



GAFSP Fact Sheet: Public and Private Sector Windows

Improving agricultural performance in low-income countries is the most effective way of reducing poverty and hunger, in fact, growth originating from agriculture has been 2 to 4 times more effective at reducing poverty than growth originating in other sectors. **The Global Agriculture and Food Security Program (GAFSP)** is a multilateral mechanism established in 2010 to assist in the implementation of pledges made by the G20 in Pittsburgh in September 2009 that supports **the medium- and long-term interventions needed to ensure strong and stable policies and increased investment in agriculture in the poorest countries in the world.**

GAFSP picks up where emergency funding leaves off and works with countries to develop in a sustainable way so that they can be more resilient to climate, political, and market shocks in the future. It focuses on agricultural productivity growth, linking farmers to markets, and increased capacity and technical skills.

GAFSP is country-led, supporting countries' priorities reflected in their national agriculture and food security investment plans, and provides a platform for coordinated donor financing around country programs and sustainable private sector investment. **GAFSP is already setting a new standard for development effectiveness. It stresses country ownership, good governance, inclusivity, high-quality projects, and intensive monitoring and evaluation of factual results.**

GAFSP is divided into two distinct windows for financing:

- **The Public Sector Window** assists strategic country-led or regional programs that result from sector-wide country or regional consultations and planning exercises such as CAADP in Africa.
- **The Private Sector Window** is designed to provide long- and short-term loans, credit guarantees, and equity to support private sector activities for agricultural development and food security.

Funding:

- **Financing pledged:** US\$1.5 billion (of which \$1.2 billion to the Public Sector Window, \$354.5 million to the Private Sector Window, and \$68.5 million remains unassigned).
- **Current Donors:** Nine donors to the Public Sector Window (Australia, the Bill & Melinda Gates Foundation, Canada, Germany, Ireland, South Korea, Spain, the United Kingdom, and the United States) and six donors to the Private Sector Window (Australia, Canada, Japan, the Netherlands, the United Kingdom, and the United States).
- **Financing received to date:** \$1.48 billion (of which \$1.17 million to the Public Sector Window, and \$308.71 million to the Private Sector Window as of December 2015).

GAFSP is Working:

- GAFSP is a global program, with 56 countries eligible for funding, and projects all over the world. **GAFSP expects to reach over 11 million poor people in rural households.**
- **As of June 2015, it was on target disbursing \$268 million (through both public and private windows).**
- **Early results are showing very promising impacts.** In some countries, incomes have increased by up to 200% for the project beneficiaries, yields have quadrupled, and improvements in access to basic services because of increased incomes.

Public Sector Window Allocations and Project Implementation

- **\$1.02 billion allocated** for 38 recipient-executed grants in **30 countries**: Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Cambodia, Ethiopia, Haiti, Honduras, the Gambia, Kenya, Kyrgyz Republic, Lao PDR, Liberia, Malawi, Mali, Mongolia, Nepal, Nicaragua, Niger, Rwanda, Senegal, Sierra Leone, Tajikistan, Tanzania, Timor Leste, Togo, Uganda, Yemen, and Zambia.
- **Eligibility:** GAFSP funds technically sound proposals from IDA-only countries that have a strong agriculture investment plan, have had a technical review, and have a high level of need.

Private Sector Window Allocation and Project Implementation

- **Projects: For the Private Sector Window** as of June 2015, 30 investment projects in 21 countries have been approved with \$186 million of GAFSP funding. About a third of this amount (\$64 million) has already been disbursed. Complementary advisory service engagements are deployed through 29 advisory projects in 24 countries totaling \$6.1 million of GAFSP funding.
- **Eligibility:** GAFSP funds private firms and financial intermediaries that operate in IDA-only countries and support activities that are consistent with the national food security or agriculture plan.
- The loans will be concurrent with additional funds from IFC.

There are early results on the ground, for example:

- In **Rwanda**, the project is promoting climate-smart agriculture by improving land husbandry and increasing productivity in 101 watershed covering 30,250 ha of land. The project has already reached 209,251 beneficiaries, of which 50 percent are women. Yields of maize, beans, and Irish potato in treated areas are 30 percent, 167 percent, and 219 percent, respectively, above their national average. New high yielding and high nutrition crops were introduced including Irish potatoes, and zinc and iron fortified climbing beans.
- In **Togo**, GAFSP has financed the rehabilitation of 425 kilometers of access roads and 360 feeder roads to better connect farmers to local markets. It has also worked with CSOs to provide about 18,000 farmers with better access to improved seed varieties and fertilizer. On the policy side, GAFSP financing has spurred administrative and structural reforms of the agriculture ministry and increased public support to fertilizer use and agricultural mechanization.
- In **Bangladesh**, the GAFSP financed project is supporting climate adaptive technologies and practices targeting areas with significant environmental stress. Farmers are being introduced to new production technologies. The Private Sector Window is providing a loan to the **PRAN Group**, which will allow the company to expand its production capacity, create 1,200 new rural jobs, and integrate small farmers into retail supply chains.

Key Issues:

- **GAFSP is in 10 fragile states** (Burundi, Cote D'Ivoire, Congo, Democratic Republic, Haiti, Liberia, Mali, Sierra Leone, Togo, Timor-Leste, and Yemen)
- More than two-thirds of projects have components that address **climate change adaptation or mitigation**.
- GAFSP-supported projects support nutrition-related interventions through both nutrition-sensitive agricultural activities (such as increasing production of micronutrient rich foods or introducing biofortified crops) and through direct non-agricultural nutrition approaches (such as breastfeeding campaigns). **As of June 2015, 19 GAFSP projects supported nutrition interventions;** \$140 million (14.6 percent of the total Public Sector Window investments) in direct nutrition-related financing. Additionally, GAFSP-supported projects directly provided nutrition services to nearly 39,900 people.
- GAFSP supports both temporary and long-term jobs creation by supporting governments' efforts to create a framework for investment in priority sectors and within which the private sector can flourish, and by supporting businesses directly through the Private Sector Window.

Moving Forward:

- In every Call for Proposals for the Public Sector Window, the demand has **far outweighed** the available funding. This means that deserving, technically sound proposals are turned away without funds.