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Department of Agricultural, Food and Resource Economics

Proposal for a One-year Costed Extension of SRAI

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Context and Justification

The year 2012 will be a critical year for policy outreach on agricultural marketing and trade policy in West Africa for at least three reasons:

- Most indicators suggest that the 2011 cereal harvests in the Sahelian and Sudano-Guinean zones of West Africa (which typically begin in October-November) have been mediocre to poor. For example, millet prices in Bamako are rising to unprecedented levels (up to 300 FCFA/kg) in the immediate post-harvest period, when prices normally would be falling. Thus, there is widespread expectation in the region that 2012 could be another food crisis year, marked by high prices and pressures to re-impose trade restrictions. In contrast to the crisis year of 2007/08 that motivated the creation of SRAI, the potential crisis in 2011/12 is due more to poor production conditions in West Africa than a generalized increase in world prices. Yet the policy responses, in terms of restricting regional trade, are likely to be similar. For example, there are already calls by Malian consumer groups for the government to ban cereals exports. Thus, lessons learned from SRAI's analysis of the high-price situations of 2007/08 and 2009/10 are likely to be highly germane in 2012.
- Two of the key countries in the region, Mali and Senegal, are holding presidential elections (with the current president of Mali unable to run because of term limits), and these countries along with Burkina Faso, Ghana and the Gambia are holding legislative elections. Thus, new government teams will be taking office in 2012, considering new policy directions, and needing empirically based policy advice, in a highly charged, politically sensitive environment of high-food prices.
- ECOWAS will be re-staffing its Commission for Agriculture (which lost key personnel in 2011) and moving to ramp up implementation of the regional CAADP program, which focuses heavily on regional integration.
- WAEMU (UEMOA) will also be completely re-staffing its agricultural team. The previous team helped the 8 member states deal with the 2007/08 food price crisis, but the new team will certainly need some background material and information as the 2011/12 year unfolds.

Although SRAI carried out significant policy outreach during its initial three years, there would be high value added, for the following reasons, to extending the program through 2012 to focus on outreach from findings from SRAI's research:

- Given the elections in several West African countries and the re-staffing in the ECOWAS Commission for Agriculture mentioned above, many of the key policy makers and their advisors will be new and seeking information on the key food policy/trade issues facing them in the context of the difficult food situation likely to evolve in 2012.¹
- There remains a large amount of outreach that remains to be carried out from the SRAI research program, particularly with respect to the competitiveness of West African rice and maize vis-à-vis imports. This research was carried out in conjunction with AfricaRice and NARS, and due to delays with some of the NARS studies, the results just became available at the end of 2011. Some of the initial results were presented at the October 2011 Syngenta Foundation conference in Bamako. Given their implications for the types of investments envisaged by national governments and ECOWAS as part of their Comprehensive Africa Agriculture Development Programme (CAADP) plans that are beginning to be implemented in 2012, strong outreach on these topics is needed.
- At the international donor level (e.g., the UN High-Level Panel of Experts on Food Security, OECD/Sahel and West Africa Club, USAID), a number of major initiatives will continue or move towards implementation of new phases, all of which would benefit from greater access to the SRAI research results and policy analysis.
- At the national level in Mali, the *Schéma de commercialisation des céréales au Mali*, which SRAI helped develop, was officially adopted by the Malian government on January 5, 2012. Early in the year, the Malian government will be developing official texts for its implementation, establishing the advisory committee and technical secretariat for the *Schéma*, and organizing regional meetings throughout the country to explain the *Schéma* to stakeholders (farmers, private-sector actors, NGOs, and government officials). It would be extremely productive to associate members of the team that developed the *Schéma* in these outreach efforts. In addition, the new bodies charged with oversight and implementation of the *Schéma* will undoubtedly want to interact with the team that developed the *Schéma* to discuss the practical modalities for its implementation and monitoring. In particular, the Malian government plans to “regionalize” the *Schéma* by working with stakeholders in each region to tailor its recommendations to the conditions in that region. SRAI will concentrate its actions in working with the Ministry and stakeholders in the Segou region,² where the Foundation is financing other efforts such as

¹ In some ways, helping educate new decision makers about key policy makers is analogous to maintenance research in plant breeding, in which breeders need to invest in ongoing research to maintain current yields in the face of new stresses (e.g., from new pests). Analogously, policy outreach needs to be maintained as new decision makers come on the scene who may not be aware of past policy experiences and who are facing new policy challenges.

² AGRA is already working in the Sikasso region, which it considers as a major grain surplus area (“zone grenier”).

its support to the *Initiative Rizand* to PRECAD in order to strengthen the synergies between SRAI and other Foundation-supported efforts in Mali.

In summary, during the period 2009-2011, SRAI carried out a large amount of research and policy analysis that will be extremely useful inputs into an outreach program aimed at helping decision makers and development partners deal with key challenges in 2012 and beyond. In particular, there is a need to frame short-term responses to crises in a longer-term, growth-oriented framework. Key SRAI analyses that will feed into such a policy outreach program include (a) the recently completed study for the Malian government outlining needed reforms in Mali's grain marketing system (*Schéma de commercialisation*), (b) the analysis of the degree to which price shocks from the international level are transmitted to the domestic level and the degree to which domestic retail prices increases are transmitted back to farmers, (c) the study of the competitiveness of local rice and maize production vis-à-vis imports under different production systems (conducted jointly with AfricaRice) and (d) analysis of consumer responsiveness to changes in the relative prices of local and imported staples (conducted with ReSAKSS). The numerous research results from SRAI are available on SRAI's website (<http://aec.msu.edu/fs2/srai/>).

A policy outreach program focused on these areas would be highly complementary to other Syngenta-Foundation-funded activities in West Africa. For example, outreach on marketing options for rainfed cereals (drawing on the *Schéma* in collaboration with the Ministry of Agriculture and the *Mali Agricultural Sector Assessment 2011* completed by MSU under USAID/Mali funding) would address many of the marketing challenges faced by producers in the PRECAD zone. The outreach on the competitiveness of different rice production systems will help AfricaRice and NARS identify where to focus future research efforts on increasing farm-level productivity as well as highlight any blockage in the marketing system that hinders domestic competitiveness. Furthermore, if the program is successful in its outreach effort, it will reinforce a policy environment that promotes sustainable agricultural growth in the subregion, which is one of the overall objectives of the Foundation.

In addition, during the past 3 years, SRAI has developed strong networks to reach national and regional policy makers, including the network of policy advisors to Ministers of Agriculture, Trade and Prime Ministers who participated in the Ouagadougou conference; key participants in the ECOWAS CAADP process; the UN's High-Level Panel of Experts group on the impact of price volatility on food security (of which Nango Dembele is a member;) and the CILSS/Club du Sahel group working on food security and demographic change in West Africa.

An expanded outreach program could also leverage work that MSU has been doing in West Africa through support of other donors, such as USAID/Mali (and under which MSU has produced a major Agricultural Sector Assessment that can serve as a major input into policy discussions in Mali), the William and Flora Hewlett Foundation (e.g., on improving market

information and on the holding of border conferences between Mali and Guinea and Mali and Senegal to help reduce barriers to regional trade), and the Bill and Melinda Gates foundation (including an ongoing study of the information needs of women agricultural traders).

Activities

During the one-year extension, the MSU/SRAI team will focus on packaging the research results of SRAI into highly “digestible” policy outreach bulletins and other targeted outreach messages aimed at: (a) high level policy makers at the national and regional levels in West Africa; (b) donor partners in West Africa, Europe, and North America; and (c) the broader public in West Africa (who will be influential in helping shape the political debates about food policy over the coming years). SRAI will make these outreach materials available in several different formats, such as syntheses printed individually and in the form of booklets (in French and in English, depending on the audience) and in electronic form that can be accessed from both the SRAI and the Foundation’s website. Specific products and activities that will be undertaken will include:

For the West Africa (ECOWAS) region:

1. Completion of a series of policy briefs that analyze with how to deal with immediate food crises in a way that does not compromise long-term growth. A key element of these policy briefs (which will build on SRAI’s findings regarding price transmission, the comparative advantage of West African cereal production in different areas of the subregion, and the evolution of consumption patterns) will be demonstrating the advantages of a trade-based approach to food security. The policy briefs will analyze different policy options vis a vis the approaches taken by West African countries in 2007/08 and inventory the policy tools available to deal with different food security scenarios (based both on SRAI’s previous analysis and information on policy responses to such crises that have been successful elsewhere in the world).
2. Presentation of these results at major policy meetings organized by key partners in West Africa, Europe, and North America.³ The initial targets for such presentations include:
 - a. The ECOWAS/CILSS annual market outlook conference (March 2012).
 - b. The semi-annual meeting of the CILSS/Club du Sahel Committee on Food Crisis Management.
 - c. The annual meeting of the advisors who prepare the meeting of the CILSS council of Ministers.
 - d. Meetings of the ECOWAS CAADP group, including the possibility of arranging a special briefing for the new ECOWAS Commissioner for Agriculture, Water Resources and the Environment soon after he/she is officially named (probably early in 2012).

³ Given the limited budget for the extension, SRAI will not have the resources to organize its own major meetings like the 2011 Ouagadougou conference during the one-year extension. Thus, the strategy will be to work with SRAI’s partners to arrange presentations in venues where key policy makers are already meeting.

- e. Meetings of the West African Futures Group of the Sahel/West Africa Club of the OECD (Paris).
 - f. Meetings/seminars of the Partnership to Cut Hunger and Poverty in Africa in Washington (which has already expressed its willingness to help organize such an outreach session).
 - g. If a Crans-Montana II meeting is organized in 2012 (under separate funding), SRAI would also present at that venue.
3. Diffusion of the results through the listserve/network of policy advisors created as a result of the 2011 Ouagadougou conference.
 4. Organization of a radio debate on the regional network of national radio stations in francophone West Africa (URTNA) on the competitiveness of West African rice (including participation from SRAI, AfricaRice, Producer groups and the private sector).

Specifically for Mali:

1. Now that the *Schéma* is officially adopted by the Malian government,⁴ work with the Ministry of Agriculture and stakeholders, particularly in the Ségou region, to tailor the *Schéma*'s recommendations to that region and reinforce the synergies between the *Schéma* and other efforts supported by the Syngenta Foundation in this region, particularly through the *Initiative Riz* and PRECAD.
2. Participation with Mali's agricultural market information system (*Observatoire du Marché Agricole—OMA*) in carrying out special short-term market outlook bulletins (*Bulletins de conjuncture*) which will be critical in monitoring and predicting the likely evolution of cereals markets and trade patterns in 2012. The Malian Council of Ministers has already asked the OMA to increase the frequency of these bulletins this coming year.

The preceding outlines the set of outreach activities the SRAI team can achieve given the proposed budget of USD 250,000. If additional resources became available, the program could be expanded and include, for example:

- More frequent set of outreach meetings with a broader set of actors throughout the year, given the likely high demand for such information.
- The holding of a high-level conference in Bamako on the competitiveness of West African rice, bringing together key policy makers, rice importers and processors, representatives of rice producers' organizations, and researchers (from Africa Rice and the NARS) from Mali, Côte d'Ivoire, Guinea, and Senegal.

Timetable

As shown in table 1 below, most of the project's activities will take place during the first nine months of 2012, which is the period before the next harvest (which generally begins in October-

⁴ The *Schéma* was officially validated during a meeting organized on February 5, 2012, by the Ministry of Agriculture with producers, processors and traders. The debate took place in Bamana, the most widely-spoken national language in Mali, thereby ensuring that the discussions were not limited only to those who spoke French.

November in the Sahelian countries). This is the period in which any emerging food crisis will be most acute, the elections in Senegal and Mali will take place, and the new governments will be taking office. Because some of the key meetings are yet to be scheduled, the exact timing of some of the outreach presentations will be established with partners like ECOWAS early in 2012. But the team will remain flexible, as it is likely that important meetings will emerge on an ad hoc basis if the food crisis becomes severe in 2012.

Expected Impact

The expected impact of this one-year extension is that the rich empirical findings from the first three years of SRAI work will lead to more empirically-based food policy and trade debates during the critical year of 2012. The fact that SRAI's observations covered the impacts of both the poor production year of 2007/08 and a good production year (2008/09) will allow SRAI to frame its outreach messages regarding 2011/12 in the context of how to build a long-term growth strategy in an environment of fluctuating year-to-year production. This outreach will also have strong synergies with Syngenta-Foundation work with AfricaRice (by signaling to policy makers where the highest payoffs to investment in the rice systems are likely to be and needed trade reforms to boost West African rice production) and with PRECAD by promoting innovations like warehouse-receipt systems (*warrantage*) that are advocated in the *Schéma* and also promoted by PRECAD.

Documenting the impact of policy research and outreach is difficult due to the time lags involved and difficulties in establishing unambiguous lines of causality given the many different factors that affect policy decisions. For SRAI, however, it is possible to identify instances of where concepts developed in the project have been incorporated in new policy proposals. Examples include the recent official adoption of the *Schéma de commercialisation des céréales* and the incorporation of concepts of certified regional grain warehouses as part of the ECOWAS CAADP program. During this extension of SRAI, the project will develop short policy syntheses highlighting these success stories and drawing lessons from them for future work in policy extension.

Table 1. Timetable for 2012 SRAI Outreach Activities												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
West Africa-wide activities												
Writing of policy syntheses	█		█									
Diffusion of written materials through policy advisor network/listserv			█	█	█	█	█	█	█	█		
<i>Outreach Presentations</i>			█									
ECOWAS/CILSS annual market outlook conference			█									
CILSS/Club du Sahel Committee on Food Crisis Management				█								
Meeting of the advisors to the CILSS council of Ministers			Exact dates to be determined									
Planning for and attending meeting of the ECOWAS CAADP group			Exact dates to be determined									
West African Futures Group of the Sahel/West Africa Club of the OECD (Paris).				█		█						
Planning for and presentation at Partnership to Cut Hunger and Poverty in Africa in Washington		Exact dates to be determined										
Crans-Montana II			Exact dates to be determined									
Radio debate on rice competitiveness						█						
Mali-specific activities												
Working with the Ministry of Agriculture and stakeholders to "regionalize" the recommendations of the Schéma to local conditions, particularly in the region of Segou.	█			█								
Joint preparation of <i>Bulletin de conjoncture</i> with the OMA	█			█			█					

Budget and Budget Narrative

The proposed budget for these activities is \$250,000, as summarized in table 2 and presented in detail in the attached Excel file. Carryover funds from the previous phase of SRAI (estimated at \$33,519) will also be used to support these outreach activities, as shown in table 3. The budget narratives below for the main budget and the carryover budget present the budget justification.

A. Main budget: One-year extension: January 1, 2012 – December 31, 2012

Introduction: This is a one-year funded extension of SRAI. Its aim is to develop and deliver key policy extension messages regarding regional agricultural trade and integration in West Africa, based primarily on the research carried out under SRAI over the period 2009-11. The main audiences for this policy outreach are national and regional policy makers in West Africa and representatives of donor and international development agencies. The bulk of the work will be carried out in the first 9 months of 2012.

Budget Structure: The budget categories are explained in further detail in ensuing sections. Each section provides MSU's supporting assumptions when deriving the costs associated with the individual budget section or specific line item. All costs are based on a combination of MSU's experience in similar programs. The budget presented herein is believed to present realistic, reasonable and justifiable costs of goods and services required for the efficient operation and management of the proposed program.

The overall budget for the Project is as follows (table 2).

Table 2. Budget for One-year Extension of SRAI

LINE ITEM	Total
TOTAL MSU PERSONNEL	84,377
TOTAL FRINGE BENEFITS	24,215
TOTAL LOCAL CONSULTANT SERVICES	0
TOTAL TRAVEL/TRANSPORT/ALLOWANCES	50,413
TOTAL OTHER DIRECT COSTS	68,268
TOTAL COSTS	227,273
INDIRECT COST (@ 10%)	22,727
GRAND TOTAL	250,000

Major Assumptions:

Salaries and Escalation: The proposed staffing structure to implement the proposal is based on the program description outlined in the technical proposal, focused on preparation of outreach material by campus- and Mali-based staff and presentations at meetings in West Africa, Europe, and North America. MSU-based staff salaries are current and conform to MSU staffing policies. Depending on the individual, salaries are budgeted for 8 to 9 months during the year. The graduate assistantship is ¼ time, with tuition and health coverage rates as established by MSU.

Personnel

MSU Staff

- *Dr. Boubacar Diallo: Mali-based faculty principal investigator will take the lead role in the policy extension work, summarizing key findings from the research from the earlier phase of SRAI and playing a key role in the outreach presentations, particularly with West African regional organizations.*
- *Dr. Nango Niama Dembélé: Mali-based principal investigator and researcher will help develop the policy extension materials and outreach strategy and participate in outreach meetings in West Africa and Europe*
- *Dr. John Staatz: campus-based principal investigator will work closely with Dembele and Diallo in developing the outreach strategy and materials, supervise the graduate research assistant in helping develop such materials, and participate in outreach activities in North America and West Africa.*
- *Dr. Veronique Theriault: campus-based faculty researcher, will help review and develop written outreach materials from her base on campus.*
- *Kay Barber: Administrative Assistant, will review and process vouchers and accounting materials prepared by the Bamako-based local staff*
- *Xiao Zhen Li: Administrative Assistant, will handle arrangements for project-related travel*
- *Cathy Snider: Administrative Assistant, will handle posting outreach materials to the project website and travel-notifications.*
- *TBD MSU Graduate Assistant: Level II, 1/4-time appointment*

Fringe Benefits: (US based salaries): Fringe Benefits are applied to MSU based employees at a rate specific to each employee. Items within the fringe benefit rate for U.S-based personnel include the following:

- Social Security/Medicare
- Unemployment Insurance
- Insurance- AD&D
- Insurance- Health
- Insurance- Short-Term Disability (STD)/ Long-Term Disability (LTD)
- Workers Compensation
- Employee Assistance Program Benefits
- Pension Expense if enrolled

Equipment: There will be no equipment (defined as durable machinery with a value of over \$5,000) purchased on the grant.

Travel, Per Diem, and Allowances

Travel is to attend various outreach activities (typically presentations to be made at major events in West Africa, Europe, and North America organized by others to which the SRAI team members will be invited to present key findings and outreach messages.

International Travel

- *International Airfare-To/From US/to West Africa (typically Mali) with stopover in Europe:* Travel to West Africa will be combined with stopovers in Europe to allow the MSU-based staff to make presentations at meetings in Europe while traveling to West Africa, thereby economizing on the total travel budget. International airfare rate is based in part on experience and from current quotes for economy class travel between the United States and Mali (Bamako). Each trip is budgeted 14 days.
- *International Airfare-West Africa to Europe:* International airfare rate is based in part on experience and from current quotes for economy class travel between Mali (Bamako) and Paris. One trip of 4 days is budgeted to allow one Mali-based faculty member present at a major meeting in Paris.
- *Per diem Rates:* All per diem rates used in this budget are based on the US State Department's Foreign Per Diem Rates (either at or below the State Department rates). For example, per diem rates within West Africa are set at the Bamako rate, which is below the daily maximum rate for other likely meeting sites (Dakar, Ouagadougou, and Abuja).

Travel within West Africa

- *West Africa Travel:* This amount is budgeted to account for transportation within West Africa (e.g., Bamako-Dakar, Senegal). Travel within West Africa is budgeted for the purpose of Bamako-based personnel and US-based personnel traveling to Bamako also to travel to two outreach meetings in the West Africa region. Each trip is budgeted at 7 days.
- *Per diem Rates:* All per diem rates used in this budget are based on the US State Department's Foreign Per Diem Rates (either at or below the State Department rates). For example, per diem rates within West Africa are set at the Bamako rate, which is below the daily maximum rate for other likely meeting sites (Dakar, Ouagadougou, and Abuja).
- *Allowances:* Allowances are provided to Field-Staff Personnel on long-term overseas assignment. Allowances paid are Post Differential, Post Allowance, and Permanent Quarters. These allowances have been budgeted according to the US Department of State's Standardized Regulations. Living Quarters Allowances (includes rent, utilities, guards, and maintenance) for Dembélé and Diallo are based on actual expenditures incurred through the current cooperative agreement in Mali. Education Allowance for Dembélé is based on actual expenditures incurred through the current agreement in Mali.
- *Home Leave and R&R:* It is MSU's policy to determine eligibility for such travel based on length of service in-country. Resident in-country personnel will incur leave entitlements on the basis of their length of service at post.

Travel within the US

- *Airfare – East Lansing to Washington:* As explained in the technical proposal, one trip is budgeted for the planned outreach by MSU-based faculty to a meeting organized by the Partnership to Cut Hunger and Poverty in Africa, based in Washington.

Other Direct Costs

- *Supplies:* On-campus field research backstop costs are estimated based on similar expenses incurred through the current project in Mali.
- *Regional Radio Program:* An outreach broadcast through a regional West Africa radio network is planned. Cost is estimated on the basis of similar programs undertaken in other MSU Mali-based projects.
- *Bulletin de conjuncture:* The estimated cost of participation in field work and preparation of a market outlook bulletin 3 times during the project is based upon costs

incurred in carrying out this same exercise in a previous project in Mali in 2010 (1 million FCFA per bulletin, @470 FCFA/USD)

- *Meetings on Schema:* This is the estimated cost of meetings with the private sector and other key stakeholders (described in the technical proposal), particularly in the Segou region, to present results and recommendations of a study carried out under the previous phase of the project on proposed improvements in Mali's cereal marketing system and to adapt those recommendations to fit local conditions in the region. Cost is estimated on the basis of the cost of organizing similar meetings/workshops in other recent AFRE/MSU projects in Mali.
- *In-Country Staff:* Local (In-Country) Staff contracts are paid to Non-MSU employee project staff, and reflect competitive market conditions.
- *In-Country Operating Costs:* Off-Campus (In-Country) Field Research and outreach costs are estimated based on the known costs of supplies and services based on expenses incurred through the current project in Mali.

Total Direct Charges

- *Total Direct Charges for Overhead Application:* Represents all the costs of the program.

Total Indirect Charges

- *Indirect Cost Rate:* Per Syngenta Foundation's procedures, MSU is entitled to charge overhead at the rate not to exceed 10% on the total direct costs portion of an award.

Total Program Budget

- *PROGRAM TOTAL:* This line represents the program total including all direct charges subject to overhead, direct charges not subject to overhead and indirect costs.

Program total is: \$250,000

B. Carry-Over Budget

The carry-over budget from the previous phase of SRAI (1 January 2009-31 December 2011) is estimated at USD 33,519. The proposed allocation of these funds is summarized in table 3 and shown in detail in the attached Excel file.

MSU proposes allocating the carryover funds to the following:

- A rapid reconnaissance study with national Market Information System (MIS) colleagues in Mali and Niger, to identify trade barriers (including formal and informal trade bans) that are likely to arise in the high-price environment of 2012 and bring information about their

impacts to policy makers and the general public through the SRAI outreach program. Carrying out such a study was the only activity programmed in the original SRAI work plan that was not carried out by the end of December, 2011, and hence it is proposed for early 2012 using carry-over funds from the first phase of SRAI. The cost estimate is based on the cost of carrying out the previous rapid reconnaissance study at the inception of SRAI.

- Increased professional staff time for the development of outreach materials and participation in outreach events. Boubacar Diallo, based in Bamako, would increase his time devoted to SRAI from 46% to 90% for a period of 3 months early in 2012 in order to provide a “big push” to the development of policy syntheses and other materials. At the end of the 3 months, he would revert to devoting 46% of his time to SRAI. Similarly, Veronique Theriault, a recently hired MSU-based faculty member who is also perfectly fluent in French and English, would devote 15% of her time during two months early in the year (up from 5%) to helping develop and edit outreach materials. At the end of the 2 months, she would revert to spending 5% of her time on SRAI (focused on editing outreach materials)
- Increased funding (\$3,400) for increased publication of high-quality policy syntheses/booklets of outreach messages.

Table 3. Summary of Proposed Allocation of Carryover Funds

Item	Amount
1. Rapid reconnaissance with national MIS in Mali and Niger on barriers to regional trade during 2012	\$8,036
2. MSU staff time devoted to preparing outreach materials and participating in outreach activities:	
- Increase Boubacar Diallo’s time allocation on SRAI from 46% to 90% for a period of 3 months (incremental cost of salary and fringe benefits)	\$17,120
- Increase Veronique Theriault’s time allocation on SRAI from 5% to 15 for a period of 2 months (incremental cost of salary and fringe benefits)	\$1,916
3. Additional funds for publication of outreach bulletins/pamphlets	\$3,400
4. Subtotal: Direct costs	\$30,472
5. Indirect Cost (10%)	\$3,047
6. Total	\$33,519