value addition and market linkage through Agriculture processing zones.

officers and other agro-based service providers from reaching the farmers to provide necessary information on best practices. Consequently, the farmers that were able to produce even under the current COVID-19 pandemic are facing challenges in marketing and distribution. This will affect their income in the current year, and it will escalate in the following cropping season because the farmers would not have enough finance to source farm input.

Benefits of Closing Yield Gaps

Closing of yield gaps through vertical increase in production present several benefits to MCs. Increased agricultural production through yield increase would enable MCs meet their consumption needs from domestic production rather than by importing. This would ensure food security by making sure that food is readily available. Increased output per hectare would reduce the size of land required to cultivate the major staples, thus enabling the small holders diversify their land into cultivation of other nourishing foods, like vegetables and fruits. This approach to intensify production would contribute towards addressing sustainably the prevalence of malnourishment. Also, pregnant women and nursing mothers will have access to nourishing diet. Increased production of major staples would allow the farmers to have surplus that can be sold to earn more income, thus making the farmers more financially sound, and be able to afford basic necessities, including health services, food supplements, and other household needs. Vertical increase in production reduces the rate of deforestation driven by the need for agricultural land expansion. This would promote sustainable agriculture, improve biodiversity and ecosystem services, and reduce agricultural sector greenhouse gas emissions.

Addressing Yield Gaps in MCs in the Phase of COVID - 19

The Bank is devising various strategies to

respond to the potential yield gaps linked to Pandemic, and these include:

(i) Fast tracking of ongoing project: The aim is to provide immediate response to the COVID -19 pandemic by ensuring that planned yield and productivity increase related components/activities of ongoing projects are achieved ahead of scheduled time. This will ensure enough food is available during the period of the Pandemic. This is being achieved using special procurement approach. An example is the Local Economic Growth Support (LEGS) Project in Uganda, where the irrigation and related yield increase components of the project that were scheduled for later stage of the project are being fast tracked to ensure speedier delivery.

(ii) Repurposing of project savings: This involve the utilization of savings and repurposing of activities from existing operations to finance the COVID-19 emergency support and response projects. An example of this can be seen in Chad COVID-19 response project where savings are used to provide capacity development to farmers to increase their agricultural productivity and incomes in salinity-affected agriculture. The targets small-holder farmers (50% women) will adopt new cropping systems that are resilient to salinity and climate change and utilize climate-smart innovative intensification technologies and practices that increase productivity.

(iii) Design of new projects tailored towards COVID - 19 response: New projects are being designed to incorporate yield gap closing components/activities into them. This will help to mitigate potential yield gap in subsequent cropping season. Some of the COVID-19 response activities that will be built into new project include - engagement of mechanization service providers, early distribution of fertilizers and high yielding seed varieties, incorporation of microfinance components, and engagement of private sector to bring

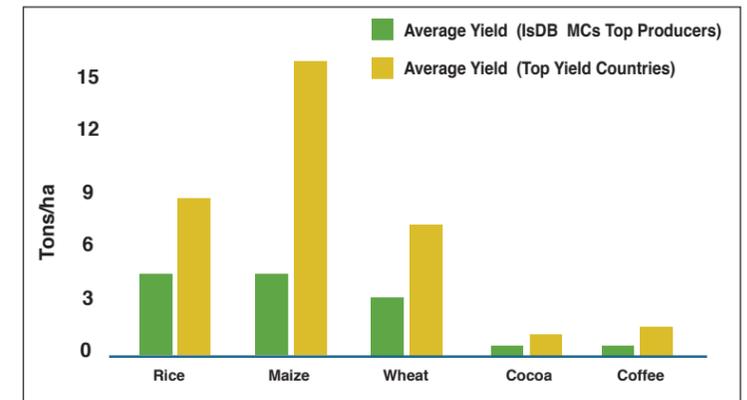


Figure -1: Yield Gaps for Major Crops in IsDB Member Countries (computed from Faostat)



The farmers that were able to produce even under the current pandemic are facing challenges in marketing and distribution



Increased agricultural production through yield increase would enable MCs meet their consumption needs from domestic production

onboard various innovative technologies to raise crop yield.

What it would take to close the yield gaps?

Closing the yield gaps can contribute to economic growth of agriculture-based economies of MCs, thus enabling the attainment of transformative impact. This is, however, more complex than just producing more food per hectare. It requires the integration with of many approaches for closing yield gap. There is need to integrate agricultural research and extension systems that can promote agricultural modernization and bring together various players of the agricultural value chain that can command market supply and negotiate decent return for the smallholder farmers. Sustaining higher productivity requires strengthening human capacity and market institutions, and this needs political will and long-term investments. Placing high priority on value addition and market linkage through agriculture processing zones and putting in place favourable policies that can encourage private sector participation would help MCs attain desired economic growth. As MCs move towards the Restoration and Restart phase of the COVID-19 pandemic, the measures for closing yield gaps need to be strengthened to help address both the initial yield gaps and the potential yield gaps as a result of the pandemic.

Source: IsDB Group

Its focus remains on the spread of Islamic financing practices and the development of the private sector



ICD Investments to Address Food Security Challenges in MCs

The Islamic Corporation for the Development of the Private Sector (ICD), the private sector arm of the Islamic Development Bank Group (IsDB Group), has always been at the forefront in addressing the inefficiencies and wastage facing the food and agriculture sector in its 56-member countries. With the onset of the COVID-19 pandemic, the country engagement is being done within the framework of the overall Strategic Response of the Islamic Development Bank Group rolled out under the leadership of H.E. the President, Dr. Hajjar Bandar.

Country support – snapshots

With the primary focus on food and agriculture, ICD aims at making a valuable contribution to address the food security challenges faced by the Islamic world. This is more so during this period of the COVID-19 global pandemic.

Hence, ICD's investments in the food and agriculture sector will help promote significant long-term sustainable agricultural growth while at the same time strengthening country response, in the short and long-term, to the COVID-19 pandemic. By boosting regional food production, supply and trade, ICD's investments will result in the creation of jobs, transfer

of technology, promotion of sustainable practices and poverty alleviation. Unfortunately, many have lost their jobs due to the COVID-19 pandemic in various sectors of the economy, including agriculture and especially the small and medium enterprises (SMEs) associated with it.

Nigeria: As ICD moves toward promoting its vision to expand the agriculture and food sector, it funded US\$28 million to National Food Industries Company (NFIC) to invest in the construction of a production plant in Nigeria through Oriental Food Industry Limited (OFIL).

As NFIC's Nigeria-based subsidiary, OFIL owns and operates a manufacturing plant that produces evapo-

rated milk, milk powder and tomato paste in cans and sachets.

NFIC is a Saudi company that promotes the Luna brand. It has been importing and distributing evaporated milk to the Nigerian market exclusively through Givanas Nigeria Limited. NFIC would like to reinforce its presence in the Nigerian market and in neighboring countries. Moving forward, while engaging strongly with the agriculture sector, ICD believes in supporting the manufacturing sector as well and facilitating a link with major markets, expand businesses and create jobs. This investment stands to benefit thousands of smallholder farmers and SMEs who are linked to the plant as suppliers during and after the COVID-19 pandemic.

Maldives: With purchase and leaseback as a mode of financing, ICD funded US\$20 million (total approved amount) to the Horizon Fisheries Limited (HFL). It is a leading private sector fish processing and marketing company based in Maldives. The company is certified for ISO 9001:2000 Quality Management System and ISO 14001:2004 Environmental Management System by Det Norske Veritas. Horizon Fisheries provides direct employment to a team of 616 employees. Given the nature of operations, the health and safety of employees is a key priority and constant emphasis is placed on this aspect, and training, the use of COVID-19 personal protective equipment (PPE) and hygiene. Quality audits are conducted on a regular basis by the British Retailers Consortium and SEDEX ensuring compliance to all relevant guidelines. Additionally, fish are procured through a network of over 288 registered independent fishermen, who are a critical component of the supply chain. In addition to directly supporting fishermen's livelihoods, the company offers a holistic value proposition to them, which includes ongoing training, fuel and ice at concessionary rates and fresh water among others. It is noteworthy that Horizon Fisheries received 13 awards from different national and international organizations during the last 15 years.

Scaling up gains made

ICD remains committed to scaling up and strengthening its engagement to help member countries overcome their development



ICD's investments in the food and agriculture sector will help promote significant long-term sustainable agricultural growth



ICD remains committed to scaling up and strengthening its engagement to help member countries overcome their development challenges



It has formulated concrete overarching goals for the next 10 years to develop an Islamic financial institutions network

challenges in the face of rapid changes. ICD understands that responding to demand is always a necessity, but at the same time leveraging the strength of clients and partners to mobilize greater private sector financing is also of equal importance. This is most needed at this stage of COVID-19 and the additional challenges it imposes on the countries agriculture and food systems. ICD provides funds when investing in a wide range of strategic and commercially sustainable initiatives across the entire food and agriculture value chain, which has become increasingly significant. The main objective is to make a valuable contribution toward promoting sustainable food security across the Muslim world and generate commercial returns. During 2019, ICD's interventions supported around 16,405 new jobs, and assisted over 42,000 small and medium size enterprises (SMEs). ICD acts as a catalyst for attracting foreign investment and private sector expertise to capitalize on the Islamic countries' untapped potential in food production for domestic consumption and export markets, thereby promoting food security and economic growth on a regional basis.

ICD marked two decades of achievements in 2019 and in commemoration of this 20th anniversary, it has formulated concrete overarching goals for the next 10 years to develop an Islamic financial institutions network, create a stronger financial ecosystem in member countries bolstered by tailored product offerings and to multiply development impact. Its focus remains on the spread of Islamic financing practices and the development of the private sector. The foundation built so far stands to support member countries to respond effectively to the COVID-19 pandemic in the short and long term.

The five pillars of the ICD's strategy are: i) focus on financial institutions; ii) introduction of innovative products and financial channels, iii) robust and sustainable financial performance of ICD; iv) engaging member countries based on their development needs and v) deepening collaboration with other entities of the IsDB Group. The operations of these pillars are, indeed, in synch with IsDB's Group response to the COVID-19 pandemic in the member countries.



It provided grants and lines of financing to support food manufacturing and exports

ITFC Interventions Enhance Food Security and Economic Resilience in MCs

Least developed countries have been disproportionately affected by the social and economic effects of COVID-19: a dearth of personal protective equipment and basic staple foods necessitated an immediate emergency response. Whilst such efforts are undoubtedly saving and continue to save lives and livelihoods, the longer-term economic resilience of SMEs, manufacturers and exporters is paramount if we are to make progress on food security and other UN sustainable development goals (SDGs).



The Islamic Trade Finance Corporation (ITFC) emergency response strategy, within the broader IsDB Group Strategic Response to the COVID-19 under the leadership of HE the President of the IsDB, Dr. Bandar Hajjar, was strategised and implemented during the early stages of the COVID-19 pandemic, with a multifaceted approach to deliver food supplies and medical equipment to our member countries. Grant financing is an implicit component of the ITFC COVID-19 Rapid Response Initiative (RRI) which is part of the Islamic Development Bank's (IsDB) pledge of US\$2.3 billion 3Rs Response Package, 'Respond, Restore and Restart' Program.



ITFC emergency response strategy was implemented during the early stages of the pandemic to deliver food supplies and medical equipment to MCs

package for the supply of food and medicines for the Republic of Maldives. ITFC has also worked to boost export activity within the agriculture sector, which is Africa's largest employer and a key driver of SME development. Fiscal support includes the provision of a US\$200 million COVID-19 Response Package for the agriculture sector in sub-Saharan Africa through a partnership with the African Export Import Bank (Afreximbank).

Knowledge sharing and capacity building
ITFC's ability to make a positive longer-term impact on food security and sustainable economic growth requires the implementation

Food security during COVID-19

To help ensure food security in member countries many of which are least developed countries, ITFC provided a range of grants and lines of financing to support agricultural activities, food manufacturing and exports. Interventions so far include, among others, US\$282 million COVID-19 emergency financing for purchasing of wheat and sugar in Egypt with a specific remit to purchase 985,000 tonnes of wheat and 100,000 tonnes of sugar. Others include an emergency food package relief program for Republic of Kyrgyzstan (Fig. 1) and a US\$15 million emergency financing



of a joint strategic trade finance and capacity building support program. At the onset of the pandemic, ITFC launched its own COVID-19 Rapid Response Initiative (RRP), actively participated in the IsDB 3 R's Program and the Arab Africa Trade Bridges Program (AATB) initiatives.

The AATB Program supported the launch of a series of four webinars in April 2020 organized jointly by IsDB's Reverse Linkage Program and ITFC in association with the Moroccan Society of Anaesthesia, Analgesia and Resuscitation (SMAAR). This initiative was an online platform created to facilitate learning and knowledge sharing between medical teams from African member countries of IsDB (Fig. 2).

ITFC support towards emergency supply of basic commodities and staple food during the pandemic has been critically important and participation in global value chains will deliver the long-term prize of food security



ITFC launched its own COVID-19 Rapid Response Initiative, participated in the IsDB 3 R's Program and the Arab Africa Trade Bridges Program initiatives

The initiative focused on pandemic preparedness and response, whilst leveraging on international expertise in the field of pandemic response. The webinars focused on the care of patients with coronavirus, detection, classification care, monitoring and interventions and was attended by more than 4,000 medical front liners. It enabled more than 130 doctors, reanimators, emergency physicians and members of national committees from 17 African countries share experiences on how to manage the COVID 19 pandemic. The countries involved were Algeria, Benin, Burkina Faso, Cameroon, Comoros, Djibouti, Gabon, Guinea, Cote d'Ivoire, Mali, Mauritania, Morocco, Niger, Senegal, Chad, Togo, and Tunisia. Such initiatives deliver fast and much-needed solutions with long-term benefits to the medical community and to healthcare outcomes in the respective countries.

Prioritising SMEs

It is within the agriculture and health sectors where immediate interventions align with capacity building strategies and

trade finance initiatives dovetail to deliver SME-driven, long-term economic growth. SMEs are the lifeblood of all economies, with a special responsibility for job creation and the enrichment of global value chains. Enhancing SME trade through improving the quality of produce and companies' ability to export are at the heart of much of ITFC's work since these are part of the immediate solution and inclusive long-term success: jobs, supply chains, local production and the lowering of national trade deficits that blight many developing countries.

Making SMEs part of the immediate – and long-term – solution is a central tenet of ITFC's COVID-19 response and its strategy for sustainable development. Recently, the SME financing provided include US\$15 million Murabaha financing facility to support SMEs in Bangladesh, US\$8 million Trade Finance Agreement with Uzbekistan's Trustbank to support import and pre-export financing needs of SMEs in the country; and EUR 8 million for the Banque Islamique du Sénégal (BIS), to support the Bank's trade finance operations for Senegal's private sector. These financing arrangements and many more deliver fast results and SME resilience in the face of the pandemic and, through strategic partnerships with regional and local financial institutions, provide al-



Figure -2 : Online learning and knowledge sharing between medical teams from African member countries



The Islamic Trade Finance Corporation has worked to boost export activity within the agriculture sector, which is Africa's largest

ternate sources and modes of financing for private sector support.

In 2019, ITFC contributed to fostering private sector growth by providing lines of financing totalling US\$677 million against the overall private sector financing of US\$821 million. In addition, from the six lines of finance that were disbursed and assessed in 2019, ITFC provided trade finance to over 120 corporations employing around 45,000 people. About half of these corporations were SMEs with less than 50 employees.

The two-pronged approach taken by ITFC since the start of the pandemic, comprising immediate emergency relief and long-term SME support, has proven to be crucial in securing immediate relief. It is an ecosystem of practical support that reflects ITFC's founding principle of developing strategic partnerships with key stakeholders that share ITFC's objectives towards building sustainable, long-term socio-economic growth in OIC member countries. This important work facilitates SMEs access to financing and the structures necessary to achieve food security and an export-driven, high-value economic ecosystem: a virtuous cycle of investment that enables small and medium sized businesses to weather the storm and go on to create the opportunities and jobs for the future.



Figure -1 : Food aid distributed to the needy in Republic of Kyrgyzstan in the course of the COVID-19



The Role of Credit and political risk insurance in enhancing food security and nutrition in Organization of Islamic Cooperation (OIC) Member Countries



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Raphael Fofana,
Underwriting Department



In order to alleviate the global hunger situation, the implementation of sustainable food production systems and resilient agricultural practices in affected countries is required

Islamic insurance in the COVID-19 age

According to the Food and Agriculture Organization (FAO) of the United Nations, chronic undernourishment still affects more than 800 million people worldwide - many of which reside in OIC countries. This problem is being intensified by the strain on global supply chains that the COVID-19 pandemic has caused. In order to alleviate the global hunger situation and improve access to nutrition for vulnerable populations, the implementation of sustainable food production systems and resilient agricultural practices in affected countries and regions is required.

Acting as the credit and political insurance arm of the Islamic Development Bank Group, The Corporation for the Insurance of Investment and Export Credit (ICIEC) has been supporting the agriculture sector across 47 Member Countries during its 26 years of existence – providing over US\$ 1.3 billion in cover to transactions in the sector since inception.

ICIEC is also committed to fulfilling the United Nation's Sustainable Development Goals (SDGs). The SDGs are considered to be the Corporation's signposts on its path to create lasting developmental impact in member country economies. ICIEC makes a concerted effort to prioritize projects that contribute to the SDGs, with 6 of the 17 goals considered to be most relevant to the Corporation's services. Transactions that support SDG 2 (Zero Hunger) have been at the top of ICIEC's priority list since the Corporation's inception. Its support to the agriculture sector helps member countries improve their food security through the insurance of food-related transactions.

Since the declaration of a global pandemic in March this year, ICIEC has been at the forefront of efforts to mitigate the negative effects of COVID-19. This is done within the overall Response program the Islamic Development Bank Group has developed under the leadership of HE the President, Dr. Bandar Hajjar. As global trade has diminished, and trade partners are more hesitant to sell goods across borders, developing countries have a much harder time both selling the goods they produce and gaining access to the goods they need. This is largely because exporters deem these markets to be risky, which is a problem they must face even in normal times. The



credit and political risk insurance industry is crucial to overcoming these problems as it offers exporters and importers confidence that they will not face a significant loss in the case that the supposedly risky market does not uphold its side of the agreement. ICIEC's credit and political risk Takaful has been crucial over the course of the pandemic in terms of ensuring that necessary food supplies can get to the populations of its Least Developed Member Countries. This is a top priority as part of ICIEC's COVID-19 emergency response program. A number of solutions have been devised to increase ICIEC's support towards the urgent supply of essential food items to the most vulnerable populations.



Countries like Syria, Sudan, Bangladesh, Egypt and Nigeria have benefited from ICIEC's support in achieving their food security

Effective safeguard measures

ICIEC has undertaken several innovative initiatives to augment the IsDB Group's capacity for alleviating the effects member countries are facing due to the pandemic. ISFD (the poverty alleviation arm of the Islamic Development Bank) signed an agreement with ICIEC

whereby ISFD has provided a grant to ICIEC for the insurance of transactions involving critical supplies in the Least Developed Member Countries (LDMCs). One of the priority sectors for the ICIEC and ISFD COVID-19 Effective Response Initiative (ICERI) is the procurement of essential food items for member countries assessed to be in dire need. Given the high financing rates charged to the LDMCs by the financial markets, ICIEC and ISFD will facilitate the import of these critical items by providing a subsidy to the member country so they can conclude transactions at favourable terms. This way, the ICERI aims to support up to US\$ 400 million in imports, of which up to US\$ 150 million is being utilized for essential food commodities.

Additionally, since the onset of the pandemic, ICIEC has provided US\$ 420 million in support to the agriculture and food sector in various member countries - many of which are on the verge of food insecurity. This includes providing EUR 10 million of cover to the Islamic Republic of Mauritania for the import of food commodities. Additionally, ICIEC has provided cover for a US\$ 150 million facility that a commercial bank has approved for the Government of Egypt. The facility will be used for the import of essential food items and other COVID-19 response programs in the Egyptian SME sector. ICIEC has also supported the import of wheat in Tunisia for a total value of EUR 276,000.

Fostering strong country response and strategic partnership

Since its inception, ICIEC has supported US\$ 1.3 billion worth of trade and investment in the agricultural sector. Countries like Syria, Sudan,



Bangladesh, Egypt and Nigeria have benefited from ICIEC's support in achieving their food security. The type of support offered by the Corporation ranges from facilitating the import of basic food items to modernizing the agricultural systems of member countries by way of supporting the import of new equipment.

Sudan, for example, has benefited from such cover as agriculture and livestock are essential to the country's food security, economic development and diversification. ICIEC's cover has been instrumental in facilitating increased exports of Sudanese agricultural products and has been used to expand the operations of Sudanese companies in the agricultural sector. For instance, ICIEC insured the export of 1.2 million sheep from Sudan to Saudi Arabia, creating a lasting spill over effect that spread across different segments of the economy. Sudan is now exporting livestock to Jordan, Egypt and Qatar thanks to the original collaboration with ICIEC. The Corporation has also provided EUR 199.5 million of cover to support small-scale farmers in exporting sorghum and sesame. With a loan provided by the Trade Development Bank (TDB) and insured by ICIEC, Sudan was able to enjoy enhanced productivity of the agriculture sector through increased availability of seeds and fertilizers. The developmental impact of this project was considerable, with more than 1 million farmers and their families benefitting from increased revenues.

ICIEC is also in advanced negotiations to help its member country, Nigeria to achieve a landmark agricultural project. The Government of Nigeria, in collaboration with the Government of Brazil, has designed a large-scale agricultural project entitled the Green Imperative Project (GIP). The GIP falls under the food security program "Mes Alimentos" (More Food) which the Brazilian government has put in place to help emerging countries develop their Agriculture Sector.

This project will allow for the import of strategic agricultural equipment from Brazil to modernize Nigeria's technological capacity in the Agriculture sector. Complete but unassembled parts will be imported, and then assembly will take place in designated Nigerian service centres. This project is set to create around 6 million direct and indirect local jobs and promises to modernize the entire agriculture value chain process in the country.



ICIEC has undertaken several innovative initiatives to augment the IsDB Group's capacity for alleviating the effects member countries are facing due to the pandemic

Thanks to this fledgling GIP project, the Nigerian workforce will be exposed to new state-of-the-art agricultural technology. The workers will benefit from technology transfer by learning how to assemble the equipment and to grasp the complex architecture of this new agricultural system. Moreover, the project will have lasting effects on the daily lives of millions of citizens. The import of essential food commodities will be replaced by domestic supply, and food will be accessible at more affordable prices, thus improving both food security in the country and its balance of payments.

ICIEC's commitment to achieving SDG 2 is crucial, as even during the best of times, many of its members suffer with problems of malnourishment. The support that the Corporation provides to bolster the agricultural sector has become all the more important during the COVID-19 crisis. ICIEC understands that a robust agricultural sector is not only important in terms of food security but is also a top priority for many of its member states as it provides their people with jobs and the country with greater economic prosperity, and stability.

Impact of COVID-19 on small and medium enterprises in IsDB member countries: Insights from Djibouti and Uganda



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Catastrophic impacts on SMEs.

The Small and Medium Enterprises (SMEs) are among the sectors most affected by the Novel coronavirus (COVID-19) globally (International Trade Centre, 2020). Africa is no exception to the global impact especially when most countries are already experiencing stagnant economic growth. Djibouti and Uganda, two member countries (MCs) of the IsDB, exemplify well how the various stages of the social restrictions and lockdowns associated with the pandemic has impacted SMEs.

The COVID-19 has inflicted huge socio-economic problems on the lives and livelihood of the population, especially the women and youth. This includes concerns of food security due to the restrictions associated with the pandemic. Coupled with the locust invasion in East Africa and the continuing challenge of climate change, Djibouti and Uganda, are among many in Africa that stand

to be affected by collateral damage from COVID-19.

Djibouti is a low-middle-income country and ranks 172 of 189 countries on the Human Development Index. Despite the recent rapid economic growth, poverty and unemployment remain high: 20.8% of the population is classified as extremely poor and living below the international poverty line of US\$ 1.90 per day. Economic growth has not been equitable: youth, women and children are particularly vulnerable to hunger and are being left behind. Unlike Djibouti, Uganda is a landlocked country bounded by South Sudan, the Democratic Republic of Congo, Rwanda, Tanzania, and Kenya. Total population is approximately 35 million and a population growth rate of 3%. Kampala has about 7.43 million people. About 77% of the population lives in the rural areas and females make about 51% of the total population. The main languages spoken are English, Luganda and Swahili. The distribution of the population is 0-14 years (50%), 15-64 years (47.8%) and 65 years and over (2.2%). Investing in the youth population is key to reaping the population dividends and maintaining social harmony.

Real economic growth in Uganda averaged about 6.9% over the last five to six years (compared with the average of 4% for Sub-Saharan Africa over the same period). There was high growth performance of 8.6% in the mid-2000 to 2007 which slowed down to about 5%. This was mainly due to economic infrastructural bottlenecks especially in the energy and transport subsectors of the economy and largely to the slowdown in the global economy and particularly declining commodity prices. This situation is further exacerbated by the outbreak of the COVID-19 pandemic that is gradually but surely paralyzing the entire socio-economic activities of the country.

The Socio-economic implication on women and youth

Economic growth has not been equitable: youth, women and children are particularly vulnerable to hunger and are being left behind. With the outbreak of COVID-19 pandemic, the situation has further been exacerbated and more so for the youth and women. While most countries are focusing on the health



The COVID-19 has inflicted huge socio-economic problems on the lives and livelihood of the population, especially the women and the youth



While most countries are focusing on the health crises, there are several countries who are focusing on the economic crisis



The majority of IsDB MCs are in sub-Saharan Africa where it has been proven that access to finance is increasingly difficult

crises, there are several countries including Djibouti, who are focusing on the economic crisis. Many sectors are affected such as tourism, hotels, restaurants, transport, small and medium enterprises among others.

Many people in both Djibouti and Uganda, especially women and youth who used to earn their income from informal sector, the Small and Medium Enterprises (SMEs), have been affected seriously. The restrictions in Djibouti that lasted almost two to three months put a severe strain on their livelihoods. As a result, entire households fell into precariousness and need for support. Similar observations have been made in Uganda. Like other low income developing member countries of IsDB, these countries urgently need help to restart their economies.

Response measures by member countries and IsDB

Djibouti

In order to respond to this alarming situation, the government has, for instance, drawn up the National Solidarity Pact (NSP) aimed at mitigating the effects of this economic crisis. As the UN agency that is the technical lead for socio-economic impact assessment and recovery, United Nations Development Program (UNDP) in collaboration with the IsDB are supporting the Government of Djibouti's National Solidarity Pact (NSP) to lead the socio-economic response to the pandemic and advance sustainable development.

Soon after the WHO declaration of COVID-19 as a pandemic on January 30th, 2020, the Djibouti Authorities established a Preparation and Response Plan to address the impact of the global outbreak. On March 23rd, 2020, the President of Djibouti declared a State of Emergency and announced several measures to respond to COVID-19 in the country. It should be noted that as of July 6, 2020, the Government of Djibouti (GoD) reported 4822 confirmed cases of COVID-19, 113 deaths and 4610 recoveries. Since then, the GoD has taken several measures to combat the spread of the virus. Some of the measures include setting up of a multisectoral steering committee responsible for coordinating the COVID-19 crisis to closely monitor changes in the health, economic and social situation, and implement



the appropriate responses.

As part of its efforts to mitigate the negative consequences of the containment measures and deal with the fall out of the COVID-19 pandemic, the GoD on 27th April 2020 requested the IsDB's support to fund the Strengthening of the Economic Resilience of Vulnerable Enterprises Project as Emergency Assistance for the vulnerable population. To that effect and as part of its response plan, the IsDB proposed financing of US\$7.35 million for the GoD to cover the cost of financing of the Strengthening as an emergency assistance under the COVID-19 Response Plan.

In terms of improving access to finance for women and young entrepreneurs, the project will engage on two levels:

- Provide grants or cash transfers to newly formed SMEs and cluster – level organizations, and
- Establish the operations of Islamic microfinance instruments to help them better provide financing to the potential borrowers.

To ensure a wider coverage and reaching the most vulnerable, the project cover beneficiaries located throughout the country (namely in Arta, Tadjourah, Dikhil, Obock and Ali-sabieh).

The beneficiaries of the project will include but not limited to owners of new or existing income generating activities and microenterprises that have high potential to benefit the youth (approximately 16 to 29%) and women from poor communities. The project beneficiary's identification procedure will be based, among others, on youth through mobilization and basic training, mini business plan competitions and coaching.

The project aims to support more than 1200 low and semi-skilled youth and women to access training, fi-

Key results and outcomes of the MVP-II.

- **50% reduction in the prevalence of underweight children in the community**
- **200% Increase in Agricultural Production**
- **Household access to sanitation increased from 4% to 80%**
- **27% reduction in children under five years of age who are stunted**
- **90% increase in the membership and savings of the community**
- **Up to 74% increase in net enrolment in schools**
- **Up to 30% increase in completion rates of pupils**

nance and thus sustainable income-generating activities and 500 Microenterprises through the provision of line of Islamic micro-finance. An estimated 18,000 individuals are expected to benefit directly or indirectly through the proposed project (given an average family size of 6).

It should be noted with concern that the COVID-19 pandemic has been both a health and an economic crisis and has presented several challenges for SMEs and global supply chains. It is, therefore, hoped that our collective efforts in highlighting actions to build the resilience of SMEs, given that they will continue to be lightning rods for future growth and to meet the Sustainable Global Goals.

Uganda

In Uganda, the lockdown through closure of most public services and public spaces aimed at significantly deterring the likelihood of spread of the COVID 19. Notwithstanding that, the districts remained with residual and largely health related staff. Coupled with the Social Distancing principles and requirements, the lockdown put an end to any community processes such as meetings and site visits. Unfortunately, this has adversely interrupted project activities and timelines especially the SMEs that this article is focusing on. Following the lock down, Uganda is experiencing an economic slow-down, experienced especially amongst the non-farming sections of the population. This has had a drawdown effect on food prices and other essential commodities resulting from strict expenditure choices.

Ministry of Local Government as the Executing Agency for LEGS, agreed with IsDB on the need for reprogramming, within the broad design of one of its on-going project to cater for the key emerging project related needs, while at the same time enabling supported communities to cope with the pandemic and its after effects. The LEGS Projects was built on the success of Millennium Village Project (MVP) Phase-II financed by IsDB Group and implemented from 2013 to 2016. The MVP -II had satisfactory results.

The Local Economic Growth Support (LEGS) Project is a follow on program to the Second Millennium Villages Project (MVP II) and aims at contributing to the achievement of Sustainable Development Goals (SDGs) with main emphasis on (SDG) (i) No Poverty; (ii) Zero Hunger; (vi) Clean Water and sanitation; (vii) Affordable and clean energy. It is also set to contribute significantly to the Third national Development Plan (NDP3) and as such, very critical in driving the Government of Uganda (GoU) development agenda.

The goal of the project is to accelerate the achievement of the SDGs with emphases on those SDGs mentioned above. The measures adopted by the GoU to control the

spread of the virus, has significantly affected the pace and character of the LEGS Project thus to some extent, undermining the LEGS key design principles and the integrated rural development delivery model.

- State of SMEs and emerging business opportunities

Noting with concern the adverse effect of COVID-19 on the life and livelihoods of the people of Uganda in general but more specifically the SMEs, LEGS under Component B, anticipated to support enterprises and Self-Help Groups that would in turn foster their agricultural livelihoods and promote individual and household incomes. While this will largely remain a key assumption in the post COVID times, there has been a significant shift in the needs of most communities to undertake immediate welfare related activities. These include amelioration of rising hunger especially among low income peri-urban groups.

There is already a rising "new economy" with the manufacture of detergents, sanitisers, production and packaging of longer shelf life food commodities, transportation and delivery services and locally made cloth face masks. While these will foster the income drive, some of them may be remotely or completely not re-enforce an ecosystem of improved agricultural productivity.

As part of its planned actions, the project will forge way to identify new emerging business opportunities coming out of food shortage in some areas translating into food shortage, processing packaging, transporting and redistribution. As part of the COVID response agenda, new skills for business resuscitation and start-ups in the post COVID era will be considered.

In IsDB Group overall response mechanism, the Agriculture Infrastructure Division (AID/ESID) is working in collaboration with the Regional Hubs to improve the health of the Agriculture portfolio projects in general and those with a Line of financing Islamic Microfinance Investment. The Agriculture and rural development is not only integral but also essential sector to the life and livelihoods of the rural communities all over the world.

The majority of IsDB MCs are in sub-Saharan Africa where it has been proven beyond reasonable doubts that access to finance from commercial banks and other non-banking Financial Institutions is increasingly difficult and risky to the entire subsistence farming communities due to the high cost of borrowing that usually attracts over 20% interest rates annually. The need for guarantee in the form of collateral further limited the chances of securing loans for agricultural purposes due to the perceived risks.

The Islamic Microfinance (IsMF) is one of the most vital instruments that farmers and SMEs use to improve the agriculture production and productivity and the business enterprises, hence it enables them to purchase the necessary inputs such as fertilizer, seeds, pesticides equip-



ment and consumable items for sale. Most SMEs especially in Sub-Saharan Africa, cannot afford borrowing money from commercial banks and conventional microfinance institutions due to the high costs involved in it and the lack of collateral guarantees. Instead based on the profit and returns that are backed by tangible assets or discrete, identifiable services opposed to the value of money.

Given the context of COVID-19 recovery where there would be a lot of projects that may benefit from this type of interventions, IsDB response would pay attention to interventions that minimize the impacts of the pandemic now (the Response action) but also entail long term development goals. This is in line with the bank's Recovery and Restart strategy to respond to the pandemic. To this end, the bank will design a training manual or curriculum that include some practical points and guides to Regional Hub teams on how to build-in IsMF components to the COVID-19 recovery projects. This could be done either through new allocations of funds or reallocation from the existing project funds as the case in Djibouti and Uganda.

Lessons learnt

- The collaborative efforts between the respective governments, IsDB Group and relevant international funding agencies is a key factor in the fight against the COVID-19 pandemic. The Government of Djibouti, in collaboration with the IsDB Group and UNDP, is making a headway in bringing back the country on its feet.
- Operational Team Leaders (OTLs) of IsDB engaging national executing agencies of IsDB Group funded projects in IsDB Group MCs early can be effective mechanism to review projects and repurpose uncontracted amounts is the most immediate and effective steps for IsDB's to address effectively the 3Rs in the COVID-19 pandemic.
- Measures to fast-track IsDB disbursement in ways that also in line the bank's procurement policies, like the case of the LEGS Project in Uganda, is essential in minimising the impact of COVID-19 in the rural communities.



IsDB interventions accelerate the pace of projects implementation for the benefit of farmers

The COVID-19 pandemic and the livestock sector in IsDB MCs: impacts, responses and lessons learnt

Threats to national economies and food security

The economies of many member countries (MCs) of the Islamic Development Bank (IsDB) are, like the rest of the world, under unprecedented threat from the COVID-19 pandemic. Apart from the direct public health impacts, the pandemic is creating a food security crisis and serious socio-economic consequences. The various containment measures instituted in response to the pandemic have notably resulted in practical and functional challenges for the entire livestock sector value



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chain from production to marketing. The impacts are felt across all areas of the livestock sector as well as on the livelihoods of the poor and the most vulnerable. For instance, the feed industry has seen significant supply reductions in some countries as a result of movement restrictions (including border closures), illness, labor shortages and reduced supply of raw materials or other ingredients. High increase in feed deficits has been very much felt in pastoralist areas already affected by drought and or floods and locusts. Access to inputs and services has also experienced a sharp decrease as a result of movement restrictions within countries and disruption of international trade. This has also compromised sales for input providers. The disruption of public services (suspension of surveillance and reporting of diseases, interrupted delivery and use of vaccines and medicines) has also led to a rise in livestock diseases and a decrease in diseases reporting and investigation which increases the likelihood of new epidemics including zoonoses. Producers have not been able to adequately sell their products because of livestock markets closure. This is further ex-



The containment measures have resulted in practical and functional challenges for the entire livestock sector value chain

acerbated by a drop-in demand with its corollary effect of price reduction. The reduced demand has pushed farmers to sell at very low prices or to keep their stock longer or dump milk, leaving them with higher production costs or significant losses. This is the case in West Africa where many live animals' markets are closed and prices for cattle and small ruminants have dropped by more than half while pastoralists are forced to destock massively. Recent studies (March-June 2020) in Cameroon and Niger (Table 1) provides vivid evidence on the extent to which the livestock sector has been impacted by the COVID-19 pandemic. In Cameroon, the poultry industry has been hit hard, with over 50% loss of the hatchery stock in the surveyed location. Decrease in sales (40-60%) in Niger and high input costs (14-37%) in both countries are also associated problems with the movement restrictions. In the area of finance and investment, most African countries reported during a webinar convened by the African Union on 21st May 2020 that the sector has been hard-hit by re-allocation of public funds from animal resources to address the health emergency,

Country		Parameters				
Cameroon	Hatchery stocking rate (%)	Loss of chicken due to diseases (%)	Equivalent loss of chicken meat due to diseases (metric tons)	Increase cost of maize (%)	Increase cost of groundnut cake (%)	Increase cost of soya cake (%)
	52.4	43	50	14	37	18
Parameters						
Niger	Decrease sales of animals and products (%)	Increase expenditure on inputs (%)	Population impacted April-May 2020 (%)	Population impacted June-August 2020 (%)		
	40 - 60	20	17.4	29		

Table 1: The impact of CV-19 pandemic on the livestock sector in Cameroon and Niger

re-allocation of donor funds from animal resources programs and projects to COVID-19 human health activities, uncertainties, fear and panic leading to decreased private investment in the sector, drop in tax revenues, suspension of policy and legislative processes and reduced foreign exchange earnings. The budgetary reallocation from livestock to health sector has also been experienced at pan-African institutional levels, including the African Union.

The impacts are particularly felt in countries that depend significantly on livestock exports for their national incomes. An example is Somalia that has been hard hit as a result of not being able to export sheep and goat to the Middle East. This leaves the Somali livestock industry at a crossroads and will likely lead to tens of thousands losing their livelihoods with a loss of revenue estimated at half a billion US dollars. Somalia makes \$250 to \$300 million each year, with the value of annual livestock export in the whole of the Horn of Africa region estimated at \$1 billion.

Country and development partners response

To preserve the livestock assets and maintain an optimal level of resilience, national governments responded in various ways. These responses consisted among others of one-off payments for informal workers, including sellers at local markets (Egypt, Tunisia and Morocco), establishment and operationalization of logistics and e-platforms for local products



The impacts are particularly felt in countries that depend significantly on livestock exports for their national incomes

as well as mobile cash transfers (Morocco), provision of loans and loans repayment deferral (Egypt, Mauritania), fund raising mechanism (Mauritania), putting agriculture on the list of essential sectors and authorizing sector workers to work normally during lockdown (Tunisia, Nigeria), paying milk subsidies to ensure continued normal functioning and sustainability of milk collection centers (Tunisia), and providing integrated support to farmers' households (Niger). With the support of development partners, these initiatives have helped livestock value chains actors maintain a minimum level of business continuity. It is worth noting that the absence or very limited implementation of health policies has been a factor that militated against a greater success of governments responses. In the Sahel region of West Africa, CILSS (an inter-governmental agency for drought control) reported that the pastoral situation remained particularly difficult during the early stage of the rainy season in the Sahelian countries where the availability of pasture is critical. The burden on pastoral resources in border areas remained extremely high, particularly due to the continued closure of borders in the context of the management of the Covid-19 pandemic. As a result of the borders closure, there is high concentration of herds in some areas which could trigger diseases outbreaks and conflicts. The alert thresholds on the indicators monitored (access to pasture, biomass availability and transhumance) continue to be exceeded. Governments are responding through support programs for the pastoral sector including procurement and distribution of livestock feed, surveillance and veterinary care.

IsDB support – focus on sustainable solutions

To assist countries respond adequately in building resilience to food insecurity and assure business continuity for value chain actors, IsDB has been closely engaging regional and country partners to review and reallocate resources, to the extent possible, that are underutilized in projects that have had low disbursements and are nearly close to ending to provide safety nets to impacted communities.



This exercise consisted of engaging member countries through the regional hubs and supporting them refocus and fast-track implementation of impactful short-term activities thereby enabling farmers to secure their assets and continue producing and generating income. This has been done for livestock projects in Nigeria, Cameroon, Senegal, Burkina Faso and Mali. This effort has unlocked considerable resources to respond to countries requests for funding in the short term. Short-term activities were identified for immediate implementation.

Within the framework of the second track of the IsDB package, its global practice stepped in to provide technical backstopping to member countries through regional hubs. This has been instrumental in accelerating the pace of projects implementation for the benefit of farmers. In Nigeria, these consisted of immediate procurement of seeds for seedlings for livestock feed in order not to miss the current cropping season, vaccinations against priority diseases to help farmers secure their assets. In Burkina Faso, Mali and Senegal, the managers of the lives and livelihoods fund (LLF) projects have been engaged to mainstream impactful short-term activities and propose fast-track packages for approval by IsDB.

New programs are being designed. A major one among others is the Eastern Africa Livestock Value Chain programme which will bring about increased investment in livestock and meat value chains through systemic capacity development, support to SMEs with focus on women and youths, increased uptake of technologies and enhanced policy and legal frameworks.

Lessons learnt and implications

The technical support to the regional hubs proved helpful. This collaboration should be part and parcel of the new normal for greater economy, effectiveness, efficiency and impact. For the collaboration to be hitch-free, clear demarcation of roles and responsibility at different level is a sine qua non. The application of the principles of subsidiarity, synergy and complementarity should guide the support rendered by global practice to the member countries through the regional hubs.



IsDB has been engaging partners to review and reallocate resources to provide safety nets to impacted communities

The global practice should strengthen the capacity of the regional hubs to better play their role of coordination, integration and technical backstopping to member countries.

It is worth noting that obtaining reliable information on the impact of COVID-19 on food security is difficult because the data and information are not easy to collect. This is because the people mainly involved in data generation or collection are from the Health sector. Such data and information are limited to the human health parameters (tested, infected, treated, deaths), and to the medical equipment and precautionary equipment (quarantines, ICU, masks, gloves, etc).

It is crucial to formulate and implement new post-COVID policies, which are better adjusted to the post-COVID changes and are focused on one health, regional integration, multisectoral cooperation and capacity strengthening of professionals and actors of the livestock sector in risk analysis and in epidemic /epizootic management at regional and national levels. These policies should be based more on improving the governance of countries in terms of livestock, sufficient investments for the livestock sector through the development and financing of resilience programs. Management and containment plans for major epidemics and zoonoses would also be required, combined with public policies for assistance to victims of health crises and natural disasters, with an emphasis on livestock for livelihood.

Private Sector Response to The Covid-19 Pandemic Under Contract Farming

Contract Farming (CF) historically has been one of the most effective ways to link farmers' produce to national and international markets through moving each stage of the Global Value Chain (GVC), including marketing and distribution, though its structure and model vary by country and product.



The entire world is going through an unprecedented crisis due to COVID-19 pandemic that has disrupted the global food systems, though the scope and disruptions differs from country to country. It is important, however, to develop precautionary measures that minimize severe disruptions to food security of the people in all its forms: availability, accessibility, affordability and utilization.

CF has come in handy in Turkey as an instrumental agreement between farmers and food companies during this crisis to ensure agricultural production, collection and transportation, processing and eventually marketing of agricultural produce to make sure sufficient food items are available on the shelves of the markets. This is illustrated in the CF case studies deployed by four companies in Turkey. The objective of this article is to shed light on contract farming systems in Turkey under the Covid-19 pandemic and its aftermath and challenges faced, precautionary measures taken and lessons learnt that can be replicated in IsDB member countries.

A conceptual framework for analyzing contract farming under covid-19 pandemic

Since demand for agricultural products in any form, bulk or packed has recently seen increasing trends in Turkey, there has been a strong emphasis for integration among producers, processors, and retailers. For this to succeed well, robust links to markets are essential to increase agricultural production, productivity and improve food security for the rural poor. Limited access to inputs, technologies, information, and credit are major obstacles in Turkey that hinder smallholders as they do in other developing countries to improve productivity. These obstacles, in turn, make it difficult for them to produce the quantity and quality of agricultural produce required by the market. This is the juncture where CF applications can make a difference (IFAD, 2015). CF can be defined as an agreement between farmers and processing and/or marketing firms for the production and supply of agricultural products under forward

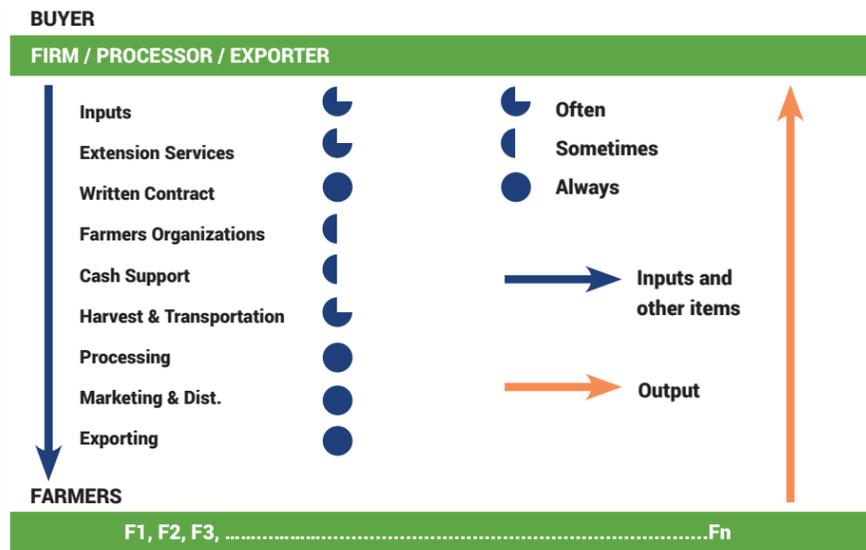


Figure-1: The CF Model



Robust links to markets are essential to increase agricultural production, productivity and improve food security for the rural poor

agreements, usually at predetermined prices. (BMZ, 2013). Well-organized contract farming provides linkages where smallholders can make commercial production while agro-processors have a reliable supply source of both quantity and quality. A CF framework that encapsulated these linkages (Fig. 1) was used to gauge the performance of the four Turkish companies with respect to delivering well for the producers and consumers under the COVID-19 pandemic. The names of companies along with products and number of contracted farmers are given in Table-1.

These farmers are smallholder and they make contract with the companies on individual basis. CF is used the most by poultry sub-sector followed by fresh fruits and vegetables sub-sector in Turkey. CF has started in the country long time ago but accelerated in 1990s and it has spread to other sub-sectors in agriculture. In Turkey, generally, 90% poultry production, 50% industrial tomato production, 30% of processed/packed fresh fruits and vegetables and 5% grain production is performed under contract farming the four companies discussed in this chapter are just a few of the several CF companies in Turkey.

The mentioned companies have established efficient marketing networks within

the country and abroad. Figure 1 shows generic framework adapted from BMZ that companies have used, though it slightly differs for each industry. The areas of adaptation include i) provision of inputs, ii) provision of technical assistance, iii) harvesting and transportation, iv) processing, v) marketing including export. They have been instrumental to link farmers to GVC and overcome challenges faced during the pandemic.

Apparently, the impact of Covid-19 on agriculture is complex and varies for each segment of the agricultural value chain as well as countries, regions, producers and stakeholders. As other countries have done, Turkey has implemented precautionary measures including complete lockdown periods to curtail the spread of the virus since inception of the Covid-19 outbreak. The Government of Turkey issued a legal document in the first week of the curfew restrictions, exempting people working in the agriculture and food industry as well as transportation services to carry agriculture and food items. Therefore, no major interruption has been observed in most stages of the agricultural value chain, though there was a difficulty in



The pandemic has shown the importance of CF and it will be more popular in post-pandemic era due to expected external shocks in the future

movement along with adopting new measures especially in packing and processing units at the beginning.

The mentioned companies have also taken strict precaution measures for their contracted farmers and workers involved in the various stages of the value chain such as strict social distancing rule, hand washing, wearing special clothing along with masks and gloves, etc. to keep the business running due to increased demand for food items. However, reaching out and diffusing information to farmers at the beginning of the pandemic was an issue. Extension staff were unable to travel and hence unable to provide technical information along with certain inputs. The only way to reach farmers was to use technology. They used digital technology including cell phone applications to reach out to producers to provide technical assistance and other information in the early weeks of the pandemic.

During the lockdown period, there has been a need of online platform where buyers and sellers along with other stakeholders in the sector can meet and do shopping at reasonable price. Food companies, farmers' organizations, etc. that possess Internet/technology infrastructure are able to sell their products directly to customers. Therefore, the Ministry of Agriculture and Forestry of Turkey has recently launched electronic National Agricultural Market (e-NAM).

The interviews conducted with the companies clearly show that well-managed CF have positive implications for the companies, consumers and producers during external and unexpected shock. It will allow GVC functioning for agricultural products and thus contractual farmers were better off in handling the pandemic than their non-contractual counterparts. Non-contracted farmers have found difficulty particularly in March and April in selling their products and thus plenty of produce was wasted. Nevertheless, contracted farmers have easily sold their products because the firms with strong logistics have been able to reach farmers and transport their produce. According to



Company	Product	# of contracted farmers	Target markets
Migros	Fresh fruits and vegetables	3.000	National
Ulker	Wheat	2.900	National and International
Tat Can	Tomato	600	National and International
Er Pilic	Poultry	1.300	National and International

Table-1: The companies with products and number of contracted farmers

Tat Can firm, contracted tomato farmers earn US\$250 more than uncontracted farmers per ha. There has been no side-selling for farmers because there have been few buyers during this crisis.

Lessons from the case studies for post covid-19 period

• New Work Paradigm and their Adoption:

Digital revolution has allowed staff of companies working from home. However, the interaction in the whole value chain stages including with farmers were limited. Face to face interaction and interviews were lost. Therefore, there have been interruptions and weak linkages among the value chain stages. However, both public and private institutions were quick enough to adapt to working from home during the early days of the Covid-19 pandemic. The extension professionals reassessed how best they would train farmers and perform their jobs in this kind of crisis through using digital technology.

• Application of digital tools to Agriculture:

The Covid-19 pandemic has shown the immense value of digital tools and technologies and their use in the agriculture value chains. Fortunately, the Turkey government has extensively invested on telecommunications and Internet infrastructure. The issue of reaching out to farmers initially was well addressed by having good coverage of cell phones by farmers in the country. Extension staff visit came after relaxation of lockdown in addition to communication through cell phones. Thus, food companies have been able to communicate with farmers and other stakeholders both in the production and trading aspects of the agricultural produce through well-established technology infrastructure.

• Promotion of electronic National Agriculture Market (e-NAM):

In response to pandemic, the Government has recently launched e-NAM. Since it is new, it has not gained attraction yet and it needs more time to be known and

used by more buyers and sellers. Apparently, the said companies particularly Migros will be using e-NAM to reach their customer domain since they are looking for new opportunities such as e-NAM to penetrate more market segments.

• Contract Farming along with certification reinvented:

The companies appreciated with their contract farming applications because they have ensured supply at desired quality and price. Since both parties were appreciated in terms of earning income, the trust between companies and farmers was built and adaption of CF has increased. They have also traceability system along with certification program for certain agricultural products such as Migros's Good Agricultural Practices for fresh fruits and vegetables.

• Concluding remarks and the way forward

Responses to COVID-19 by the national governments such as Turkey have serious implications for the functioning of the food systems in developing countries. Understanding and preparedness of disruptions such as COVID-19 will help Governments, companies, etc. readjust policy and programming activities in the value chains.

The pandemic has clearly shown the importance of CF and it will be more popular in post-pandemic era due to expected external shocks in the future.

This pandemic has changed consumer preferences forever demanding more hygiene and packed products. Customers particularly the elderly have shifted to either on-line ordering or door delivery for agricultural products. The private sector with its dynamic nature has adopted to new working and marketing paradigm in the country.

Well-established CF can be one of the production models to be offered to other ISDB member countries particularly to minimize the negative effects of external and unexpected shocks such as COVID-19 outbreak.

Rethinking water management and food security in the face of COVID-19 pandemic

The context

Water resources are complex socio-economic systems. The complexity lies in the natural resources, the hard infrastructure and the actors (governance) involved (Bruijn & Herder, 2009). The elements of socio-economic systems are created and maintained by supply-side actors (i.e. water management organizations) and used by demand-side actors (i.e. domestic users, industries, agriculture and the ecosystem).

The pandemic has created a high level of uncertainty around both ends; the supply and the demand. Consider, for example, uncertainty concerning the disturbance of the supply chain, the availability of labor and the access to the irrigation facilities due to travel restriction and its impact on service delivery.

In water stressed countries, there is a problem of shortage of water supply to meet the ever-increasing demand. Each demand side actor has a different



perspective of the problem and they often have conflicting interests. This further complicates the system in which water is being managed.

During the pandemic, it was globally observed that technically advanced irrigation systems remain efficient as compared to traditional irrigation infrastructure. Yet, due to financial constraints, the use of advanced irrigation technologies such as drip and sprinkler irrigation (Fig. 1) are somehow limited in many of IsDB's MCs (SESRIC, 2018)

On the other hand, from the water governance perspective, the pandemic has created an opportunity window in the socio-economic system in which water is managed. This has important implications on IsDB's support to MCs with its 3R strategy: response (address immediate needs), recovery and restart (address medium and long term needs in a sustainable manner).

With this background, water resources management is qualified as a complex problem which involves multiple stakeholders, multiple perspectives, conflicting interests, various types of uncertainties, and significant intangibles (Rosenhead & Mingers, 2001). Until now, water resources management has been handled generally by governments, non-governments organizations and development agencies using a single dimensional sectoral approach. Yet, the impact of COVID-19 on the water footprint in water-stressed regions, such as MENA, invites us to tackle water management in a multi-dimensional nexus approach (Fig. 2).

The problem with the sectoral approach is that it addresses the challenges of each sector separately without paying attention to the interlinkages between sectors and the sustainability of water resources. It entails low level of communication between stakeholders (see Figure 2). Thus, the trade balance of agricultural and food products in many countries resulted in a negative balance of the virtual water trade (Marta, Francesco, & Stefania, 2017). Sectoral approach does not help water supply stakeholders to communicate these concerns with the trade policy makers. To overcome this situation, a robust multi-dimensional nexus approach is required.

With respect to co-creation through the nexus approach, the roles of the different sectors are synergistic and achieve more sustainable outcomes by balancing demand and supply and matching the need with the type of water resources (Green, blue etc.) in efficient way through the process that takes into consideration the process and expected outcomes (Table 1).

This article sheds light on this window of opportunity

to rethink water management and shift from a sectoral to a nexus approach by examining the water and food security policy's efficiency during the pandemic. This is important given that agri-food sector is responsible for nearly 92% (Marta, Francesco, & Stefania, 2017) of the total water demand in the MENA region. Thus, food security is strongly linked to water resources availability. On top of that, food self-sufficiency is often a political decision that overlooks water availability in the given country. For instance, for Egypt to be self-sufficient, it would need to double its supply of freshwater resources which is precarious and has geo-political implications with its neighbors.

The primary reliance of food production on blue water (water from reservoirs and aquifers) as opposed to green water (rainwater) (Hoekstra, 2017), led to the depletion of already scarce water resources, increase of groundwater salinity and destruction of aquifers. The degradation of water resources has further challenged the food self-sufficiency policies in most MENA countries (IsDB, 2020). Governments have started to realize that depending on national water resources is not sustainable.

That is why many countries in the MENA region replaced food self-sufficiency with food security policies. By importing food and agricultural goods, water-deficit countries can rely on water resources available globally. The international trade for food import closes the gap between demand and supply by importing virtual water (Jägerskog and Kim, 2016). But this external food dependency makes the countries vulnerable to global markets and the risks of supply shortages or purchases at high prices.

• Water management during crisis - The impact of the pandemic on the food supply chain

In the last decades, water resources management was challenged by increasing demand, low financial resources and climate change that caused severe droughts and/or floods. It is well observed that during crises, stakeholders are more likely to collaborate and produce not only innovative solutions but also integrated and consensual ones. Worldwide, crises were turning points leading to advances in water management. For instance, the famous Dutch diamond model, which brings together stakeholders from different segments in society (government, private sector, NGOs, investors and knowledge institutes), emerged after the disastrous flood of 1954. The first water accord in Morocco was drafted and approved by all water users after 2 years of severe drought that hit the country in 2007.

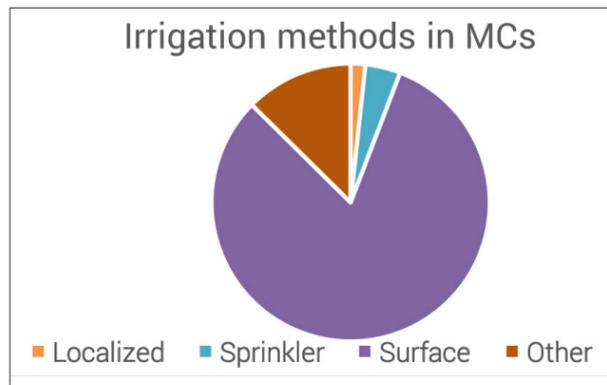


Figure-1: Irrigation methods in MCs (SESRIC, 2018)

Given that water plays a role in almost every aspect of life, each crisis teaches us to add a new dimension to water management starting from water-energy nexus, to water-energy-food nexus. With COVID-19, there is an urgent need to shift from a sectoral approach to water management. The pandemic shows us that water should be addressed in a nexus with energy, food, health and education.

During the pandemic, the food supply chain slowed down. FAO (2020) expected vegetable production to become a lot more local. While the trade of staple foods (rice, maize), fruits, meat were expected to remain constant. The good news is that the water footprint of vegetables is much less than the water footprint of staple foods which are mostly transferred globally. The footprint for 1 kg meat is 5000-10000 liter, 3000-5000 liter for 1 kg rice, 600-1000 liter for 1 kg wheat and 100-300 liter for 1 kg vegetables (Waterfootprint, 2020).

Moreover, health experts suggest that one of the best ways to combat COVID-19 is to improve the immunity system. The latter depends largely on the nutrient-rich food. A rule of thumb is: nutrient-rich food products generally consume 25% less water than nutrient-poor food products.

Country response

Countries are perceiving the pandemic as an opportunity to leverage investments to modernize the irrigation systems such as they cope with this crisis and potential future shocks. For example, a number of countries addressed the limited availability of labor in the field by introducing automated irrigation systems and increased farm-level mechanization. Thus, with financial and technical support, small-scale farmers could take advantage of more efficient, automated and affordable irrigation systems. This has further developed on-line extension and improved communication between agencies and clients.

The pandemic has also revealed the need for exploring opportunities of online marketing, which could be facilitated by farmer cooperatives, and for greater capacity to store products, which could be supported by post-harvest processing facilities. (World Bank & International Commission on Irrigation & Drainage, 2020) One of the best practices which was reviewed by the IsDB's Water Team, Social Infrastructure- Global Practice during the pandemic, is Guerdane irrigation scheme in Morocco. The use of nexus approach in this project has achieved more results on different objectives with less investment. The robustness of the project performance during the pandemic proves the effectiveness of the nexus approach. The project which involved the public and private partners (PPP) has proved efficiency before and during the Pandemic. The project focused on high value yet low water footprint crops (citrus, see Figure 3).

The crop selection in combination with the use of the drip irrigation technology, the water use efficiency has increased up to 95%. In turn, this has significantly reduced the water logging and salinization and thus there was no drainage system required as compared to furrow irrigation systems which impose additional costs

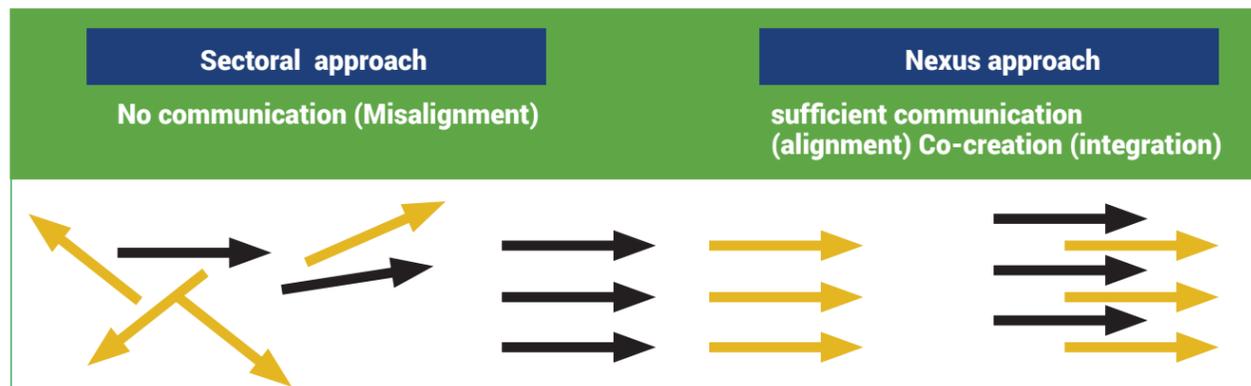


Figure- 2: Nexus approach vs sectoral approach objectives alignment source (the authors)

Process	Expected outcomes
Problem structuring	Common understanding of the problem
Cognitive mapping	
Identify a set of objectives hierarchy	Integrated framework that combines all stakeholders' interests
Generate alternatives	
Quantify the performance of each alternative against the objectives	Evidence based decisions
Address uncertainty	Risk based approach
Making trade off	Consensus among stakeholders

Table- 1: Co-creation process and expected outcomes of the multi-sectoral nexus approach to water management

to drain the excessive use of scarce water. To further reduce the cost, the Guerdane irrigation scheme was built with the gravity-pressurized network to irrigate 600 farms over 10,000 hectares. Needless to say, that with the involvement of the private sector the successful marketing process was guaranteed. Moreover, the operation was not disturbed during the pandemic as the system was fully automated. (Oumar et al, 2020).

Recommendations:

COVID-19 has highlighted the importance of food security and its implications on the supply chain and water consumption. In the restart and restore stages of IsDB action plan, it is recommended to follow a nexus approach in addressing food supply and irrigation. It is equally important to follow the nexus approach in developing MCPS for countries that have Agri industry as a champion.

Guerdane project gives a good example of solutions to

food security, trade, and agriculture that are water-wise. A systematic application of this approach requires a robust decision making which serves evidence-based tradeoff between different objectives. The nexus approach ensures the integration of different sectors systematically and, more importantly, it ensures the engagement of key stakeholders including private sectors. While using advanced technologies in irrigation has reduced the water footprint by 35% in the supply side, a proper integrated approach in the demand side has the potential to reduce water footprint up to 55% and combined with water use efficiency of the system reduce water use up to 95%.

A greater benefit can be achieved form nexus approach which pays attention to the following considerations:

- Adopt water-wise food security policies by shifting to low water footprint yet rich nutrient-crops (high value) and improving irrigation methods, using advance irrigation technologies, and ultimately achieve more with less (see Figure 2)
- Strictly allocate water resources among farmers and other water users. That ensure supporting small-scale farmers financially and technically
- Consider the whole supply chain with trading virtual water, e.g. trading green water vs blue water and importing from water secure countries
- Deploying technologies to improve communication between supply and demand actors and to manage infrastructure via automated irrigation systems specially during the pandemic;
- Accelerate the supply chain, which was affected by the pandemic, by exploring opportunities such as on-line marketing with farmers cooperatives, increase the products storage capacity and develop post-harvest



Figure- 3: Advanced Irrigation Technologies in the IsDB MCs (SESRIC, 2018)

Private sector engagement unlocks markets for smallholder farmers: Insights from Uganda rice scheme



Figure- 1: Mechanization demonstration in soil padding at Busowa Cooperative rice technology demonstration site, eastern Uganda



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Seizing private sector opportunities

The COVID-19 pandemic has affected all sectors of economies globally. In Sub-Saharan Africa, the crisis has drastically impacted food security. Partnership with the private sector can, however, complement public efforts in minimizing the impacts of the pandemic. This is evident in Uganda where the government with funding from the Islamic Development Bank entered into a partnership with a local rice company that developed strong Contract Farming (CF) arrangements with farmers in eastern Uganda through their associations. This has served well farmers targeted by the Enhancing National Food Security through increased Rice Production Project (ENRP) during COVID-19 pandemic.

The CF approach deployed

The approach developed contractual arrangements between Pearl Rice Uganda Limited (PRUL) and Busowa Traders and Farmers Cooperative Society (BTFCS) that serves farmers in five districts - Bugiri, Bugweri, Igogera, Kitumbazi and Naigombwa in eastern Uganda. PRUL operates a centralized contract farming model where it supplements its own production with output from out-growers to satisfy its enormous milling needs.

The company operates a nucleus rice farm of about 1000 ha for rice production and can produce about 7,500 MT of rice per year. However, PRUL can currently process 120 MT of rice per day and will install an ultra-modern rice milling and processing facility with a capacity of 500 metric tons per day with the project implying that this capacity cannot be met through own production. As a result, to address this gap, the company has undertaken rice CF arrangements with 909 farmers (Table 1) across 52 groups to increase production to meet the rising and growing market demand for rice both domestically and internationally. Table-1. Gender segregated data of the smallholder rice out-grower under PURL (CF) scheme in various locations (parishes) across 5 districts in eastern Uganda



Partnership with the private sector can, however, complement public efforts in minimizing the impacts of the pandemic

Source: ENRP (2020)

Potential impacts of the project

The BTFCS cooperative model which can produce about 20,000 MT of rice per year on a 2500 ha of field. Together, the out-growers currently engaged in the CF arrangement bring in about 3,000 metric tons a year. Given the huge gap to meet PURL's needs, the project aims at expanding rice production to bring more small holder farmers into the CF arrangement.

Additionally, BTFCS engages in artisanal rice milling and processing 35 metric tons of rice per day and planning to increase the milling and processing capacity to 200 metric tons gradually. The out-grower CF scheme developed in partnership with

Out-growers groups under PURL limited		Sex	
Location	Number of out-growers	M	F
Kalalu	175	135	40
Nsozi Bir	66	52	14
Butyabule	77	49	28
Bupala A	44	24	20
Bupala B	21	15	6
Namasanga	375	281	94
Bubonyi	151	97	54
TOTAL	909	653	256
M- Male; F - Female			

Table-1: Gender segregated data of the smallholder rice out-grower under PURL contract farming scheme in various locations (parishes) across 5 districts in eastern Uganda

PURL so far supports a total of 1,700 families or about 8,500 people based on an average of 5 persons per family.

The CF arrangement is serving the farmers well under the COVID-19 pandemic. They are, for instance, able to make collectively their produce fast through PURL and receive production inputs in advance. This allows to remain in production, access markets and generate incomes when others in the CF scheme are generally challenged. The benefits farmers receive are, indeed, enormous - see Box 1 for some of their testimonials.

The project plans to expand the benefits realized so far by a few to many farmers in the five target districts. Apart from the provision of two medium size irrigation dams and field level irrigation infrastructure for rice production, small holder farmers under the project, would be provided with agricultural inputs (improved and certified seeds, fertilizers pesticides, etc) and mechanization support (Fig. 1). In this context, the project will expect to attract private sector interest in the region by bringing agribusinesses as suppliers of agricultural inputs.

Additionally, both PURL and BTFCS plan on using demonstration plots (25 ha each of the project locations) as training tools. The demonstrations will help teach the farmers good agronomic and management practices which they can replicate on their fields. Moreover, the project is supporting extension workers - including women, who would pay regular visits to smallholder farmers both under CF arrangement and cooperative schemes to assure the quality of the final product. With the restrictions associated with COVID-19 that has particularly affected activities that were planned

for collective actions (e.g., group training – Figure 2; demonstrations and field days), this will now rely more on the digital technology including text messaging. This has taken root well in Uganda where most farmers also own mobile phones.

The project with the support of PURL will also strengthen each of the farmer groups in the CF arrangement. The groups will have executive committees that ensure good management and service to their members. Their capacities are currently being built and strengthened through the Ministry of Trade Industry and Cooperatives which has the regulatory authority over the cooperatives in the country. All farmer groups management committees will be given basic financial & management literacy and bookkeeping courses and their



Figure- 2: Project extension staff making a presentation at a farmers mobilization workshop in Bugiri District, eastern



Figure- 3: PURL rice milling facility in eastern Uganda.

books will be audited during the project course.

At the national level, the potential impacts of the project and the CF model deployed can be significant. While rice production in Uganda has increased at an average of over 10 percent over the last two decades, Uganda has not been able to meet domestic demand for rice. At a per capita consumption of 10 kg, Uganda rice demand is estimated at 400,000 metric tons. Of this, 238,000 metric tons is produced locally while the rest is imported. The project aims to close this gap significantly with PURL's plan of milling 500 metric tons per day (Fig. 3) over the next 2-3 years.

Lesson learnt

With on-going successful implementation of ENRP project in Eastern Uganda, the country is steadily consolidating its gains in the rice sector. An important lesson learnt of relevance to the COVID-19 pandemic is CF arrangements with the private sector, in this case rice millers, can be an effective mechanism to link farmers to markets and in ways that are inclusive to both men and women.

Strong farmers associations are critical for the CF arrangement to work well. This also helps build trust between the farmers and the miller, in this case PURL, that also incorporated some of the farmers as out-growers into its nucleus production farm. Capacity development of farmers can be supported through the associations using the mobile telephony solutions.

The strong CF and the farmers associations partnership developed, the next challenge for the project is to bring more farmers into the arrangement. This re-

Farmers testimonials under the CF scheme with PURL

NAITEBE MARIAM – The project support has helped me increase my income from farming activities. The project is good because it has given us free land where we can plant rice, the project ploughs for us using tractor, and the project gave us seeds to plant. In this way, the project solved chronic problem of market because after harvesting our rice the company comes to buy at a good price.... the money we get after selling our rice has helped us to educate our children which has improved our livelihood. In her own words, "Before company, we were very poor to even afford a square meal in a day, it was very difficult but now we eat three times a day."

Ms. NAIGAGA JAMIRA – Farmer under the out-grower scheme:

She is happy because the project has supported them through giving them free land to farm rice, it ploughs for them, and it has given them seeds which they plant, provided them market because after they harvest their rice the company comes to buy from them. She said she happened to be one of the best farmers who sold too much rice to the company and she was given a prize of a bicycle she said the bicycle has helped her solve the problem of transport in her family she appreciates the company so much.

Mr. MUTESI JALIRA – The project support has changed my life - harvesting rice from project helped me to get money for educating my children, buying food, buying clothes, treatment when they get sick. By giving us free land, the project helped me to buy a cow and that cow calved and it gave me milk which has improved my health standard and living condition. We appreciate Pearl Uganda Rice Limited for the support it has given to me and my family.

quires expansion and modernizing the irrigation infrastructure. The project is committed to this, and the private sector will bring on board its experience and support to it given that is important to the success of its business.



Improving nutrition in the face of the COVID-19 pandemic in IsDB member countries: A call to action

Improved nutrition: Key to human development

The current COVID-19 pandemic has deepened the health and humanitarian crisis in the IsDB MCs, and threatened food security and nutrition of millions of people especially women and children. The lockdown which ensued led to sudden interruption in the food supply of many households from forced closure of business and loss of jobs. The effects on livelihoods had expansive consequences on health and nutrition, on a scale unseen for more than half a century (United Nations, 2020).

The effects of the pandemic are likely to be most severe in countries that have food insecurity and have a high Global Hunger Index (GHI) value. For IsDB, a vast majority of its MCs (25 countries out of 57) have GHI values of greater than 20 that is commensurate with moderate to severe malnutrition on the GHI scale. This concern could be further exacerbated by predictions of global economic recession and the continued disruption of the functioning of food systems, especially for those of the MCs that are highly dependent on imports. This accentuates further the hunger and nutrition crisis associated with the pandemic in the IsDB MCs.

The call to action to address the challenges of nutrition in IsDB MC is urgent, and more so now with the COVID-19



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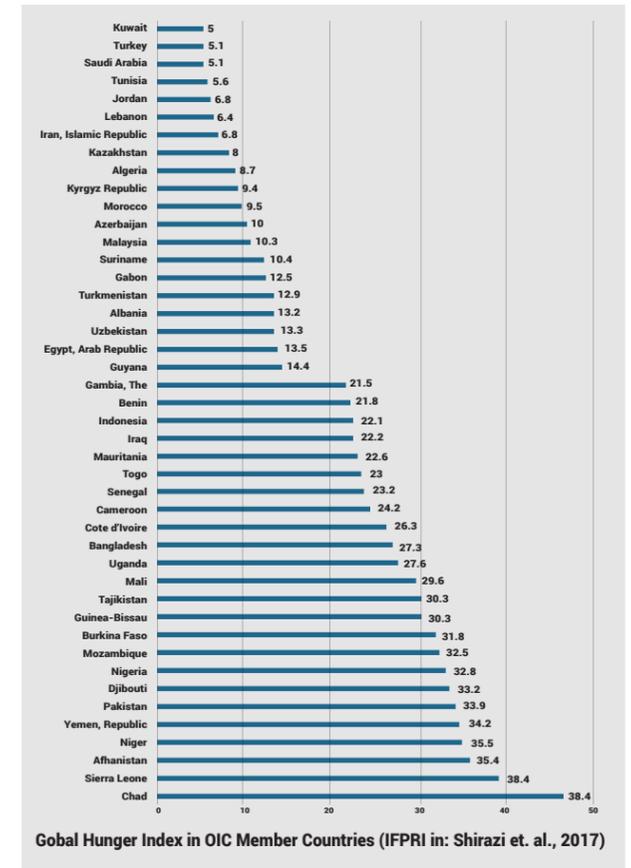
pandemic. Inadequate nutrition is affecting current and future generation in the MCs. The Organization of Islamic Cooperation (OIC) 2019 Health Report, for example, estimated that 31% of under-five children in OIC countries were stunted in 2010-2018 compared to 27% in other developing countries and the world. Stunting is a measure of height for age of a child and is commonly used to monitor nutritional deficiency over time.

During the same period (2010-2018), the proportion of children under five years of age whose weight was less than the average for that age (underweight) was 19.9% in OIC countries compared to 19.2% in other developing countries. Findings from the report showed that stunting is on the increase in OIC MCs, and so is the percentage of

overweight children. The double burden (of both stunting and over-weight) facing the OIC/IsDB member countries is alarming and calls for intervention. While the MCs are increasingly putting nutrition high on the agenda, the key question is how to best institutionalize and scale up this effort fast.

School feeding programs is one action put forth by the MCs to address the nutrition challenges of children. This has significant impact in many countries in improving nutrition but also retaining children, especially those from poor families in school. This program has now unfortunately been disrupted in MCs by the closure of schools due to the COVID-19 restrictions.

The call to scale nutrition interventions is informed by growing global knowledge and advocacy on the need to address nutrition issues head on. For example, the 2013 Lancet series on Maternal and Child Nutrition brought to the fore the key role of nutrition in improving health and wellbeing, especially of women and children. In that series, it was noted that: "Acceleration of progress in nutrition will require effective, large-scale nutrition-sensitive programs that address key underlying determinants of nutrition and enhance the coverage and effectiveness of nutrition-specific interventions." It further stated "...protection of nutrition, let alone acceleration of progress, will entail more than bringing nutrition-specific interventions to scale. It will require a new and more aggressive focus on coupling effective nutrition-specific interventions (i.e., those that address the immediate determinants of nutrition) with nutrition-sensitive programs that address the underlying causes of undernutrition." The concept of nutrition-specific and nutrition-sensitive interventions became a topical discourse of the global nutrition community over a decade ago; where the need to distinguish between the two types of interventions became crucial in the fight to eliminate malnutrition worldwide. Nutrition-specific interventions refer to interventions that directly address the immediate determinants of foetal (during pregnancy) child and adult nutrition and development. In this situation, any disease condition such as anaemia (low blood count) wasting (low child's weight for height, is a measure of acute nutritional deficiency) can be treated and normalized by nutrition-specific measures, such as Vitamin A and zinc supplementation, exclusive breastfeeding, dietary diversity promotion and food fortification (IFPRI, 2016).



Nutrition-sensitive interventions on the other hand, influence the underlying determinants of nutrition (Ruel et al., 2013). For example, water quality, sanitation and hygiene (as it prevents disease); child protection and care; schooling and its impact on wellbeing and feeding; early child development; maternal mental health; agriculture and food security; health services and family planning services; social safety nets; and women's empowerment.

IsDB Member Country responses – COVID-19 and nutrition challenges

The GHI which ranks countries worldwide using a proxy indicator to measure the level of hunger and malnutrition in a country is a viable means to estimate severity of malnutrition in a country. A cursory review of the 2019, rankings showed that moderate and severe malnutrition are highest in the OIC/IsDB MCs. On the GHI scale, a value of 20 -29 is an indication of moderate malnutrition, the 2019 ranking showed that 14 of the 28 countries in this category (50%) worldwide were OIC/IsDB member countries. A value of greater than 29 is indicative of severe malnutrition category and 11 of the 19 countries in this

Nutrition related support provided by IsDB Group

- Distribution of food rations to people in acute need
- Provision of food staples and medical supplies
- Food commodities / support for the export sector
- Importation of agricultural input to ensure food security

category were IsDB MCs (Global Hunger Index, 2019) The ambition to 'End hunger, achieve food security/improved nutrition and promote sustainable agriculture' as captured in SDG 2 is therefore a hazy dream for many people in the IsDB MCs, concerted nutrition multisectoral action on 12 of the 17 SDGs that have nutrition related targets and indicators, (whether nutrition 'sensitive' or nutrition 'specific' interventions) is needed to achieve reduction in moderate to severe malnutrition which is prevalent in our MCs.

As the world experienced the health crisis caused by COVID-19, the Islamic Development Bank (IsDB) Group, and Organization for Islamic Cooperation (OIC) expressed solidarity with the 57 member countries (MCs) and put into action various mechanisms to address the threat caused by the virus. This resulted in the development of the IsDB Strategic Preparedness and Response Plan (SPRP) envisaging a holistic approach in the short, medium and long term, accommodating priorities beyond the immediate and emergency response to the health sector. The Programme is hinged on a 3-R approach, with each 'R' corresponding to 'Respond', 'Restore' and 'Restart' phases of the plan; technology and innovation underpinning each stage.

In pursuance of this, the Bank issued the first ever AAA-rated Sustainability Sukuk in the global capital markets on 19th June 2020. It marked the second trade based Sukuk drawing from the Bank's Sustainable Finance Framework, which provided implementation guidelines for the issuance of the debut €1 Billion Green Sukuk in November 2019. Proceeds from this Sustainability Sukuk issuance will be exclusively deployed by IsDB towards social projects under IsDB's Sustainable Finance Framework, with a focus on 'access to essential services' and 'SME financing and employment generation' categories under the umbrellas of 'SDG-3: Good Health and Well-Being' and 'SDG-8: Decent Work and Economic Growth', and 'SDG 2: End Hunger' in its 57 Member Countries, to assist them in tackling the aftermath of the COVID-19 pandemic. The project categories are identified as per the guidelines set by the International Capital Market Association (ICMA) under its Sustainability Bond Guidelines (2018) and So-

cial Bond Principles (2018).

Recognizing the importance of interventions tied to 'Nutrition', the Bank Group has supported several nutrition specific projects in various countries, and it is planning to support more countries under the SPRP to provide 'food aid' using different financing instruments and mechanisms. Countries that have been supported by the Bank Group or in the Pipeline include: Chad, Senegal, Maldives, Suriname, Egypt, Mali, Mauritania, Tunisia.

Has all this investment in food security translated to nutrition security? Food security is defined as the availability and the access to food for all people; whereas nutrition security refers to the intake of a wide range of foods which provides the essential needed nutrients for growth and healthy development. In this context, the food provided under the SPRP in various MCs has met the primary requirement to provide food to the needy but not to necessarily improve the nutritional status of the people consuming the food as not all food provided or distributed have essential nutrient content or fortification.

The true litmus test to nutrition specific or nutrition sensitive intervention is whether or not there is clear incorporation of improved nutritional value of the food eaten and nutritional outcomes of individuals who consume the food. The outcomes go beyond an individual's responsibility. It is equally important to governments. Global movements, especially by the civil society, to scale up nutrition have indeed helped advance this shared responsibility to ensure that food chains offer healthy meal choices and to address gaps in access.

As part of prerequisites to develop the Bank's first ever health policy in February 2019, a technical study was carried out in member countries to review the past and current health portfolio in these countries; the health status of the population and the performance of the health systems including terms of budgetary allocations, modes of financing, and priority setting. Findings from the study showed that all the IsDB MCs were experiencing demographic and epidemiological transitions to varying extents with movement towards an increase in deaths and disabilities from non-communicable diseases (NCDs), especially heart disease, strokes, cancer, and diabetes mellitus.

The technical study also found that maternal and child health (MCH), communicable diseases, and nutrition deficiencies is still an incomplete agenda for many middle- and low-income IsDB MCs. For IsDB MCs, a vast majority of its MCs (25 out of 57 countries) have GHI rankings of more than 20 which indicates the countries have moderate to severe malnutrition problem. Additionally, Primary Health Care remains a common priority for all IsDB MCs and for all disease's groups, whether communicable or

non-communicable. For the most vulnerable 25 countries, nutrition is a number one priority, with the realities of a post COVID-19 era.

Of the six pillars of the Bank's health policy, the Pillar 1: Target vulnerable and poor populations – recommends Bank to prioritize projects and programs in low-income countries and lower-middle income countries through innovative financing mechanisms – to support socio economic determinants of health (which include nutrition) and a healthy ecosystem with particular focus on the vulnerable and poor populations in these countries. Pillar 2 of the policy prioritizes addressing health status problems, through a predominant focus on strengthening primary health care services catering to the needs of people close to their homes. Financial risk protection (FRP) in middle- and low-income MCs is an imperative to meet the global commitment to the Universal Health Coverage (UHC).

According to the World Health Organization (WHO, 2019), nutrition is a foundation for health and well-being for all, leaving no one behind, and a key element of primary health care, and plays an essential role in prevention. A report released in September 2019, by WHO titled, 'Essential Nutrition Actions: Mainstreaming Nutrition Throughout the Life-course,' calls for health services to integrate a stronger focus on ensuring optimum nutrition at each stage of a person's life, explaining that appropriate investment in nutrition could save 3.7 million lives by 2025.

The WHO publication stresses the role of primary health care as the foundation of universal health coverage (UHC). The WHO argues that investment in nutrition will help countries achieve the Sustainable Development Goals (SDGs), while bringing substantial economic benefits where every US\$1 spent by donor organizations on basic nutrition programs will return US\$16 to the local economy. They note that a "stronger focus on nutrition within health services could save 3.7 million lives by 2025."

Lessons Learnt and implications

There are several important lessons emerging from the SPRP implementation at IsDB and its MCs. An important one is managing the transition from the 'Response' phase to the "Restore" and "Restart" phases where more structured interventions focused on the institutional outcomes is anticipated to lead to stabilization and recovery in MCs. How has the 'Response' phase fared with respect to nutrition? In the pandemonium of the lockdown and the need to address the socio-economic impacts on household food security, MCs sought financial aid and assistance through the public sector and private sector arms of the Bank that in some cases are short of long-

term sustainable solutions. Chad, for instance, requested US\$20M financing from the Bank. Of this US\$15.5M (approximately 75% of the requested amount) was to address food security. Efforts were made to ensure the food reaches those most in need through geo-traceability mechanisms.

For Senegal, of the US\$94M requested from the Bank, 75% (US\$70.3M) was spent on food rations. The country proposed to purchase food which included "pasta". The lack of clear guidelines by the Bank on what constitutes a nutrition program intervention was blurred by the need to rapidly provide food on the table. This is one key lesson learnt; the rapid response intervention to purchase food items of limited nutritious value without a nutrition action planning framework is a major weakness and a missed opportunity to achieve gains in reduction of stunting and wasting in the MCs

The pressure of the urgent response to the COVID-19 pandemic often resulted in uncoordinated actions at all levels and missed opportunities in developing projects that achieve sustainable development impacts. Wide consultations with the relevant organizations in the MCs, especially the civil society, in developing the response projects were limited. An important lesson emerging from this is the need to develop guidelines for engagement that address a broad spectrum of development objectives (including 'nutrition') in such rapid response programs. This must be in line with the sector strategies of the Bank. A key is the agriculture and rural development that has strong focus on developing strong value chains. Even under the rapid food purchase response for the poor and vulnerable groups in the countries, there are opportunities for purchases to be made from the local farmers instead of imports of food (some of which are not nutritious) as this will generate markets and incentives for farmers to continue their production efforts. The response must take into consideration the health policy of the Bank that puts premium on using every opportunity to sustainably address the gaps in nutrition-specific and nutrition-sensitive programming in the Bank's MCs. The growing incidence of malnutrition, including obesity, in IsDB MCs is of great concern. This needs to be stemmed fast given its potential to retard human and economic development of the MCs. To this end, the need for the OIC and IsDB to declare the decade 2020 – 2030- the Decade for Nutrition Action in IsDB MCs - is now imperative more than ever. To achieve this, the Bank will need to demonstrate this commitment through organizational re-focus and institutional capacity to support MCs and a clear-cut nutrition framework of action for the entire Bank group.

Rural Infrastructure: Key driver of functional agri-food value chains in COVID-19 Pandemic Era



Figure-2: Irrigation channels developed by the Integrated Development Project, Azerbaijan



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Rural infrastructure – linking farmers to markets

The COVID-19 pandemic is having a devastating effect on food supplies all over the world through disruptions on various points along the value chains. In developing countries, poor rural infrastructure adds to the challenges farmers and agribusiness have to contend with along with the social distancing restrictions. This includes many member countries of the Islamic Development Bank (IsDB). Closures of markets and borders, movement of goods and services from rural to urban areas are some of the measures government put in place to minimize the spread of the pandemic. This has unfortunately disrupted food supplies and shortages, leading to

price hikes that has affected most of the poor and vulnerable groups. Small and Medium Enterprises (SMEs) in the agricultural sector in both rural and urban areas have also not been spared. Poor infrastructure already existing in many MCs probably worsened the situation of the food supply chains in many MCs under the COVID-19 pandemic. Under these conditions, it is critical to maintain the rural infrastructure under the best conditions possible. This is necessary to ensure continuity of the supply lines of the value chain to the limited open markets and institutions. Functional infrastructure is also critical for the recovery and the restart processes from the COVID-19 pandemic. Ne-

glect now will cost the economy more later. The infrastructure critical to the development of the agriculture and rural sector is diverse. It cuts across various social and economic sectors and include water (potable), transport, energy, communication, industry, education and health. Others include the rural assets and infrastructure, ranging from irrigation & drainage networks, rural/feeder roads, small bridges, culverts drainage system, drinking water supply and sanitation systems, small dams and water harvesting ponds, off-grid renewable energy systems, schools, rural hospitals/clinics, veterinary service centers, livestock and poultry farms (stock yards), fishery markets and ports, rural auctions, community centers, storage warehouses, markets, agriculture business centers, cooperatives buildings and agro-processing facilities. Best global practices increasingly call to group agricultural infrastructure facilities under one zone that is equipped with all the necessary production services, i.e., electricity, water, communication and transportation services. Examples are Agricultural Processing Zones (APZs) or Agricultural Growth Corridors that receive dedicated public and pri-



Poor infrastructure probably worsened the situation the food supply chains in many MCs under the COVID-19 pandemic



Rural water supply for both human, crops and livestock consumption is critical to managing the impacts of the pandemic

vate sector investment to develop integrated infrastructure and, with it, develop strong value chains that link farmers to national, regional and global markets. These approaches are taking root is several MCs including Senegal that IsDB recently approved a major APZs-approach project. The rural roads infrastructure including the road corridors, crossing bridges and drainage culverts are critical assets that must always be functional, and more so during and post COVID-19 era. This is critical to the mobility of the agriculture inputs and production between farms and markets and provide the rural communities with access to basic social services especially to the health facilities at the time of the pandemic. It also maintains the prices of the agriculture commodities at relatively moderate rate considering the supply and demand rules of the market. When farmers have year-round access to rural transportation network, this will improve the availability and affordability of agriculture commodities and staple food in local markets. This calls the countries and their development partners (national and international) to work more on policies and investments that can ensure smooth mobility and

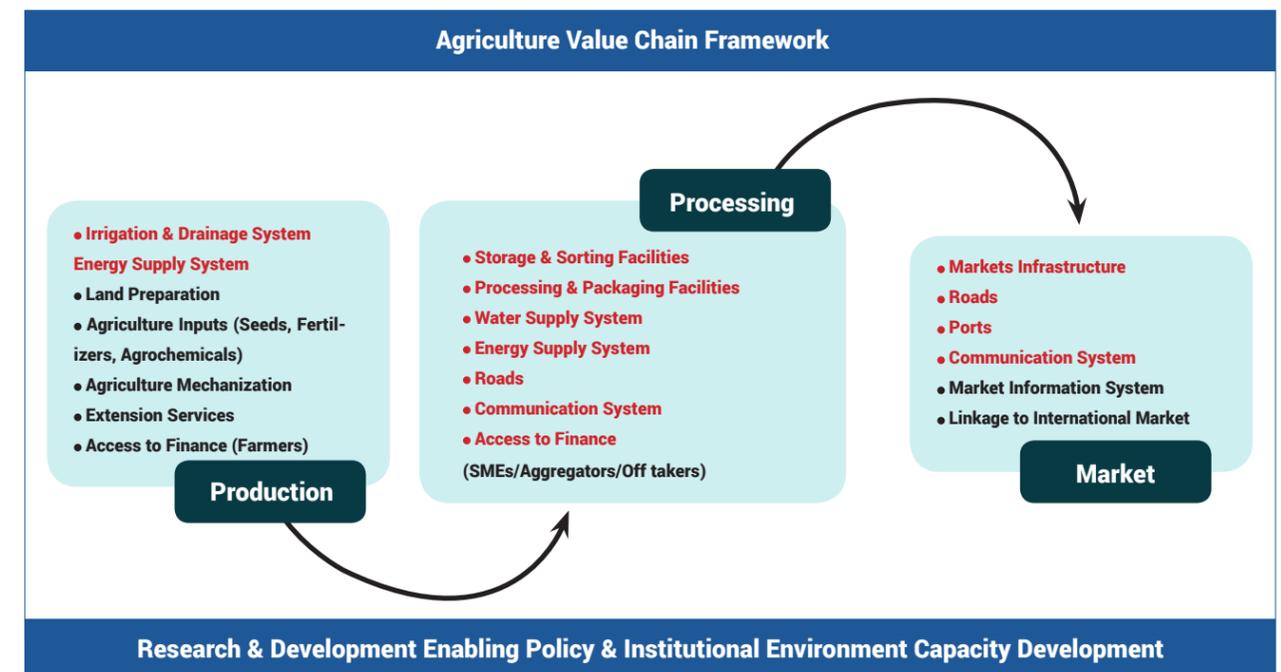


Figure-1: Functional and sustainable value chains require good infrastructure including rural roads and communication networks to farms and markets.

Key outputs	Indicators
Construction of Feeder roads (km) associated with drainage structures	600
main bridges	6
Development of Inland valley Swamps (IVS) construction of peripheral and internal ponds with some drainage structures	500 ha 300 Smallholder households benefited
Construction of Agriculture Business Centers (ABCs)	25 centers, 483 Farmer based Organizations
Provision of farming / processing machineries and equipment	512 units
Provision of transportation trucks	10
Supply of Agriculture Inputs	240 tons improved seeds 1,100 tons fertilizers 1000 liters Agrochemicals

Table-1: Results of Linking Farmers to Market Project, Sierra Leone

continuity of the value chains (Fig. 1) from production to the consumption areas. Countries and financing institutions need to work together to avail enough resources to ensure the availability and sustainability of rural roads infrastructure.

The private sector could contribute significantly to the development and maintenance of rural infrastructure. One important area is the storage, processing and marketing infrastructure. These are important assets that are needed to sustainable value chains.

Rural water supply for both human, crops and livestock consumption is an important part of the infrastructure that is critical to managing the impacts of the COVID-19 pandemic. Safe drinking water pays off well as this will minimize the occurrence of water-borne diseases as well as reduce the stress of communities, especially girls, searching for it. IsDB has intensified its support since 2008 after the World Food Crisis in water development in its MCs, including expanding areas under irrigation in some regions (Africa in particular) and also improving the efficiency of the overall production systems.

Efficient irrigation systems are taking root in many MCs (Fig. 2) that would allow the continuous production of various food crops, including horticultural crops (vegetables and fruits). The objective of the irrigation and their associated drainage systems is to supply, manage and control the water to irrigate the agriculture fields according to calculated water requirements in different climates and seasons. This cannot be achieved without continuous and controlled supply of water. The system is normally composed of pumping equipment pump house, canal and pipes network and hydraulic struc-

tures. Increasingly, solar powered irrigation systems are being explored given their low operational and maintenance costs. Such systems also strengthen the resiliency of the production system to climate change.

IsDB responds to the needs of its member countries

Over five decades, IsDB has significantly invested around US\$ 10 billion to develop and sustain the agriculture and rural infrastructure derived from its strategic goals to improve the socioeconomic conditions of the farmers and rural population of its MCs, increase the agriculture production and productivity, secure food and link the agriculture commodities to the local and international markets. The construction and rehabilitation of the irrigation and drainage systems, rural roads networks, storage processing and markets infrastructure have played pivotal role in enhancing national food security in many MCs.

There is growing evidence (IsDB, 2018; IsDB, 2020) that the rural roads and other infrastructure developed has helped improved sustainable linkages to markets for farmers. Yet, the demand and the gap is still huge and requires collaborative efforts from all partners. There is recognition that past investments in agriculture and development infrastructure has helped MCs minimize the negative impacts of the COVID-19 pandemic and contribute positively to the resiliency of the agricultural sector. This is demonstrated by case studies from two MCs: Sierra Leone and Sudan

Sierra Leone

The agriculture sector in Sierra Leone is largely characterized by smallholder subsistence farmers, producing

Key outputs	Indicators
Construction of water harvesting ponds (Hafirs)	30 with storage capacity of 30,000-50,000 m3 of water
Construction of Small dams	3
Water storage	6.5 million m3 providing drinking water for 2.5 million livestock heads and 275,000 inhabitants
Veterinary centers	6
Mobile clinic	1
maintenance equipment (units)	4

Table-2: Results of the Water Harvesting Project for Agro-Pastoral Development in Al- Gadarif State of Sudan

rice but also cassava, cocoa, vegetables, groundnuts, poultry, cattle, etc. Agriculture is the largest contributor to GDP, accounting for about half of the economy, and employs 65% of Sierra Leoneans. Yields are low on average, leading to high food imports. The Agriculture sector in Sierra Leone, being subsistence, faces a wide range of challenges including underfunded Irrigation infrastructure, rural roads, and rural markets.

Under these conditions, investments in Infrastructure are paying off. This is demonstrated by a US\$ 22 million project funded by IsDB and the Government of Sierra Leone (GOS) 2013-2020 focused on linking farmers better to markets through the development of various infrastructure and business models that grow sustainable value chains.

The major objectives of the project, Linking Farmers to Market (LFM), has been to improve smallholder production, productivity and diversification by addressing the critical gaps in the agriculture value chain. It benefited directly and indirectly 2.4 million people, including many engaged in SMEs.

The project's interventions included improving the irriga-



Figure-3: A crossing bridge built by the Linking Farmers to Market Project (LFM), Sierra Leone

tion infrastructure of the Inland Valley Swamps (IVS), develop rural access roads provide access to inputs, post-harvest technology and profitable markets, and to build the capacity of the agriculture institutions including the Farmer Based Organizations, extension and engineering staff.

The key outputs of the project (Table 1) have benefited the target communities in many ways. For instance, the feeder roads have helped link the farmers and their associations to market centers and increased trade substantially. Based on beneficiary testimonies, it is quite evident that the targeted farmers, who had little or no access to market and social services before, are now accessing the markets and other services in short travelling time and at affordable cost.

Liters Agrochemicals

Additionally, the Agricultural Business Centers (ABCs) (Fig. 4) have provided opportunities for farmers to pool their produce and provide one collection point for the produce off-takers, thus reducing their transaction costs in doing business with the farmers. This has all



Figure 4: An Agricultural Business Center – Linking Farmers to Market Project, Sierra Leone



Figure-5 : Livestock watering outlets developed by the Water Harvesting Project for Agro-Pastoral Development in Al- Gadarif State of Sudan

contributed to increasing the profit margins of the farmers, and hence improved their livelihoods. The ABCs are managed by the farmers associations who have been engaged in their development since the projects inception. The local governments are also providing some support towards the operations and maintenance of the facilities.

Sudan

Animal resources constitute an essential part of the country's Al-Gadarif State wealth and natural resources. High quality livestock with large animal population exceeding 5 million heads consisting of sheep, cattle, camels, and goats exist all over the state, particularly at central and northern regions, in addition to hosting about 3 million heads of livestock from other states attracted by the good pastures in the state.

Adequate water resources are, however, a challenge for the pastoralists and their livestock production system in the Al-Gadarif State. To address this challenge, IsDB invested US\$ 12.6 million during 2010-2017 along with US\$ 1.47 million by the Government of Sudan (GoS) to develop Water Harvesting Project for Agro-Pastoral Development in Al- Gadarif State: The project's objective



Figure-6: Small water dam pond of the Water Harvesting Project for Agro-Pastoral Development in Al- Gadarif State of Sudan

was to secure, through water harvesting techniques, enough water during the dry season for both human and livestock needs. This will ultimately improve the life conditions of the rural population and will boost their incomes from livestock and agricultural production. The key outputs of the project (Table 2) has contributed substantially to address the critical water scarcity issue of Al-Gadarif region located in the eastern part of Sudan (Fig. 5).

The population benefiting from the project is estimated at 275,000 habitants, while the number of animals is estimated at 2.5 million heads. The beneficiaries registered high satisfaction on the projects' outcomes. Their feedback includes reduction in conflicts between the pastoralists and the farmers that was very common before the project. Additionally, it has improved the overall livelihood conditions of the agro-pastoral groups in Al-Gadarif State. The communities and the State Government have demonstrated strong engagement and ownership of the project since its inception. This is currently contributing to the operations and maintenance costs of the infrastructure built (Fig. 6).

Lessons Learnt

The rural economies and the food production and supply chain has been significantly affected during the COVID-19 pandemic. To minimize the negative effects, it is critical to develop and operate resilient rural infrastructure. Such investments as demonstrated by the projects in Sierra Leone and Sudan can be building blocks for recovery and restart process of managing the COVID-19 pandemic.

Investing in the social and economic infrastructure in the rural areas and in particular those composed of confined spaces that is accessed by many public users such as schools, clinics, water supply and sanitation facilities, warehouses, processing and market buildings, necessitate applying the critical health measures of social distancing, ventilation and sanitation which is associated with the pandemic while allowing some measures of 'normal' economic activities of the communities to continue.

There is a need to directly engage the rural communities at the early stage of the projects' development through systematic awareness and capacity development programs with the objective to enhance the ownership, sustainability and resiliency to the global changes including COVID-19. Their ownership along with their local governments is critical to maintaining the infrastructure developed once the projects end.

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