



The agroecology newsletter

April 2024 · Issue 6

The importance of mobilizing resources for agroecological transition in ECOWAS



AGRO-ECOLOGICAL TRANSITION (AET) is emerging as the key to overcoming the agricultural challenges currently afflicting West Africa. To transform this ambitious vision into a fruitful reality, the key imperative is to mobilize the appropriate financial resources.

A fundamental lesson is the need to secure long-term funding to support WT on a sustainable basis. These resources must guarantee ongoing technical and financial support, giving agro-ecological projects the best chance of success.

Diversification of funding sources is an urgent necessity. The right mix of public and private resources, both locally and upstream in the value chain, is crucial to meeting the complex needs of WT.

Resource mobilization must be accompanied by rigorous impact monitoring and evaluation. This approach guarantees the efficient allocation of funding, and offers the possibility of adjusting strategies according to the results observed.

International climate funds represent a major opportunity to finance WT on a large scale. However, coordination challenges must be overcome to maximize the impact of these crucial resources.

The exploration of innovative fiscal mechanisms is recommended to provide essential financial support for WT. These creative approaches will help mobilize resources in a sustainable way.

Involving consumers and making financial institutions aware of the importance of WT are essential levers. A genuine "greening" of financial practices will help mobilize significant funds.

The development of socially responsible investment is emerging as an attractive strategy for attracting international funds for WT. It offers a promising way of aligning financial interests with environmental and social objectives.

In conclusion, the successful mobilization of financial resources for WT in ECOWAS requires a flexible approach, tailored to the actors involved, and focused on local capacity building. This editorial calls for harmonious collaboration between the various stakeholders to realize the vision of resilient, sustainable and prosperous agriculture in West Africa.

Mrs Massandjé TOURÉ-LITSE,
Commissioner for Economic Affairs and Agriculture,
Ecowas Commission

The number...

2 166 507 €

This is the amount allocated in 2023 by the EAP to training centers and innovative partnerships between agricultural producers' organizations, research centers and training centers in order to strengthen producers' capacities on agroecology

In this issue



Editorial	1
Dossier: Financing agroecology	2
The AEP review	5
Publications	7

Dossier: financing agroecology

Against a backdrop of global change (climate change, energy crisis, loss of biodiversity, etc.), our economic development model, which is not very respectful of natural resources, is increasingly being called into question. This is all the more true for the agricultural sector, particularly in developing countries. The ECOWAP 2025 Strategic Orientation Framework, adopted at the end of 2016, explicitly recognizes this need for a paradigm shift in agricultural development.

It was against this backdrop that in 2023, ECOWAS, via the Agroecology Program in West Africa (PAE), asked the Horus-Salvaterra Consortium to carry out a study to provide

it with an inventory of financing mechanisms for the agroecological transition in ECOWAS, and recommendations on the possible contributions of its implementing structures in financing the agroecological transition, as well as the operationalization of its financial tools. The study was organized in 4 phases: (I) Scoping, (II) Inventory, (III) Case studies and (IV) Synthesis. The report brings together and summarizes all the work carried out by the consultants during the course of the study.

The final report in French is available online:

<https://app.box.com/s/h0vj7zrz48i88tsqmwpxpea634die00ic>

Fact sheet on the efficient allocation of public resources

Objective	Financing mechanisms/tools
De-risking the financing of agricultural activities	<ul style="list-style-type: none"> – Farm insurance premium subsidies – Disaster fund – Guarantee fund for financial institutions – First-loss funds within investment vehicles or structures – Hedging of certain risks specific to countries of intervention: e.g. foreign exchange risk (SIDI) – Technical assistance and training for producers and financial institutions
Access to long-term resources	<ul style="list-style-type: none"> – Long-term concessional debt to public or private financial institutions – First-loss funds within investment vehicles or structures
Encourage players to commit to the agro-ecological transition by making it more affordable	<ul style="list-style-type: none"> – Producer or PME level: <ul style="list-style-type: none"> • Partial subsidy on certain equipment/inputs to make them more attractive than conventional equipment/inputs, • Seed grant • Subsidy to cover temporary loss of income caused by the transition process • Subsidized credit – Financial institution or aggregator level <ul style="list-style-type: none"> • Reinforcing equity, revolving funds • Concessional refinancing
Rewarding practices that serve the common good	<ul style="list-style-type: none"> – Payments for ecosystem services – Subsidies/tax exemptions for inputs and equipment that respect the environment and biodiversity
Train and support players to adopt sustainable practices, Encourage local financiers to move towards sustainable production methods	<ul style="list-style-type: none"> – Technical assistance to producers – Technical assistance to POs – Technical assistance to local financial institutions – Technical assistance to local pivotal players (public funds or banks) – Subsidies for feasibility studies – Monitoring and evaluation

Validation of the study on financing mechanisms for the agro-ecological transition

On September 18 and 19, 2023, in Lomé, Togo, the ECOWAS Regional Agency for Agriculture and Food (ARAA) organized a validation workshop for the study on financing mechanisms for agroecological transition in ECOWAS. This ECOWAS initiative aims to accelerate the agroecological transition and boost agricultural financing.

The aim of this study, carried out as part of the implementation of the Agroecology Program in West Africa, was to identify and analyze the financing instruments and mechanisms available to support producers in the agroecological transition and sustainable intensification of their production systems. In addition to the direct subsidies it grants to support producers via calls for project proposals, the study should provide ECOWAS with a diagnostic analysis of the financing of the agroecological transition in its member

states, so that it can explore the potential leverage effect of the Regional Fund for Agriculture and Food (FRAA) in achieving the aims of its Agroecology Program.

The overall aim of the workshop was to validate the study report and enrich the recommendations made by the consultants, in order to define the guiding principles for sustainable financing of the agroecological transition and their interconnections, coherence with the objects of agroecological financing, and the conditions for sustainability and replication of the financing mechanisms identified.

The workshop brought together some 75 participants from the 15 ECOWAS member states, representing national and regional institutions, civil society, the private sector and producers.

Participants at the workshop on financing the agro-ecological transition © ARAA/ECOWAS



Workshop recommendations

The participants formulated a set of recommendations for national and international public bodies to scale up the financing of agro-ecological transition in the ECOWAS zone.

General recommendations for national, regional and international public bodies

1. Promote a framework for action in favor of WT applicable to all players, including the private sector, at ECOWAS level.
2. Continue to gather evidence of agroecology's ability to respond effectively to current challenges (natural resource management, ensuring decent incomes for producers, ensuring food security for populations) and promote the best-performing systems.
3. Develop budgeted and prioritized national strategies, specifying the modalities for mobilizing private financial resources in order to ensure coordinated, effective deployment of financial mechanisms adapted to local contexts.
4. Subsidize the implementation and deployment of monitoring and evaluation systems within public and private financing mechanisms.
5. Mix financial and non-financial instruments.
6. Centralize at member state level the coordination and implementation of targeted subsidy policies for family farms, designed to make up for certain transitional income shortfalls and/or encourage producers to invest in the transition.

7. Promote an attractive and comprehensive financing offer for SMEs involved in the agroecological transition upstream and downstream of value chains, notably through impact investment funds.
8. Supporting the development of a microfinance offering that encourages transition and covers medium-term financial needs.
9. Strengthen local and regional public development funds and banks to give them the capacity to effectively mobilize, manage and direct funds dedicated to WT.
10. Support the development of producer organizations enabling integrated approaches and their partnerships with financial institutions.
11. Encourage the establishment of participatory governance structures to distribute limited amounts of grant funding at local level.
12. Increase the availability of “mixed” and innovative resources to support the development of market-driven approaches.

Targeted recommendations to ECOWAS for the operationalization of the AARF

1. A clear separation should be made between private sector financing activities and state project financing. Private sector activity should enjoy a degree of management independence, and be managed by teams with experience of the region’s financial sector.
2. The Facility’s four financial instruments are in line with the study’s conclusions. The subsidy tool appears particularly necessary. The proposed areas of application are: the start-up of small-scale activities, community development (to be managed by ARAA), partial equipment subsidies (to be managed by EBID) and innovation. As far as equity investments are concerned, it would be advisable to give priority to funds of funds.
3. Technical assistance must be a priority component of FRAA/WAICSA.
4. It is recommended that technical assistance and access to financial resources be separated. However, synergies between the two pillars should be actively sought, through regular coordination between ARAA and EBID and support for the establishment of partnerships in the field.
5. FRAA/WAICSA should adopt a proactive risk appetite policy in its subsidized credit activity with financial institutions. This activity should operate on the basis of an open window and retain flexibility in the targeting of financial resources towards agroecology.
6. With regard to the characteristics of the subsidized credit, it should be possible to reach maturity in at least 4 or 5 years. The minimum amount should be limited (e.g. €100,000), and interest rate conditions for final beneficiaries should respect the operating cost structure of partner institutions.
7. Fund-raising is expected to involve highly advantageous resources. Priority should be given to grants and long-term concessional lines of credit. EBID’s accreditation to one or more “Climate Funds” and the financial commitment of ECOWAS States are recommended.
8. A robust monitoring/evaluation system should be put in place at EBID and ARAA. Reflection on the eligibility of projects to be financed should be pursued within a regional consultation framework for the harmonization of project eligibility criteria, encompassing national taxonomy initiatives.

Presentation of the FRAA/WAICSA and its progress

The creation of the AARF was decided in 2011. Since 2019, it has been managed by the ECOWAS Bank for Investment and Development (EBID). WAICSA (West African Initiative for Climate Smart Agriculture) is a 2018 initiative aimed at establishing a financing mechanism focused on climate-smart agriculture. It comprises two distinct facilities: a financing facility and a technical assistance facility. It is a mixed-financing fund. The WAICSA is housed within the AARF and constitutes one of its windows. The financing facility is deployed by EBID, while the technical assistance facility will be implemented by ARAA. The financing facility’s intervention mechanisms include loans (concessional lines

of credit to financial institutions), guarantees, grants and equity investments. Technical assistance will be provided to value chain players and partner financial institutions. It was decided that the operationalization of the FROA would start with the deployment of the WAICSA. The FROA’s founding documents were approved by the Technical Committee at the end of July 2023, and have yet to be formally validated by the Supervisory Board. An initial selection of 17 national financial institutions has been made and validated by the Committee, and is also awaiting approval by the Supervisory Board. Partners for technical assistance are currently being identified. Fundraising is the next challenge to be tackled by the FRAA project management unit.



Agroecological market gardening with drip irrigation
in Cape Verde, © Issala-PAE/ECOWAS, 2023

The AEP review

As part of a fruitful collaboration between ECOWAS, the European Union (EU) and Agence française de développement (AFD), the Agroecology Program (PAE) is a flagship

initiative dedicated to strengthening family farms and guaranteeing food security in the context of climate change.

Major achievements in 2023

In the “Support for agro-ecological transition” component for local actors (ATA), the activities carried out involved closing the last field projects, finalizing the final evaluation and capitalization of the field projects and conducting the final audits.

With regard to the “Training and capacity building for agro-ecological intensification and sustainable agriculture” (FRC) component, the main achievements were the signing of 15 subsidy agreements with the agricultural training centers selected in 2022 to improve their agro-ecology training offerings, and the implementation of the 1st tranches of funding, monitoring and evaluation missions to the centers, finalization of the study on “the current state of training provision in agroecology (technical and vocational secondary education and higher education)”, and contracts with the Consortium of Universities to run the MOOC Agro-

ecology (Massive Open Online Course).

Within the framework of the “Support, advice and dissemination of technological innovations for sustainable agricultural intensification” component, adapted to the production methods of small-scale farmers (ACV), the activities carried out involved support for the implementation of partnership projects between professional agricultural organizations (OPA), research centers and training centers. In 2023, grant agreements were signed and the first payments made to 13 partnerships, monitoring and evaluation missions were carried out for these partnership projects, and capacity-building and methodological support was provided to extension services by AEP National Correspondents (NCs).

As for the “Exchanges, capitalization and contribution to the development of public policies for agroecological in-

tensification” (ECP) component, the activities carried out focused on finalizing the study on existing agroecology networks and platforms, continuing support for the operation of the Alliance for Agroecology in West Africa — 3AO —, and the setting up of the alliance’s digital information-sharing platform, support for the cross-cutting capitalization process, the setting up and running of national consultation frameworks by NCs, the pursuit of communication activities

and the finalization of the study on financing agroecology.

Finally, under the Program Coordination and Management (CG) component, the year 2023 was marked by the signing of amendments extending the Program by one year, the appointment of a new Monitoring, Evaluation and Capitalization Officer, the involvement of the UCP in several regional meetings and the appraisal of a new DeSIRA+AO program.

On the financial side of the program

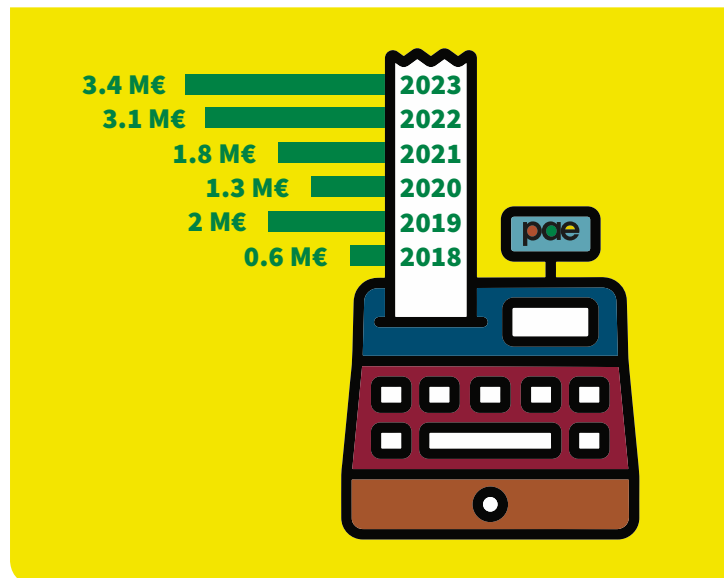
In 2023, €3,395,383 were disbursed by AFD, of which €1,820,751 were made available to partners in member States.

Since the start of the program, annual disbursements

have been as follows.

In conclusion, the AEP made significant progress in 2023, attesting to the commitment of stakeholders to sustainable and resilient agriculture in West Africa.

AEP disbursements since the start of the project



The outlook for 2024

In 2024, the Agroecology Program (PAE) in West Africa maintains its momentum, with fully operational National Correspondents (NCs) in the countries. In 2024, flagship activities will include:

- The finalization of the capitalization of field projects, enabling an in-depth understanding of the lessons learned and best practices developed.
- The promotion of Agroecology through the implementation of activities in the 15 Training Centers supported by the project, with the aim of training at least 3,600 young people.
- Hosting sessions of the MOOC on agro-ecology, extending the dissemination of knowledge in this field.
- The dissemination of best practices through the implementation of 13 partnerships between Agricultural Producers’ Organizations (OPA), Research Centers (CR),

and Training Centers (CF), with a focus on strategic value chains in ECOWAS member states.

- The training of 850 Support-Advisory and Extension Agents for national schemes, thus strengthening local capacities.
- Continued consultations at both regional and national levels, including the organization of a second regional conference.
- Finally, the launch of the final transversal capitalization of the AEP will consolidate the program’s lessons and results.

In short, the 2024 PTBA of the Agroecology Program in West Africa promises an active and strategic year, marked by concrete actions in favor of agroecology and food security in the region.



Drying cocoa beans at the Centre de formation Gagnoa-Lakota, Côte d'Ivoire, © PAE/ECOWAS, 2023

Publications

Study of the current state of agro-ecology training courses in ECOWAS countries

Study report (ECOWAS, 2022):

<https://app.box.com/s/1es1pwe44rmm9knu3wcyf1h1xn66ls02>

Recommendations report (ECOWAS, 2023):

<https://app.box.com/s/9ten87zdx9yxvp1n6s8c587tlf2unbr3>

Study on financing mechanisms for agro-ecological transition in ECOWAS

Inventory report (ECOWAS, 2023):

<https://app.box.com/s/m0a0svhvucrr8etji60zstgkvd1stkdd>

Case study report (ECOWAS, 2023):

<https://app.box.com/s/s3pttdba9d4tciujq17cu1y5lb0edpgr>

Summary report including recommendations to decision-makers (ECOWAS, 2023):

<https://app.box.com/s/h0vj7zrz48i88tsqmwpea634die00ic>

Study on the inventory and characterization of agroecology training centers and in-depth analysis of centers to be supported by the AEP

Study report (ECOWAS, 2022):

<https://app.box.com/s/g54fxv1hml97616xhptrq38r75s1s8if>

Typology of training centers (Excel, ECOWAS, 2022):

<https://app.box.com/s/3ux9mqfv118m81j4oi91oi2ou0xm16b1>

Survey of national and regional agroecology networks and platforms

Study report (ECOWAS, 2023):

<https://app.box.com/s/k486clzirq1uqpkfdypzcmik32j43vcw>

Directory of surveyed structures (Excel) :

<https://app.box.com/s/ma18smrs2i4ng7b2u6e80886wvzwzwr0>

<https://app.box.com/s/jgi3fkdxesbexiow5faqfb9pfzniun0>

“While the Dakar II initiative represents an important investment in the future of African agriculture, its current trajectory raises concerns about the inclusivity, environmental sustainability and long-term viability of small-scale farming. A recalibration towards more holistic, inclusive and sustainable approaches, such as agroecology, is needed to ensure that the development of African agriculture benefits all stakeholders and preserves the continent’s rich biodiversity and agricultural heritage”

Report by AFSA, the Alliance for Food Sovereignty in Africa. The costs to farmers of the AfDB’s Feed Africa initiative. An in-depth look at the 40 national pacts.

<https://afsafrica.org/wp-content/uploads/2024/02/les-couts-de-linitiative-22nourrir-lafrique22-de-la-bad-pour-les-paysans.pdf>

The agroecology reduces carbon emissions, protects soils and biodiversity, cares for women, men, ensures their food and provides them with the livelihoods to protect, educate and care for their children, the future generations.



Director of publication: Ousseini Salifou
 Editor-in-chief: Francis Dabiré
 Editorial coordination: Borgui Yérima
 Photographies: ECOWAS, Bureau Issala
 Layout: Emmanuel Jeudy

The agroecology newsletter, n°5, December 2023. A publication of the Regional Agency for Agriculture and Food (RAAF).

This publication is edited under the sole responsibility of the ECOWAS Regional Agency for Agriculture and Food, with the editorial support of the “Bureau Issala – Jade Productions” Group. It does not necessarily reflect the views of the European Union, AFD, ECOWAS Member States and technical partners.

Comments on this document can be addressed to the RAAF:
 ✉ pae@araa.org

RAAF
 4th and 5th floor, CRBC Building
 Place de la Réconciliation, Cité OUA, Quartier Atchanté
 01 BP 4817 Lomé 01, Togo
 ☎ +228 22 21 40 03
 ✉ araa@araa.org
 www.araa.org

financial support



technical support

