



ANNUAL REPORT 2011

**GAFSP**
global agriculture & food security program





The Global Agriculture and Food Security Program (GAFSP) is a transformational approach to aid, which was established by a group of innovative donors at the request of the G-20. In the context of overall development support, these donors have committed to an innovative program founded upon the principles of aid effectiveness. GAFSP was designed to help low-income countries increase their investments in their own agricultural and rural sectors. GAFSP stresses country ownership, technical peer reviews, civil society participation, private sector partnerships, and independent impact evaluations. In April 2010, the inaugural donors—**Bill and Melinda Gates Foundation, Canada, Republic of Korea, Spain, and United States**—launched GAFSP as a

2011 annual report

Report Period: April 22, 2010 – June 30, 2011

mechanism to finance medium- to long-term investments in agriculture and food security. They were soon joined by **Australia and Ireland**. These donors—together with **recipient countries, civil society organizations, and other stakeholders**—have taken

an important step in contributing to the Millennium Development Goal of halving poverty and hunger by 2015. Millions of poor and vulnerable people around the world will directly benefit from their continued commitment and support. The GAFSP looks to engage other donors and stakeholders in this important initiative.

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ABBREVIATIONS AND ACRONYMS

ADB	Asian Development Bank
AfDB	African Development Bank
AGP	Agriculture Growth Program
AUD	Australian Dollar
CAADP	Comprehensive Africa Agriculture Development Programme
CAD	Canadian Dollar
CSOs	Civil Society Organizations
DIME	Development Impact Evaluation Initiative
DOTS	Development Outcome Tracking System
FAO	Food and Agriculture Organization
FY	Fiscal Year
FNN	Farmer and Nature Net
GAFSP	Global Agriculture and Food Security Program
GFRP	Global Food Crisis Response Program
IAPP	Integrated Agricultural Productivity Project
IDB	Inter-American Development Bank
IDA	International Development Association
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
LASIP	Liberia Agriculture Sector Investment Program
LHW	Rwanda Land Husbandry, Water Harvesting and Hillside Irrigation Project
MDG	Millennium Development Goals
MDTF	Multi-Donor Trust Fund
NAIP	National Agriculture Investment Plan
NGO	Non-Governmental Organization
PADAT	Projet d'Appui au Développement de l'Agriculture au Togo (Project to Support Agriculture Development in Togo)
PAMP	Public Employment for Sustainable Agriculture and Water Management Project
PASA	Projet d'appui au secteur agricole (Project to Support the Agricultural Sector)
PIC	Project Investment Committee
ROPFA	Réseau des Organisations paysannes et de producteurs de l'Afrique de l'Ouest (Network of Peasant and Agricultural Producers of West Africa)
SAPEC	Smallholder Agricultural Productivity Enhancement and Commercialization Project
SAW	Strategy for Agriculture and Water
SCP	Smallholder Commercialization Project
TOR	Terms of Reference
UNSG	United Nations Secretary General
USD	United States Dollar
WFP	World Food Programme



foreword



Hunger is a global challenge that demands a global response. A world where nearly one billion people suffer from hunger is a world that is unstable and unacceptable. That is why in 2009, leaders from the world's biggest economies agreed to act with urgency and scale to achieve sustainable global food security.

But our collective efforts must break new ground. Poor communities affected by food insecurity need a sustainable path out of poverty; developing countries need to demonstrate their own commitment by increasing the resources available to the agriculture sector; civil society organizations need to amplify the voice of small farmers; traditional and non-traditional donors need to work together to address this challenge; and our taxpayers need to see that these resources are effective and generating results.

Thanks to the efforts of a unique partnership of donors, recipient countries, civil society, and multilateral development organizations two years ago, today the Global Agriculture and Food Security Program (GAFSP) is charting a new approach to help small farmers grow and earn more. Active in 12 countries in Africa, Asia, and Latin America, GAFSP's initial investments are expected to reach 7.5 million smallholder farmers and their families. These investments are not made on donor priorities, but through a competitive process that rewards developing countries that have comprehensive, evidence-based food security strategies, a strong commitment to agriculture, and sound proposals. Decision-making is shared between developing and developed countries that have equal representation in GAFSP's governance, joined by the voice of civil society organizations. And the fund is results-oriented and transparent, committing up to 2.5% of its resources to independent and rigorous impact evaluation.

The fund is even more needed today than it was in 2009 as the threats to global food security increase. The severe drought and famine in the Horn of Africa remind us all of the continued importance of helping low-income countries become more resilient to impacts of climate change. Global food prices spiked again earlier this year and remain close to their 2008 peak levels. And population growth plus rapid economic growth in emerging economies continue to drive increased demand for food.

GAFSP stands ready to help meet these challenges. With additional financial resources from new donors, GAFSP will be able to support a broader range of countries in their efforts to secure food security for their populations. As these countries devote an increasing percentage of their own budgets to strengthen food security, their development partners must also step forward and ensure that food security remains at the forefront of the international development agenda.

We know that this fund alone will not put an end to food insecurity. But it is a bold step to help the world's poorest farmers. We call on our colleagues from other G-8 and G-20 countries to join us in this extraordinary effort to help the world's most vulnerable populations and, in the process, take an important step towards creating a more balanced, prosperous, and secure world for all.



Lael Brainard
Chair, GAFSP Steering Committee and
Under Secretary for International Affairs
U.S. Treasury Department

executive summary





Agricultural growth and food security remain fundamentally important to human welfare and long-term political stability. Recent events in global food markets amplify the continued need to focus on spurring agricultural growth and food security in the developing countries themselves.

World food prices are near their 2008 peaks, increasing overall by 40 percent since June 2010 (and more than 100 percent for maize and wheat). This was mainly driven by weather induced disruptions in developed countries but also by slowing cereal yield growth in developing countries from a long period of under-investment in the 1980s and 1990s, and by the seemingly permanent increase in fuel price floors. The pass-through of higher world food prices to developing countries in 2010/11 has been dampened so far by their higher grain production, higher grain stocks, and more grain trade, unlike in the developed countries. Higher production was helped by recently elevated investment levels in agriculture, improved policies, and favorable weather in developing countries. Despite the improved resilience of developing countries, food price increases from June to December 2010 resulted in an estimated overall net increase in the number of poor by 44 million people in developing countries¹. If many developing countries had not re-invested in agriculture following the 2008 price spike, the world as a whole would have been much worse off in 2011. More investment in both agriculture and safety nets is needed now and for the foreseeable future.

There is a need for a transformational approach in development assistance targeted to helping countries make lasting improvements in their food security through sustainable investment in their agricultural sectors.

Aid effectiveness in agricultural investment is central to this transformation because it stresses country ownership and good governance, inclusiveness of resource mobilization and distribution, quality through extensive peer review, and intensive monitoring and evaluation of actual results. Recognizing that countries own their development strategies, partnership and external assistance should be offered to overcome the resource gaps needed to carry out investments to realize their own strategies. Lasting improvements in the ability of countries to provide food security to their citizens through more productive, more inclusive, and better governed agricultural development are needed. Unfortunately, they are not yet on the horizon in most of the poorest countries. These improvements were the intention of key existing long-term country-led initiatives such as the Comprehensive African Agriculture Development Program (CAADP) and similar country-donor partnerships at the national level outside Africa. Yet despite the fact that countries have invested their own resources and made considerable progress in improving food security through aid effectiveness processes, they still face major challenges accessing significant additional, concessional finance to fund their plans. There is often a mismatch between country readiness and availability of donors finances (in the aid effectiveness sense).

Addressing this issue is the primary goal of the Global Agriculture and Food Security Program (GAFSP).

GAFSP was established in April 2010 at request of the G-20 as a mechanism for providing more and better public and private investment in agriculture and related sectors to improve the income and food security of poor and vulnerable people in low income countries. GAFSP is a source of new financing aligned with country-led approaches which

¹ Estimate by World Bank.

emphasizes the need to respect aid effectiveness principles of the Paris Declaration and the Accra Agenda for Action. GAFSP operates through two windows: the Public Sector Window and the Private Sector Window. **The Public Sector Window of GAFSP** provides a new and additional pool of grant funds that are not pre-allocated by country. These funds finance the medium- to long-term investments needed to improve the income and food security of poor people in developing countries as countries require, and are prepared to use such funds effectively. It emphasizes the scaling-up of good practice through support to strategic, inclusive, and evidenced-based agricultural investment plans led by the countries themselves under existing aid effectiveness initiatives, such as the CAADP process in Africa. Resources from **the Private Sector Window** of GAFSP will be used to support and demonstrate new and innovative financing aimed at increasing the commercial potential of small and medium sized agri-businesses and farmers by bringing them into local, national and global value chains. The Private Sector Window will make investments (including equity investments, first loss cover, loans and credit guarantees, and weather insurance products) and provide advisory services (including grants), consistent with relevant IFC guidelines and policies.

\$972
million pledged

Status of overall funding. Seven donors have pledged USD 972 million to GAFSP as a whole, with USD 897 million of this earmarked for **the Public Sector Window** (from Australia, the Bill & Melinda Gates Foundation, Canada, Ireland, Korea, Spain, and the United States), and 75 million earmarked for **the Private Sector Window** (from Canada and the United States). Of the total amount, USD 581 million has been received, USD 531 million for the Public Sector Window and USD 50 million for the Private Sector Window.

Financing allocations of the Public Sector Window have been made as funds were received in the pooled GAFSP (Public Sector) fund. Of the 60 countries eligible to apply for GAFSP financing through the Public Sector Window, 25 countries have submitted funding requests totaling USD 1.2 billion to date. Of the 25 applicants, 14 submissions were from African countries. The Steering Committee has allocated USD 481 million in recipient-executed grants to 12 countries (six from Africa, four from South and East Asia, one from Central Asia, and one from the Caribbean). Allocations were made in June 2010 (USD 224 million to five countries), October 2010 (USD 97 million to three countries), and June 2011 (USD 160 million to four countries). In addition the Public Sector Window has set aside USD 32 million for preparation and supervision of these projects, for impact evaluation, and for other operational costs.

Public Sector Window funds have been allocated in support of proposed investments within existing country-led plans and have targeted the poorest regions. Country funding proposals were required to demonstrate in their submission that investment plans and GAFSP proposals were truly country-led. Fund allocations were based on an assessment of these proposals by an independent technical committee, composed of experts drawn from analytical, policymaking, and civil society backgrounds, about half from developing



countries. Thus far, 56 percent of funds have been allocated to proposals from Africa, 37 percent to Asia (South, Southeast, East and Central) and 7 percent to the Caribbean. The specific countries allocated funds were Bangladesh, Cambodia, Ethiopia, Haiti, Liberia, Mongolia, Nepal, Niger, Rwanda, Sierra Leone, Tajikistan, and Togo.

GAFSP Public Sector Window grants are either targeted to the most underfunded, food insecure regions or to areas with high potential for agricultural growth.

The GAFSP projects are not 'emergency response' like World Food Program emergency programs or the World Bank's Global Food Crisis Response Program (GFRP), but rather they focus on longer-term investments. The following examples illustrate the diversity and commonality of GAFSP support to country-led projects. Each project is expected to

fill a gap within the country's investment plan. For example, in **Nepal**, the program will enhance household food security in the poorest and most food-insecure regions by increasing crop production, food availability, and awareness about health and nutrition. In **Rwanda**, GAFSP funds are being used to scale-up successful interventions that reduce erosion and bolster productivity in hillside agriculture. In **Mongolia**, the GAFSP program focuses on increased access

to markets for livestock commodities and on improved access to veterinary services, animal breeding, and technical assistance. In **Togo**, the GAFSP project supports agricultural development by coordinating donors to work through a single project support unit in the provision of improved inputs, technical assistance for smallholder farmers, and better smallholder access to affordable credit.

\$581
million received

Over 60 percent of the GAFSP allocations under the Public Sector Window have focused on agricultural productivity growth, and about 20 percent on linking farmers to markets.

This is reflective of the high importance countries give agricultural productivity growth in their country proposals, which are themselves based on national investment plans. Activities to be financed from these allocations include the adoption of higher yielding varieties, technology generation and adoption, water management, land use improvement. For example: the **Bangladesh** GAFSP project aims to introduce 23 improved crop varieties to be adopted by 175,000 farmers; the **Sierra Leone** project aims to increase upland rice yields by 15 percent, and intensify rice production on 4,000 ha of Inland Valley Swamps; and the **Haiti** project aims to increase the access of 50,000 farmers to improved agriculture information, technologies, inputs, material, and services, and to distribute 30,000 vouchers to eligible farmers who agree to adopt promoted technology packages applicable to their agro-ecological conditions. The remaining GAFSP financed activities focus on capacity strengthening (11 percent of total financing); on reducing risk and vulnerability (5 percent) and on improving non-farm rural livelihoods (2 percent).

All decisions pertaining to the Public Sector Window, including funding allocations, are made by the external GAFSP Steering Committee, which operates in an inclusive and transparent manner.

Committee composition includes an equal number of recipient representatives and donor partners as the voting members, in addition to three representatives of Civil Society Organizations (CSOs), multiple Supervising Entities, and the Special Representative for Food Security and Nutrition of the United Nations Secretary General. All members share all information, and there have been no closed door meetings limiting access for non-voting members of the Steering Committee. The only distinction in having voting as opposed to non-voting status is the right to veto consensus decisions. To date, final decisions on funding allocations have been made by the voting members of the committee by full consensus in sessions open to all Steering Committee members.

7.5 million beneficiaries

These funding decisions have been informed by recommendations of the Technical Advisory Committee comprised of technical experts from around the world nominated by the Steering Committee and independent of any of the Supervising Entities or the Trustee.

The Technical Advisory Committee members reviewed all received country proposals and prioritized recommendations based on an assessment of country need, country readiness, and proposal readiness, focusing on the technical merit of the proposals.

GAFSP funded projects under the Public Sector Window are implemented by the Governments themselves, and supervised by one or more Supervising Entities, which use their existing procedures to avoid creating parallel processes².

Recipient countries select Supervising Entities from whom they would like to

² For Technical Assistance activities assigned to FAO or WFP, they (FAO or WFP) could directly implement the projects on behalf of the Government, according to their regular existing procedures.



receive support during the implementation of proposals and to receive technical assistance. Currently six Supervising Entities are assisting countries (African Development Bank [AfDB], Asian Development Bank [ADB], Inter-American Development Bank [IDB], World Bank, Food and Agriculture Organization [FAO], and International Fund for Agricultural Development [IFAD]).

GAFSP Public Sector Window projects are expected to directly impact 1.5 million farm-households (or roughly 7.5 million beneficiaries). As GAFSP targets long-term and lasting changes in capacity and output, the indirect beneficiaries could be much larger in the future³. Unlike emergency response in food security, GAFSP emphasizes effectiveness in the long-run over speed of impact. Project preparation is being finalized for the initially approved GAFSP projects (Bangladesh, Haiti, Rwanda, Sierra Leone, and Togo) with implementation and disbursements expected to be under way by October 2011. Preparation is ongoing for the remaining seven GAFSP projects. Initial estimates project that when fully implemented the 12

³ A detailed gender disaggregation of projected impacts is presently only available for the projects in Bangladesh, Cambodia, Haiti and Rwanda. More information is expected as projects complete full project appraisal. For the four countries above, the average of female beneficiaries is 25 percent. However this is a preliminary and non-representative estimate of female beneficiary for GAFSP as a whole.



“We are not trying to build an agricultural sector to get back to 1980s level; we’re trying to build an agricultural sector

of the 21st century...”

— Dr. Florence Chenoweth, 2011 recipient of Africa Prize for Leadership, Min. of Agriculture, Liberia

GAFSP investments are expected to raise total incomes by an estimated USD 100 million per year⁴ equivalent to an average income increase for the beneficiary households of an estimated 5 percent⁵ (equivalent to 4 percent of the poverty line). These are indicative estimates which may change as the GAFSP project designs are finalized.

The Call for Proposals under the Private Sector Window will be launched on July 18, 2011 and will close on August 17, 2011, after which the first financing allocation from the private sector window is expected to be made. The International Finance Corporation (IFC) remains the only supervising entity of the private sector window and it is expected to invest USD 25 million of its own financing alongside GAFSP financed projects. Investment projects under the Private Sector Window will be implemented by private sector entities.

⁴ This is the estimated income increase implied by a 20 percent rate of return on the USD 481 million allocation to the 12 countries. The 20 percent return estimate was used since the recent median economic rate of returns of World Bank agriculture projects was 24 percent. This return is taken as a proxy for supervising entity agriculture project. As the World Bank is the Supervising Entity of 8 of the 12 financed projects, this may be indicative of likely returns across the 12 projects. In addition, the estimated economics returns of investments in the 5 appraised GAFSP projects are: Bangladesh 21.4 percent (20 year period), Togo 16.4 percent (20 year period), Ethiopia 19.9 percent (20 year period), Rwanda 29 percent (50 year period) and Sierra Leone 14.2 percent (20 year period). The assumption used is that income increase begins only in year 2 of project implementation when it will reach 20 percent of the expected full income increase. From year 3, the assumption is an equal increase until year 6 when the expected full target is reached. After year 6 the full income increase is expected to remain for 14 years.

⁵ This uses an estimate of the base income of all members of the household on which to compare the income gain to derive the 5 percent increase. More financing or a smaller number of beneficiaries would raise the level of income increase per beneficiary household.

Learning by doing, challenges and focus over the next year

The GAFSP process is designed to be strengthened by learning from doing.

The Steering Committee has set up a working group drawing on all its constituencies (donors, recipients, Supervising Entities, and CSOs) to review lessons from the assessments of the proposals submitted for GAFSP financing to date. The working group was tasked with revising the guidance provided to countries for their submissions and to reassess the weighting given to various criteria in the proposal assessments. The working group provided a very detailed set of written recommendations to the Steering Committee to improve the country guidelines and to adjust the criteria weighting in the assessments, which the Steering Committee has accepted.

GAFSP has established a Monitoring & Evaluation Plan as part of its advanced results agenda.


Monitoring and evaluation of GAFSP projects will be carried out by the countries as well as by the relevant Supervising Entities, following their regular procedures that include six-monthly reporting, baseline creation, and ex-ante cost-benefit analysis. Some additional features have been introduced through the Monitoring & Evaluation Plan such as the use of “core indicators” for all GAFSP financed projects so that overall programmatic progress can be aggregated, a prioritization on rigorous impact evaluations for up to about 30 percent of GAFSP financed operations, and an eventual enhancement of the GAFSP website to include geo-referencing of project information.

Challenges and focus over the next year will be on:

(i) overall fundraising for both the Public and the Private Sector Windows, which would also enable meeting the high demand for GAFSP financing and to allow for another Public Sector Window Call for Proposals later in calendar year 2011 (ii) the implementation of the 12 GAFSP financed projects under the Public Sector Window, (iii) incorporating lessons learned into the next Call for Proposals for the Public Sector Window, (iv) establishment of detailed baselines for project Monitoring & Evaluation and impact evaluations, and (v) full operationalization of the Private Sector Window, including targeted advisory services.

introduction





Increasing support for agriculture and food security remains critical.

Today, nearly one billion people suffer from chronic hunger. Additionally, 75 percent of the world's poor live in rural areas, and most depend on agriculture for their livelihoods. Raising their income and improving their food security will require stimulating farm and non-farm entrepreneurial activity through additional investments to raise agricultural productivity, improve food security, link farmers to markets, reduce risk and vulnerability, and improve non-farm rural livelihoods. Agricultural development is also especially pro-poor, being about two to four times more effective in raising incomes among the very poor than growth from other sectors. Spurring agricultural growth and food security requires more and better investment.

The global incremental agricultural public investment required—the additional amount

necessary to meet the Millennium Development Goal (MDG) of halving poverty by 2015—was earlier estimated to be a total of USD 14 billion annually for all developing countries, and for Sub-Saharan Africa, estimates range from USD 3.8 billion to USD 4.8 billion annually⁶. The financing gap is large, and the decline in the share of official development assistance to agriculture from 18 percent in 1979 to approximately 3 percent in 2008 must be reversed. After the 2008 food price spike and renewed price volatility in 2010, there has been widespread recognition of the need to scale up longer term agricultural and food security programs in developing countries.

Low income countries have recently made concerted efforts

to make their agricultural and food security investments more strategic, better prioritized for results, and at a technically improved level. In recognition of this renewed focus of developing countries and on the overall importance of agriculture and food security, donors have pledged an increased level of support. The Global Agriculture and Food Security

Program (GAFSP) was created in April 2010 as a mechanism to manage the G-20's increased support to agriculture and food security following pledges made by the G8++ at L'Aquila in July 2009, and in response to an explicit request from the G-20 in Pittsburgh in September 2009.

GAFSP is a multilateral mechanism that finances medium- to long-term investments

needed to improve the income and food security of poor people in developing countries. GAFSP provides a pool of grant funds for technically sound, country-led agriculture and food security projects for countries that exhibit both need and significant readiness to use funds well for increased long-term food security. GAFSP supports inclusive investment plans that are developed by countries in consultation with other donors, CSOs, and stakeholders at the country-level. GAFSP is comprised of two windows. The Public Sector Window focuses on supporting proposals designed and led by recipient countries to increase agricultural productivity, food security, and income. The Private Sector Window provides long and short term loans, credit guarantees, and equity to support private sector activities to improve agricultural development and food security. With these design elements, it aims to improve aid effectiveness in contributing to the first MDG of cutting hunger and poverty in half by 2015.

This annual report covers the program's first 14 months of operations (April 22, 2010 – June 30, 2011) during which the GAFSP Public Sector Window allocated almost half a billion dollars in funding for 12 recipient country projects focused on agricultural development and food security.

⁶ Fan, S. and Rosegrant, M. (2008). Investing in Agriculture to Overcome the World Food Crisis and Reduce Poverty and Hunger. Policy Brief 3. International Food Policy Research Institute.

GAFSP financing

Seven donors pledged⁷ a total of USD 972 million to the GAFSP Trust Fund, of which USD 897 million were for the Public Sector Window, and USD 75 million for the Private Sector Window.

USD 531 million has been received for the Public Sector Window and 50 million has been received for the Private Sector Window.

The seven donors are Australia, the Bill & Melinda Gates Foundation, Canada, Ireland, Korea, Spain, and the United States.

Canada and the United States are also donors to the Private Sector Window.

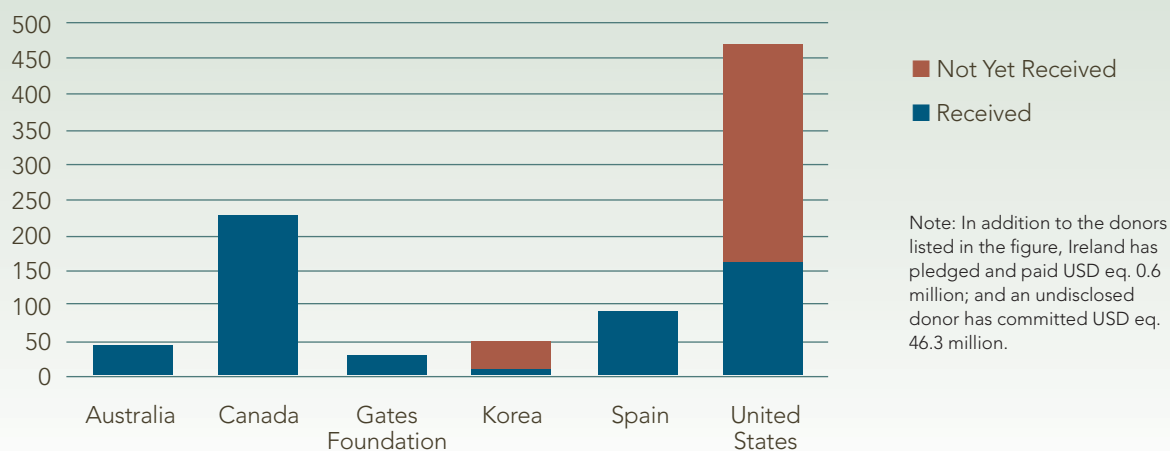
⁷ A pledge represents a Contributor's expression of intent to make a contribution. Pledges are converted to "commitments" by way of a countersigned Contribution Agreement/Arrangement. The total amount pledged is the USD eq. valued on the basis of exchange rates of April 22, 2010, the official launch date of GAFSP.

TABLE 1: DONOR CONTRIBUTIONS TO PUBLIC AND PRIVATE SECTOR WINDOWS AS OF JUNE 30, 2011

	CONTRIBUTORS	CURRENCY	PLEGDED AMOUNT	COMMITTED AMOUNT	RECEIPTS	TOTAL AMOUNT (PLEGDED + COMMITTED)	USD EQ. TOTAL AMOUNT
PUBLIC SECTOR WINDOW	Australia	AUD	—	50.0	50.0	50.0	46.3
	Canada	CAD	—	180.0	180.0	180.0	179.8
	Gates Foundation	USD	—	30.0	30.0	30.0	30
	Ireland	EUR	—	0.5	0.5	0.5	0.7
	Korea, Rep.	USD	—	50.0	2.9	50.0	50.0
	Spain	EUR	—	70.0	70.0	70.0	93.4
	United States	USD	283.6	166.4	166.4	450.0	450.0
	Undisclosed Donor*	USD eq.	—	46.3	10.7	46.3	46.3
	Sub-total						896.5
PRIVATE SECTOR WINDOW	Canada	CAD	—	50.0	50.0	50.0	50.0
	United States	USD	25.0	—	—	25.0	25.0
		Sub-total					75.0
	Total						971.5

*Note: This contribution is from an existing donor who wishes to announce this incremental pledge at a later date.

FIGURE 1: DONOR PLEDGES AND RECEIVED CONTRIBUTIONS TO PUBLIC AND PRIVATE SECTOR WINDOWS AS OF JUNE 30, 2011 (IN USD MILLION EQ.)



Public Sector Window

Financial resources received for the Public Sector Window have been allocated

Out of the USD 531 million received for the public sector window, GAFSP grants worth USD 481 million have been approved for 12 countries (Bangladesh, Cambodia, Ethiopia, Haiti, Liberia, Mongolia, Nepal, Niger, Rwanda, Sierra Leone, Tajikistan, and Togo). The total cost for project preparation and supervision by Supervising Entities accounted for up to an additional 5 percent of the overall allocations to the recipient grants. Allocations to recipient proposals were made at three different times as funds became available—USD 224 million in June 2010 for five countries, USD 97 million in October 2010 for three countries, and USD 160 million in June 2011 for four countries.

TABLE 2: FUND ALLOCATIONS BY THE PUBLIC SECTOR WINDOW

	FIRST CALL FOR PROPOSALS
	DONORS AT TIME OF ALLOCATION
FIRST ROUND OF ALLOCATIONS JUNE 2010	Bill and Melinda Gates Foundation Canada Korea, Rep. Spain United States
SECOND ROUND OF ALLOCATIONS OCTOBER 2010	Australia Bill and Melinda Gates Foundation Canada Ireland Korea, Rep. Spain United States
THIRD ROUND OF ALLOCATIONS JUNE 2011	Australia Bill and Melinda Gates Foundation Canada Ireland Korea, Rep. Spain United States

**ALLOCATION OF FUNDS BY THE GAFSP
STEERING COMMITTEE⁸**

STEERING COMMITTEE MEETING	FUNDS AVAILABLE ⁹ (USD MILLION)	COUNTRY	AMOUNT (USD MILLION)	SUPERVISING ENTITY
June 21, 2010	USD 252	Bangladesh	50	World Bank and FAO
		Haiti	35	IDB and World Bank
		Rwanda	50	World Bank
		Sierra Leone	50	IFAD
		Togo	39	IFAD and World Bank
		Total	224	
November 3-4, 2010	USD 130	Ethiopia	51.5	World Bank and FAO
		Mongolia	12.5	World Bank and FAO
		Niger	33	AfDB
		Total	97	
June 7-8, 2011	USD 176	Cambodia	39.1	ADB
		Liberia	46.5	AfDB
		Nepal	46.5	World Bank and FAO
		Tajikistan	27.9	World Bank
		Total	160	

⁸ In addition to these allocation amounts to countries, an Administrative Fee of up to 5 percent of the grant award amount was transferred to the selected Supervising Entity to finance administrative and other costs to cover activities such as project preparation, project supervision, etc.

⁹ Amount available at time of allocation.

FIGURE 2: WORLD MAP HIGHLIGHTING GAFSP PROJECTS



IBRD 38888 OCTOBER 2011

This map was produced by the Map Design Unit of The World Bank. The boundaries, colors, denominations and any other information shown on this map do not imply, on the part of The World Bank Group, any judgment on the legal status of any territory, or any endorsement or acceptance of such boundaries.

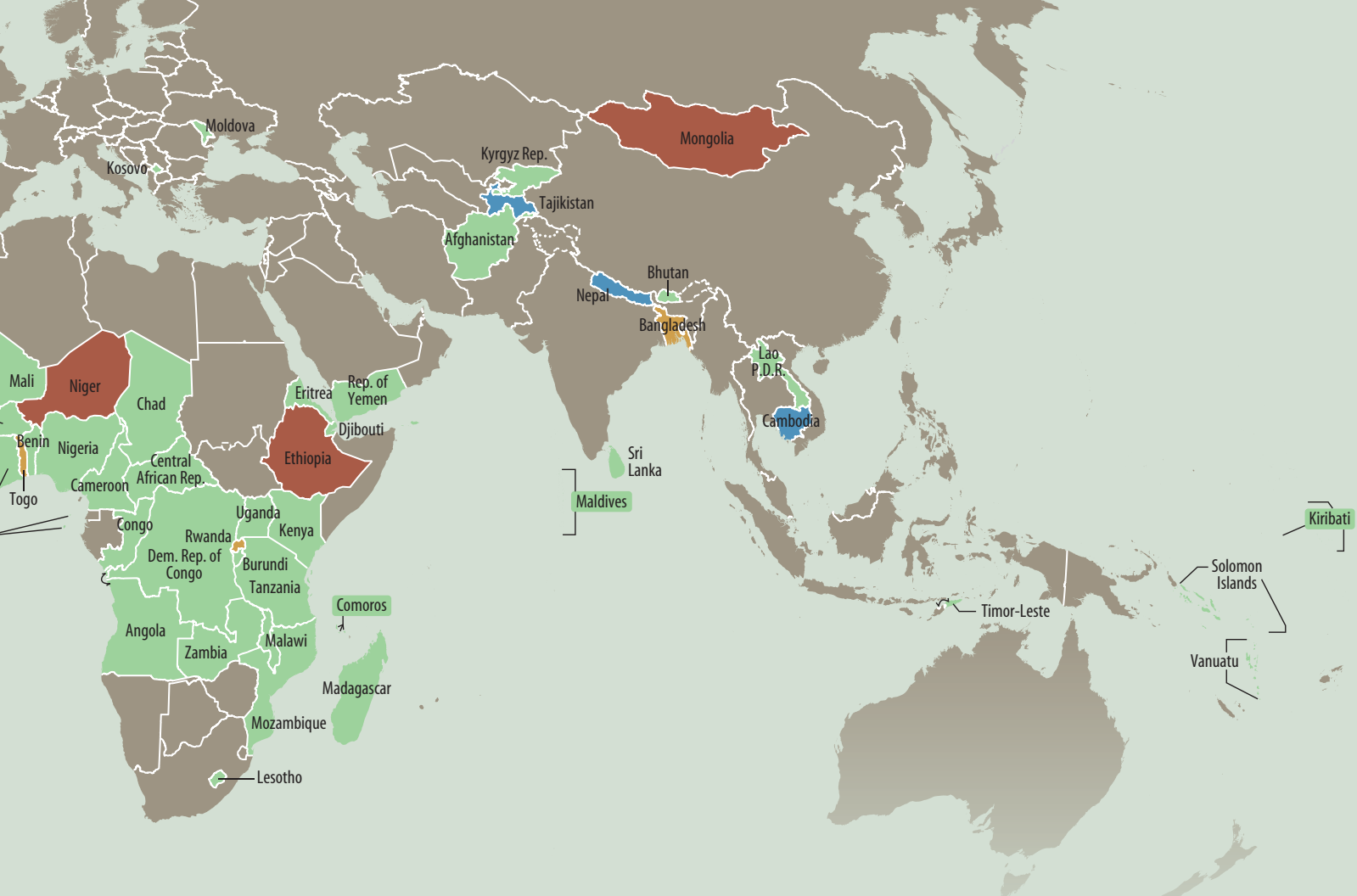
Out of 60 countries eligible to receive GAFSP financing¹⁰, 25 countries submitted proposals for a total requested amount of USD 1.2 billion following the first Call for Proposals for its Public Sector Window issued on May 21, 2010 | **FIGURE 2**. Sixty one percent of the requested amount was from African countries, while 23 percent was from Asian countries | **FIGURE 3**.

The first Call for Proposals included two submission rounds in June 2010 and in October 2010. Eligible countries were requested to submit their proposals by: June 14, 2010 for an allocation decision at the Steering Committee meeting which took place on June 21, 2010; and by October 1, 2010 to be considered for the Steering Committee meeting which took place on November 3-4, 2010.

¹⁰ Eligible countries for GAFSP financing are all IDA member countries that are not in non-accrual status, and are not eligible for IBRD financing ("IDA-only countries"). Non-accrual status occurs when the oldest payment arrears are six months overdue. Once all arrears are cleared, all loans to, or guaranteed by, the country are generally restored to accrual status.

June 2010 round: Eight countries submitted complete submission packages to GAFSP, requesting a total of USD 376.7 million of which 45 percent was requested by African countries and 41 percent was requested by Asian countries. Funding immediately available to be allocated through the Public Sector Window on June 21, 2010, totaled USD 252 million. Five countries received allocations on June 21, 2010, for a total of USD 224 million in recipient-executed funds: Bangladesh, Haiti, Rwanda, Sierra Leone, and Togo | **TABLE 2**.

October 2010 round: 20 countries submitted complete submission packages to GAFSP (of the 20 countries, three had submitted in the first round but were not awarded financing, and subsequently re-submitted for this round). The requested financing totaled USD 853 million. Sixty-six percent of funds were requested by African countries and 23 percent by Asian countries. On November 3, 2010, the GAFSP Steering Committee allocated recipient-executed grants to three countries for a total of USD 97 million, out of a net funding availability in the GAFSP Public

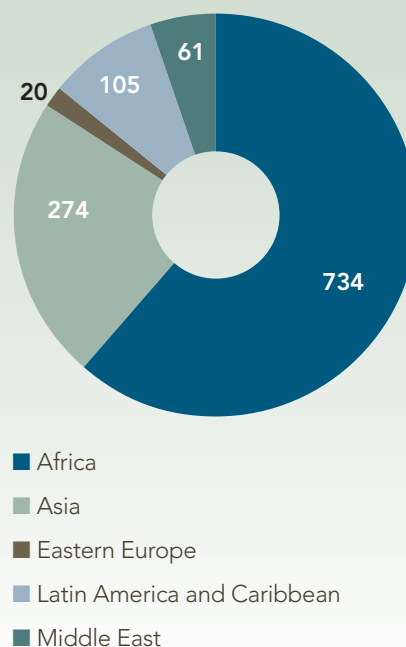


Sector Window of USD 130.1 million. The Steering Committee allocated 87 percent of available funds to Africa. Funded proposals were from Ethiopia, Mongolia, and Niger | TABLE 2. Due to the high number of proposals received in October 2010 and limited resources, 17 country proposals remained in pending status until more funds were secured.

June 2011 round: Upon receipt of additional contributions from Australia (AUD 15 million received in April 2011), and the United States (USD 99.8 million in June 2010), the Steering Committee decided to allocate recipient executed grants to four of the 17 unfunded proposals on June 7-8, 2011. The selected proposals were: Cambodia, Liberia, Nepal, and Tajikistan for a total of USD 160 million | TABLE 2. With this allocation, the Steering Committee decided to officially close the first Call for Proposals for the Public Sector Window.

FIGURE 3: GREATEST DEMAND FOR FINANCING HAS BEEN FROM AFRICA AND SOUTH ASIA (IN USD MILLION)

(Total requests: USD 1.2 billion)



Financing allocations have been made to country-led plans in the poorest regions

GAFSP only finances proposals that are based on existing country sector strategies and investment plans. Therefore, countries were required to demonstrate in their submission that their investment plans and GAFSP proposals were country-led and country-owned. Funding allocations were based on an assessment of these proposals by an independent technical advisory committee. Guidance was provided to countries on the submission requirements, including requesting information on the extent of in-country consultation undertaken in the preparation of the national agriculture and food security investment plans, and on the GAFSP proposal itself.

Consistent with the objective of the GAFSP Framework Document, most of the resources have been allocated to Africa (56 percent), followed by Asia (26 percent) and Latin America (7 percent). It is anticipated that Africa will continue to receive a large share of future allocations from GAFSP in support of CAADP, which carries out the implementation of peer-reviewed, comprehensive and country-led agricultural development and food security strategies and governs submission procedures for countries in Africa.

Within the recipient countries, GAFSP grants are either targeted to the most underfunded food insecure regions or to areas with high potential for agricultural growth.

In **SIERRA LEONE**, the project has a sharp focus on smallholder farmers and includes productive safety nets and food security goals countrywide. Sub-regional targeting took into account social, poverty and demographic indicators to reach the most vulnerable wards/communities, potential for poverty reduction and employment creation, and potential for intensifying the production of rice in the Inland Valley Swamps and value addition.

In **NIGER**, the GAFSP-supported project aims to sustainably increase the availability of agricultural products in the Maradi, Tahoua, and Zinder regions through water harnessing and the development of small-scale irrigation. In these regions, 25 percent of the population is food insecure and acute malnutrition rates are above the 15 percent emergency threshold.

In **LIBERIA**, GAFSP funds are targeted at low-income households in four counties with high potential for rice farming through irrigation and road organization. The project will ensure that the majority of women- and youth-headed households are beneficiaries of the project resources and activities.

In **ETHIOPIA**, the GAFSP project focuses on small-scale farmers in selected districts in the regions of Amhara, Oromia, Southern Nations, Nationalities and Peoples Regions, and Tigray. The focus is on less-productive areas in a cluster of districts that are relatively food secure. With GAFSP support, these areas have considerable potential for increasing their agricultural productivity.

Financed projects are focusing on long-term agricultural productivity growth

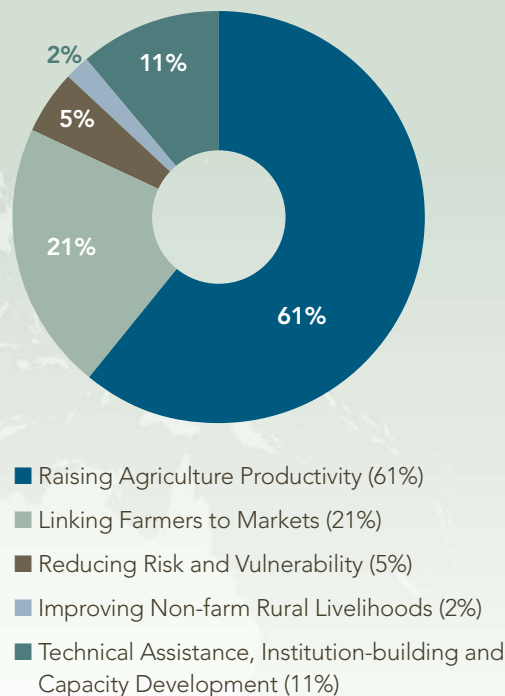
Reflective of the high importance countries are giving to raising agricultural productivity in their national investment plans and subsequent GAFSP proposals, much of the GAFSP allocations to date have focused on productivity growth. Based on the GAFSP country proposals, the USD 481 million already allocated to 12 countries is projected to finance: (i) higher agricultural productivity (61 percent of total financing or USD 281 million); (ii) better links of farmers to markets (21 percent of total financing or USD 94 million); (iii) capacity strengthening (11 percent of total financing or USD 49 million); (iv) a reduction of risk and vulnerability (5 percent of total financing or USD 25 million), and (v) improved non-farm rural livelihoods (2 percent of total financing, or USD 11 million). | **FIGURE 4.**

In **NEPAL**, seven mountain districts of the most food insecure mid-western and western regions will benefit from livelihood enhancement through increased productivity of agriculture and improved capacity for food utilization.

In **BANGLADESH**, GAFSP investments are focused in selected agro-ecologically constrained and economically depressed areas with very serious environmental and agricultural production problems such as the southern tidal salt affected area, drought prone areas in the southwest and northern parts, and the flash-flood prone areas in the northeastern region of the country.

FIGURE 4: AGRICULTURAL PRODUCTIVITY AND LINKING FARMERS TO MARKETS HAS DOMINATED GAFSP ALLOCATIONS

(share of actual GAFSP allocation)





For the five projects that have already completed more detailed project documents with a total allocated amount of USD 241 million, the detailed costing shows that they are financing the following:

- Higher agricultural productivity (targeting a median yield increase in the order of 15 percent derived from appraisal¹⁰ documents where this information is included) achieved through:
 - *Technology generation* with 61 percent of total GAFSP financing (for research costs on facilities, equipments, trial operations across food crops, livestock, and traditional and non-traditional exports);
 - *Water management* with 23 percent of total GAFSP financing (for technical and engineering designs for irrigation schemes, and investments in irrigation infrastructure—canals, pumps; and for technical support for development of water right systems, including hydrological data capacity development);
- *Land use improvement* with 9 percent of total GAFSP financing (for land terracing and soil conservation);
- *Adoption of higher yielding technologies* with 7 percent of total GAFSP financing (for financing training of farmers and extension providers, and information services).
- Better links of farmers to market achieved through:
 - *Reducing transaction costs to trade* with total GAFSP 63 percent of financing (for financing construction and rehabilitation of rural access or feeder roads to connect farmers to markets, construction and upgrading of infrastructure in agricultural retail and wholesale markets, and improvements in improved market management);
 - *Access to rural finance* with 37 percent of total GAFSP financing (for financing legal, regulatory and policy reforms).
- Strengthened capacity achieved through:
 - *Institutional reform and human development* with 50 percent of total GAFSP financing (for financing training, upgrading technology and infrastructure to strengthen implementation),
 - *Strengthening agriculture and food security data and results monitoring systems* with the other 50 percent of total GAFSP financing (for financing data collection, impact evaluations, capacity building for monitoring and evaluation).

¹⁰ Project appraisal includes detailed assessments of the economic, technical, institutional, financial, social, and environmental aspects of project design, including confirming the expected project outcomes, intended beneficiaries and evaluation tools for monitoring progress towards achievement of project objectives.

“The agricultural sector
accounts for the
majority of
in many poor countries,
fraction of total

Private Sector Window

Financing and advisory services from the First Call for Proposal from the Private Sector Window will work alongside Public Sector Window investments

So far, donors to the Private Sector Window include Canada (contributed CAD 50 million, of which CAD 48 million will be used for Investment Activities, and the remaining CAD 2 million will be used for Advisory Services) and the United States (pledged USD 25 million). The International Finance Corporation (IFC), which administers the Private Sector Window of GAFSP, is expected to invest alongside the GAFSP Private Sector Window. A Call for Proposals will be issued on July 18, 2011 and will close on August 17, 2011. First allocations for the Private Sector Window are expected by the end of the Calendar Year 2011.

The first Private Sector Window Call for Proposals will be targeted to agribusinesses, financial and institutions development financial institutions operating in IDA countries with a focus on those where the Public Sector Window is already active in order to maximize synergies between the two windows and to ensure complementary GAFSP financing. The IFC will launch

the first Call for Proposals for the Private Sector Window on July 18, 2011. Eligibility is for agribusinesses operating in IDA countries that are not in non-accrual status with a focus on Bangladesh, Cambodia, Ethiopia, Haiti, Liberia, Mongolia, Nepal, Rwanda, Tajikistan, and Togo where the Public Sector Window is already active, and on Ghana, Kenya, Malawi, Mozambique, and Tanzania. The Call for Proposals will be open for 30 days until August 17, 2011.

After the closure of the First Call for Proposals on August 17, 2011, the Private Sector Window Secretariat within IFC will begin to review and shortlist eligible proposals from the open Call. In parallel, IFC will also create a shortlist of projects from its own pipeline that meet the criteria for GAFSP Private Sector Window. Once compiled, the combined shortlist will be shared with the Project Investment Committee (PIC) for its review, based on which the PIC will select projects for funding. The PIC is comprised of contributors to the Private Sector Window and is responsible for allocation of funds for individual investments.

In these challenging markets, direct private sector financing is likely to be a necessary part of the food security response, but in some instances it may not be solely sufficient. Therefore the IFC has added a complementary advisory component to support the investments made by the GAFSP Private Sector Window. This advisory component currently stands at CAD 2 million of funding, provided by Canada. These funds will be used to leverage existing IFC programs and know-how into GAFSP such as (i) the Africa Agri-Finance Program, which is working to promote bank lending to the agri-sector in Africa; (ii) IFC's gender program; (iii) IFC's advisory work to increase farmer productivity, and (iv) its work improving environmental and social practices and standards in the agri-sector. It is expected that any activity under this advisory component would directly link to and support the GAFSP investment process, with a view to maximizing the impact and demonstration effect of both. IFC is in discussion with other donors who might also contribute additional funding to this advisory component.

the labor force
but only receives a small
commercial bank lending.”

—Jim Flaherty, Minister of Finance, Canada

GAFSP governance

Public Sector Window

GAFSP announced its first allocation to five countries within two months of the launch and less than a year from the G-20 request to establish the mechanism. At the Pittsburgh Summit in September 2009, the G-20 countries requested the World Bank to establish a multilateral mechanism to support the L'Aquila pledge to increase support to agriculture and food security in low income countries. Following this request, GAFSP was established on April 22, 2010, and made its first allocations from the Public Sector Window to five countries in June 2010. During the reporting period, key tasks were carried out to set up and make fully functional the program. These tasks are included in [TEXT BOX 1](#).

Key decisions have been made through an inclusive and transparent process

All decisions for the Public Sector Window of GAFSP have been made by the GAFSP Steering Committee. The committee is inclusive, comprised of recipient representatives, donor partners, CSOs, Supervising Entities, and a representative of the United Nation's Secretary General's Office. The discussions have been open and transparent. Decisions on funding allocations have been made by the voting members of the committee—the recipient representatives and donor partners—in sessions open to all members.

The GAFSP Steering Committee: The GAFSP Steering Committee is composed of an equal number of voting members from donor and recipient countries and of non-voting members including multilateral agencies and CSOs | **FIGURE 5.** The Steering Committee was established to oversee the overall activities of GAFSP. It is the decision making body of GAFSP and operates by consensus. Since the launch of GAFSP in April 2010, the Steering Committee has met five times in Washington, DC, and has made funding decisions worth USD 481 million, and approved key governance mechanisms such as the Governance Document, the Monitoring & Evaluation Plan, TORs, selection criteria for financing, and administrative budgets. The Steering Committee currently consists

TEXT BOX 1: KEY TASKS CARRIED OUT TO ESTABLISH GAFSP

April 2010 to June 2011

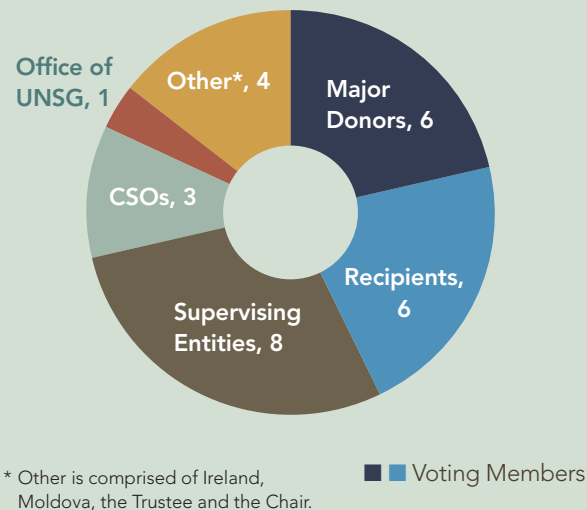
- Signing of various legal agreements for both windows (Contribution Agreements with contributors, Transfer Agreements with Supervising Entities) (various)
- Convening of five Steering Committee meetings in Washington, D.C. (April, May, June, November 2010, and June 2011)
- Selection of three CSO representatives to the GAFSP Steering Committee by their respective networks (April – October 2010)
- The adoption by the Steering Committee of a Governance Document which establishes the operating procedures (May 2010)
- Launch of the first GAFSP Call for Proposals (Public Sector Window), including the development of related selection criteria and Country Guidelines (May 2010)
- The official establishment of a small Coordination Unit within the Agriculture and Rural Development Department of the World Bank to support the GAFSP Steering Committee (June 2010)
- The formation of the Technical Advisory Committee, the adoption of their Terms of Reference (August, 2010), and the convening of three Technical Advisory Committee meetings (two virtual and one in-person) (June, October 2010, and January 2011)
- Launch of an external website (www.gafspfund.org) (September 2010)
- Convening of a Steering Committee Working Group to re-assess the selection criteria to be used in Call for Proposals and improve the Country Guidelines (November 2010, April 2011)
- Adoption of a Monitoring & Evaluation Plan (February 2011)
- Establishment of a Secretariat in IFC for the Private Sector Window (March 2011)
- Adoption of a Charter for the Private Sector Window by the Private Sector Window PIC (March 2011)
- Preparation of the first Call for Proposals for the Private Sector Window (March – July 2011)
- Participation of five GAFSP projects in a global agricultural impact evaluation workshop in Dakar, Senegal (April 2011)

of a Chair and 28 voting and non-voting members. The first Chair was from Canada (April – Nov 2010), and the second and current Chair is from the United States (November 2010 to present).

- The 12 voting members include six major donors to GAFSP and a matching number of six recipient country representatives. Current voting donors are: Australia, Bill & Melinda Gates Foundation, Canada, Korea, Spain, and the United States. The current recipient representatives are individual experts from Bangladesh, Haiti, Mongolia, Senegal, Sierra Leone and Yemen. The recipient representatives, who represent the regions that they are from and not their countries, were selected in two meetings in April 2010 through a self-selection process by World Bank Executive Directors representing at least one IDA country, as per the GAFSP Framework Document.
- The remaining 16 non-voting members are representatives of potential Supervising Entities for GAFSP Projects (AfDB, ADB, IDB, World Bank, IFAD, FAO WFP, and the IFC), CSOs (two from CSOs headquartered in low income countries of the South and one from a CSO headquartered in a high income country of the North), the United Nations Secretary General's Special Representative on Food Security and Nutrition, and other donor and recipient representatives (from Ireland and Moldova, respectively).

Civil Society Organizations (CSOs): To ensure a participatory process of all relevant stakeholders, the CSO community is represented at the Steering Committee by three CSO representatives (two from Southern CSOs, and one from a Northern CSO). CSOs provide input to the Steering Committee on evidence of meaningful participation by key actors in the planning and implementation of agriculture and food security strategies, the investment plan, and the GASFP proposal. The CSO representatives were selected through a self-selection process managed through their respective networks. Southern CSOs include a representative from Asia from the Farmer

FIGURE 5: INCLUSIVE MEMBERSHIP OF THE GAFSP STEERING COMMITTEE



and Nature Net (FNN) of Cambodia; and an interim representative from Africa from the *Réseau des organisations paysannes et de producteurs de l'Afrique de l'Ouest* (ROPPA). Northern CSOs are represented by an individual expert from ActionAid. Annual budgetary support is provided by the Steering Committee to the representatives of the Southern CSOs.

An independent review of technical experts has guided funding decisions

GAFSP Public Sector Window funding decisions have been guided by a technical assessment of country proposals, resulting in rapid, high-quality decisions by the Steering Committee. Potential recipient countries have submitted investment proposals including, in some cases, technical assistance proposals to the GAFSP Steering Committee, following guidelines provided by the Committee. Due diligence on the quality of submitted plans has been provided by a



Technical Advisory Committee appointed by the Steering Committee, using detailed criteria for assessing the quality of submitted plans. The Technical Advisory Committee has provided recommendations to help guide Steering Committee decisions.

In June 2010, the Steering Committee endorsed the formation of an interim Technical Advisory Committee of technical experts nominated by donors, recipients, and CSOs to provide due diligence for the June 2010 GAFSP round. Steering Committee members (except for potential Supervising Entities, to maintain independence) submitted nominations for experts to serve on the interim Technical Advisory Committee. An external committee was subsequently established, and it conducted the technical review. The results of this review fed into the Steering Committee's allocation decision at the June 21, 2010 meeting. The full Technical Advisory Committee was confirmed and appointed by the Steering Committee in September 2010, and is comprised of members from both low

and high income countries. The membership of the Technical Advisory Committee is diverse, reflecting expertise from various geographical regions (developing and developed countries), as well as sub-sectoral skills and familiarity with the CAADP process.

The Technical Advisory Committee convened a total of three times: in June 2010 for the assessment of the eight country proposals that applied under the first round (at this stage it was an interim Technical Advisory Committee); in October 2010, for the assessment of the 20 country proposals under the second round; and in January 2011, to further evaluate the 17 remaining proposals for the third round. The Technical Advisory Committee assesses the technical soundness of the submission documents according to an agreed selection criteria in an expedited, efficient manner. The Technical Advisory Committee then prepares a recommendation report to the Steering Committee, which reflects the consensus views of the committee members.

Implementation is supported by multiple entities and avoids parallel procedures

Multiple Supervising Entities provide technical expertise to the Steering Committee and support to countries for preparation and implementation of GAFSP proposals. The eight Supervising Entities represented at the Steering Committee are a key source of technical expertise during Steering Committee discussions and they play a crucial role in the GAFSP process by assisting countries in preparing and implementing GAFSP proposals. Their presence at the Steering Committee helps ensure coordination among Supervising Entities on GAFSP matters. Current eligible Supervising Entities are AfDB, ADB, IDB, World Bank and IFAD for investment operations and/or technical assistance; FAO and WFP for technical assistance; and the IFC for the Private Sector Window. Each country indicates a preferred Supervising Entity in their GAFSP proposal,

and their selection is approved by the Steering Committee. The Supervising Entities report on progress to the Steering Committee every six months.

The Steering Committee has allocated resources to selected proposals and Supervising Entities for each awarded country | [TABLE 3](#). The role of the Supervising Entity is to assist recipient countries to further design, appraise, and supervise the implementation of the projects financed by GAFSP awards using existing Supervising Entity procedures for investment projects. For technical assistance projects assigned to FAO or WFP, the Supervising Entities may directly implement the technical assistance activities on behalf of the Government, as per their regular procedures. The use of existing procedures avoids the creation of parallel processes and lowers transaction costs. This keeps administrative fees to a moderate level. The average administrative fee for Supervising Entities per project has been 4.87 percent of the total grant awarded amount to the 12 countries.

TABLE 3: LIST OF SUPERVISING ENTITIES FOR ONGOING GAFSP PUBLIC SECTOR WINDOW PROJECTS

COUNTRY	SUPERVISING ENTITIES
Cambodia	Asian Development Bank (ADB)
Bangladesh	World Bank & Food and Agriculture Organization (FAO)
Ethiopia	World Bank & Food and Agriculture Organization (FAO)
Haiti	Inter-American Development Bank (IDB) & World Bank
Liberia	African Development Bank (AfDB)
Mongolia	World Bank & Food and Agriculture Organization (FAO)
Nepal	World Bank & Food and Agriculture Organization (FAO)
Niger	African Development Bank (AfDB)
Rwanda	World Bank
Sierra Leone	International Fund for Agricultural Development (IFAD)
Tajikistan	World Bank
Togo	International Fund for Agricultural Development (IFAD) & World Bank

Private Sector Window

The GAFSP Private Sector Window complements the Public Sector Window and is administered by the IFC. The Private Sector Window supports new and innovative financing aimed at increasing the commercial potential of small and medium size agri-businesses and farmers by connecting them to local, national, and global value chains.

The Private Sector Window's aim is to launch innovative products that will allow for riskier investments in small and medium size companies along the agribusiness supply chain in frontier regions or countries that would not attract investment capital otherwise. Private firms and financial institutions operating in eligible countries could access financing under the GAFSP Private Sector Window when business activities are broadly consistent with the Government's agriculture strategy and investment plan. Recognizing that the availability of investment opportunities is demand-driven and subject to the readiness of the private sector in these countries, the Private Sector Window will participate in projects alongside IFC and will offer advisory services alongside investments and financing across the capital structure in agribusiness firms along the value chain. Its components include long and short-term loans and credit guarantees, equity capital, and weather insurance products.

IFC's advisory services are aimed at decreasing financial risk and increasing bankability of small and medium size companies, and addressing information asymmetries between end users and institutions which have GAFSP capital available. This will ensure that funds are deployed efficiently and that typically less savvy end users are informed on where and how to access funds. Advisory services will be demand driven and will accompany investments. Entities that are eligible for advisory services will be considered for support when potential activities focused on the private sector are food or beverage value chain specific, when those activities are sustainable, targeted

to smallholders and have a potential to be scaled up while complying with IFC's Environmental & Social Performance Standards.

The GAFSP Steering Committee provides oversight to the entire GAFSP program. Its role in the Private Sector Window includes endorsing the annual plan for the GAFSP Private Sector Window presented by IFC, reviewing and commenting on periodic progress reports presented by IFC, and providing comments to the membership of a Consultative Board for the Private Sector Window.

Contributors to the Private Sector Window form the PIC that is responsible for allocating individual investments. Each member of the PIC has one vote and decisions of the PIC are made by consensus of all the members. A Consultative Board for the PIC consists of expert representatives from academia, civil society, private financial institutions, and development agencies with experience in the agribusiness sector. The Consultative Board provides input to the PIC with the objective of increasing development impact, bringing about innovation, furthering partnerships, and becoming a champion of the Private Sector Window. The Consultative Board will be established when there are at least two donors with paid-in capital.

A GAFSP Private Sector Window Secretariat based in IFC and is in charge of screening proposals against the eligibility criteria and submitting eligible proposals to the PIC for review. It acts as liaison between the PIC, the Consultative Board, and the Public Sector Window and is responsible for issuing Calls for Proposals for the Private Sector Window.

The Private Sector Window's advisory services component will be managed by applying the World Bank Group's standard due diligence processes for trust funds, as well as IFC's closely regulated advisory approval and evaluation processes. Contributing donors will receive regular reports and updates on the progress and results from the use of these trust funds.

projected results and implementation progress

FIGURE 6: CURRENT PROGRESS OF GAFSP PROJECTS (AS OF JUNE 30, 2011)



Funds allocated in: June 2010, November 2010, and June 2011

An estimated 7.5 million people are projected to benefit from allocated funds from the Public Sector Window

The Public Sector Window of GAFSP is intended to mobilize and consolidate additional resources to scale-up agricultural and food security assistance to eligible developing countries. This will require stimulating farm and non-farm entrepreneurial activity through additional investments to raise agricultural productivity, improve food security, link farmers to markets, reduce risk and vulnerability, and improve non-farm rural livelihoods. By doing so, GAFSP aims to raise income and improve food security for the rural poor, thus contributing to the first MDG of halving poverty and hunger by 2015.

GAFSP financed activities are expected to have a significant impact on raising the income of poor households in poor countries. Initial estimates project that the 12 GAFSP investments are expected to reach at least 1.5 million rural households (or roughly 7.5 million people) when fully implemented,¹² raising total incomes by an estimated USD 100 million per year,¹³ equivalent to an average income increase for the beneficiary households in the order of an estimated 5 percent¹⁴ (equivalent to 4 percent of the poverty line). These are indicative estimates which may change as the GAFSP project designs are finalized.

While it is too early to report on actual impact of GAFSP financing, initial reports are encouraging.

For example, GAFSP is supporting the scale up of a hillside intensification program in Rwanda by USD 50 million. It has already increased the proportion of land protected against soil erosion in program areas by 27 percent over the baseline. The absolute numbers of women and men accessing formal financial services has also increased beyond expected levels for the first year, as has the number of farmers trained in improved land husbandry methods. Net sales from agricultural activities on targeted non-irrigated hillsides is USD 1,925/ha, up from a baseline of USD 1,000/ha. Beneficiaries' share of commercialized products rose from a baseline of 35 percent to 65 percent, exceeding the target of 30 percent for that site. Total revenues from the first season amount to USD 257,822 for the 3,447 smallholder project beneficiaries.

The Public Sector Window has approved grants for 12 technically sound, country-led proposals, all of which are in various stages of preparation and implementation | [FIGURE 6](#).

“We cannot forget the
75 percent
of the world's poor that
live in rural areas.

—Elena Salgado, Second Vice-President and Minister of Economy and Finance of Spain.

¹² A detailed gender disaggregation of projected impacts is presently only available for the projects in Bangladesh, Cambodia, Haiti and Rwanda. More information is expected as projects complete full project appraisal. For the four countries above, the average of female beneficiaries is 25 percent. However this is a preliminary and non-representative estimate of female beneficiary for GAFSP as a whole.

¹³ This is the estimated income increase implied by a 20 percent rate of return on the USD 481 million allocation to the 12 countries. The 20 percent return estimate was used since the recent median economic rate of returns of World Bank agriculture projects was 24 percent. This return is taken as a proxy for supervising entity agriculture project. As the World Bank is the Supervising Entity of 8 of the 12 financed projects, this may be indicative of likely returns across the 12 projects. In addition, the estimated economics returns of investments in the 5 appraised GAFSP projects are: Bangladesh 21.4 percent (20 year period), Togo 16.4 percent (20 year period), Ethiopia 19.9 percent (20 year period), Rwanda 29 percent (50 year period) and Sierra Leone 14.2 percent (20 year period). The assumption used is that income increase begins only in year 2 of project implementation when it will reach 20 percent of the expected full income increase. From year 3, the assumption is an equal increase until year 6 when the expected full target is reached. After year 6 the full income increase is expected to remain for 14 years.

¹⁴ This uses an estimate of the base income of all members of the household on which to compare the income gain to derive the 5 percent increase. More financing or a smaller number of beneficiaries would raise the level of income increase per beneficiary household.

learning by doing



A mechanism has been established to capture lessons learned

The Steering Committee has set up a working group to review lessons from the analysis and assessment of the proposals submitted for GAFSP financing under the Public Sector Window to date. The working group was tasked to revise the guidance provided to countries for their submissions and to reassess the weighting given in the proposal assessments to various criteria. The working group provided a set of recommendations to the Steering Committee to improve the country guidelines and to adjust the criteria weighting in the assessments. It also provided additional guidance to the Technical Advisory Committee to complete their review of the 17 unfunded GAFSP proposals (for the June 2011 round).

A harmonized monitoring and evaluation system has been developed

A detailed Monitoring & Evaluation Plan for the Public Sector Window has been established to guide implementation progress and assessment of results. The plan outlines the monitoring and evaluation requirements during the preparation, implementation, and completion phase of GAFSP financed projects, highlighting the roles of Supervising Entities, the GAFSP Coordination Unit and the Steering Committee. The plan reflects the strong result-oriented nature of the program and highlights key features of the program including the development of common indicators to enable monitoring of results across projects. The plan builds on the existing monitoring systems of Supervising Entities to ensure a comprehensive framework, and will include a rigorous evaluation of a subset of GAFSP projects.

GAFSP pools resources for impact evaluation, thereby reducing the relative costs compared to more fragmented donor financing. GAFSP has set aside 2.5 percent of total pledges to undertake in-depth impact evaluations for the Public Sector Window. Impact evaluations have a relatively high fixed unit cost, requiring long-term commitments and are skill and coordination intensive, requiring full-time field presence. On average, impact evaluation for agricultural programs cost about USD 1 million. If undertaken by each donor in an environment of fragmented aid, the units cost would be a large share of the overall recipient grant. With pooled donor resources in GAFSP, the fixed unit cost share declines to about 1 percent of recipient grants.

The Monitoring & Evaluation Plan calls for a widespread use of rigorous impact evaluations for GAFSP investment projects up to approximately 30 percent of all GAFSP projects going forward. So far, five GAFSP projects (Bangladesh, Haiti, Mongolia, Niger, and Rwanda) have begun developing an in-depth impact evaluation plan (using experimental or quasi-experimental evaluation methods) with technical support by the World Bank's Development Impact Evaluation Initiative (DIME), a research group with a proven track record in carrying out impact evaluations for government development projects for agriculture and food security initiatives. For the remaining GAFSP projects, the recipient countries will carry out rapid (most likely non-experimental) evaluations of their own projects to be funded by the GAFSP grants.

GAFSP projects for in-depth impact evaluation were approved by the Steering Committee upon self-nomination from Task Team Leaders of the GAFSP Supervising Entities concerned and government counterparts. The 5 selected projects (Bangladesh, Haiti, Mongolia, Niger, and Rwanda) participated in a global DIME impact evaluation workshop for agriculture projects in Dakar in April 2011 to receive hands-on training in impact evaluation methods and impact evaluation management including data collection, intensive monitoring, and data analysis relevant for

agriculture projects, as well as to launch the preparation of their own impact evaluation designs. At the workshop each project team began the design of impact evaluation plans, including strategies for baseline collection, sampling framework, and evaluation methodology.

For Private Sector Window projects, results' tracking is integrated in the IFC's monitoring and evaluation system. IFC defines time-bound targets upfront using standard indicators and will track whether GAFSP projects are meeting results expectations continuously throughout the project life. IFC will also assess the project's overall development outcome and performance within each of the four performance components in the Development Outcome Tracking System (DOTS) which includes: financial, economic, environmental and social performance as well as private sector development impact.



challenges and focus for the next year



The challenges and focus over the next year will be on: (i) overall fundraising for both the Public and the Private Sector Window, to more closely match funds available to demand for resources, allowing for another Call for Proposal for the Public Sector Window later in calendar year 2011; (ii) implementation of the 12 GAFSP financed projects under the Public Sector Window, (iii) incorporating lessons learned into the next Call for Proposals for the Public sector Window, (iv) establishment of baseline data for project monitoring impact evaluations, and (v) a full operationalization of the Private Sector Window, including targeted advisory services. GAFSP is currently scheduled to complete its activities in 2019, pending final decision by the Steering Committee based on funding availability and performance.

Fundraising for both the Public and Private Sector Windows to more closely match funds available to demand for resources, allowing for another Call for Proposals later in calendar year 2011.

There is currently an inadequate funding level in GAFSP to meet demand from eligible countries with technically sound proposals, as reflected in the last Call for Proposals. Expectations of eligible countries on funding availability are high based on earlier statements of G-20 commitments, and donor pledges to GAFSP. Almost all GAFSP financing received from donors has been allocated. USD 531 million was received from seven donors for the Public Sector Window, of which USD 481 million has been allocated to recipient grants. The majority of the remaining funds have been set aside for administrative costs and fees to cover Supervising Entities' project management costs, Trustee and Coordination Unit costs, and Southern CSO outreach costs. USD 441 million of the USD 972 million pledged to GAFSP by the seven donors is still to be received. To ensure that additional funds are available to finance additional country proposals: (i) the Steering Committee will review the extent to which receipt of pledged financing amounts could be accelerated, and (ii) will advocate and continue to fundraise with potential donors. The next Call for Proposals will be issued when additional financing has been received for GAFSP, expected to be in the fourth quarter of Calendar Year 2011. The next Call will employ the revised country guidelines and will be announced on the GAFSP website and through outreach from the GAFSP Steering Committee to recipient countries to raise awareness of the Call.

Moving forward with disbursements though implementation of the 12 GAFSP financed projects under the Public Sector Window:

The focus will be on continued implementation of the 12 GAFSP projects allocated financing. The GAFSP projects are not 'emergency response' like WFP emergency programs or the World Bank's GFRP, but rather they focus on longer-term investments. The Steering Committee will closely monitor and review ways to expedite preparation of GAFSP financed projects, in consultation with Supervising Entities. GAFSP financed project preparation times have so far been about 25 percent less than the average of standard agriculture projects of Supervising Entities. A contributing factor has been the level of detail provided in the proposals submitted by countries as requested in the country guidelines for the Public Sector Window. This has advanced project proposals along the standard project cycle of Supervising Entities, thereby reducing subsequent preparation time.

Strengthening country guidelines for the next Public Sector Window Call for Proposals based on lessons learned from the first call:

Drawing on lessons from country proposal submissions and subsequent assessments by the Technical Advisory Committee, the country guidelines have been revised in anticipation for the next Call for Proposals. A Working Group was established by the Steering Committee to provide recommendations for the revisions. The revisions include: (i) a more objective approach to assessing country need, (ii) more detailed guidance to countries on how country need and readiness and proposal readiness will be assessed, and (iii) less weight assigned to proposal readiness relative to country need and country readiness.

Establishing a baseline data for project monitoring and evaluation and beginning implementation of impact evaluations:

All projects will collect baseline information for their target indicators either during preparation of the project, or within the first year of project implementation. This will be the basis through which any progress will be measured. Furthermore, a baseline will be necessary for target beneficiaries and relevant control groups for impact evaluations. Using impact evaluations, GAFSP project teams are expected to be able to rigorously assess progress on the highest level indicators (e.g., Program Development Objectives for their project), as well as the GAFSP program level objectives on increasing income and food security¹⁵. For those countries that are working on an in-depth impact evaluation with DIME, a peer reviewed Concept Note for each project will be prepared by DIME, which will lay out the scope of the impact evaluation for each project.

Operationalizing the Private Sector Window:

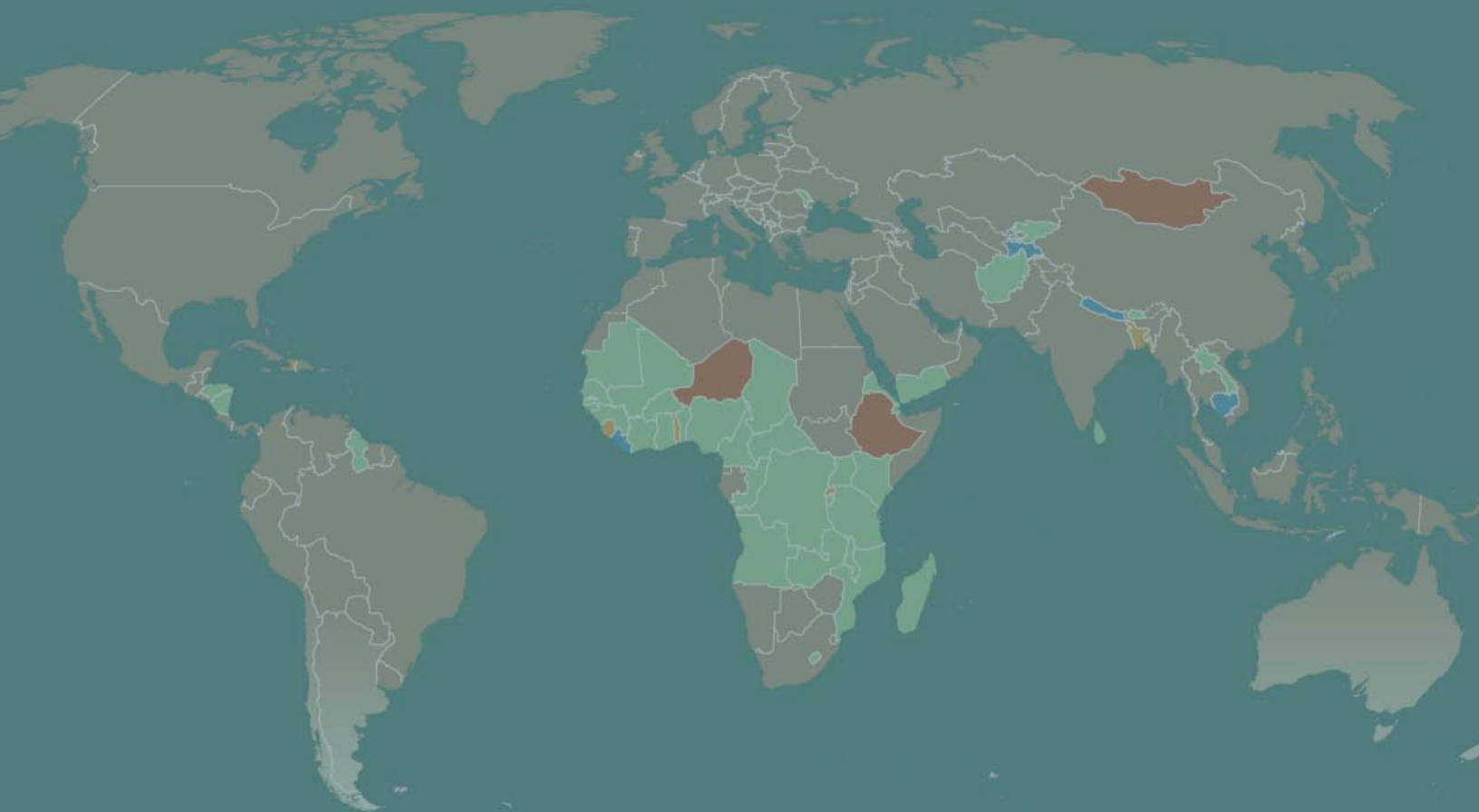
After the closure of the First Call for Proposals on August 17, 2011, the Private Sector Window Secretariat in IFC will begin to review and shortlist eligible proposals from the open call. In parallel, IFC will create a shortlist of projects from its own pipeline that meet the criteria for GAFSP Private Sector Window funding to be submitted to the Secretariat during the open call. Once compiled, the combined shortlist will be shared with the PIC for its review, and selection of projects for funding. In the first Call for Proposals, IFC will review the submitted proposals giving priority to projects that demonstrate linkages with the Public Sector Window. Alongside this, IFC Advisory Services will identify and develop advisory projects designed to complement and heighten the impact of selected investment projects. Simultaneously, the Private Sector Window will continue its fundraising efforts to expand the funding available from the current CAD 50 million.

“GAFSP funds **will**
enable us
to extend our efforts to reduce soil
erosion and build soil fertility...”

— Agnes Kalibata, Min. of
Agriculture, Rwanda

¹⁵ The GAFSP program goal is “Income and Food Security of Poor People Improved in Selected countries” (GAFSP M&E Plan, p. 13, GAFSP Program Results Framework). Impact evaluation is expected to assess progress towards these goals by measuring: (i) household income of direct beneficiaries and (ii) proportion of targeted population below the minimum level of dietary energy consumption, disaggregated by gender and vulnerable groups.

project descriptions and implementation progress





Bangladesh: Integrated Agricultural Productivity Project

AMOUNT: USD 50 million

SUPERVISING ENTITIES: World Bank (investment activities) and FAO (technical assistance activities)

The USD 50 million grant in Bangladesh will enhance productivity and resilience of smallholder farmers against tidal surges, flash floods and frequent droughts and will finance the adoption of improved seed varieties and better water management techniques. The funding will enhance the productivity of agriculture in selected agro-ecologically challenged and economically depressed areas where agriculture production is severely constrained. GAFSP financing seeks to implement core elements of the Country Investment Plan with respect to enhancing food availability and is fully aligned with country needs, government priorities, and the overall consensus within the development community.

The World Bank is the Supervising Entity for the USD 63.81 million Integrated Agricultural Productivity Project (IAPP), which is financed by USD 46.31 million grant from GAFSP and US\$ 17.5 million contribution from Government of Bangladesh. The development objective of IAPP is to enhance the productivity of agriculture (crops, livestock and fisheries) in pilot areas which are agro-ecologically constrained and economically depressed. These areas lie in the Rangpur, Kurigram, Nilfamari and Lalmonirhat districts in the North and the Barisal, Patuakhali, Barguna and Jhalokathi districts in the South. The project consists of four components: (i) technology generation and adaptation—to develop and release relevant technologies and management practices for farmers' use in the selected project areas; (ii) technology adoption—to enable project area farmers to adopt improved varieties/breed and management practices for crops, livestock and fisheries; (iii) water management—to increase the availability of irrigation water and efficiency of its use by project area farmers; and (iv) project management—to coordinate project planning, implementation and monitoring and evaluation, in line with the relevant fiduciary and safeguards standards. The primary beneficiaries will be farmers, predominantly small and marginal, in the selected project districts—about 215,000 farmers, of which at least 20 percent will be women. The project has been submitted to the Government of Bangladesh for negotiations (expected in July 2011), after which it will be made effective.

FAO will implement capacity development activities amounting to USD 3.69 million. It will contribute to more effective, inclusive and country-owned agriculture, food security and nutrition investment programs through strengthened national capacities. The project was approved by the GAFSP Steering Committee and by FAO in July 2011 and should become operational as soon as the project document is signed by the Government. The beneficiary of the FAO operations is expected to be the same as those of the investment activities supervised by the World Bank since the TA activity supports the investment activity. The project is expected to support a mix of capacity development tools such as short-and-medium term training, direct technical assistance, study tours, mentoring, and on the job training. These will be targeting both Government and non-state institutions and stakeholders involved in developing and implementing investment programs in agriculture, food security and nutrition.



Cambodia: Agricultural Commercialization and Resource Conservation Sector Development Program

AMOUNT: USD 39.1 million

SUPERVISING ENTITY: ADB

The USD 39.1 million GAFSP financing in Cambodia will support the Government's Strategy for Agriculture and Water (SAW), which is the overall framework of agricultural and water resource management. The SAW is designed to improve food security and economic growth by enhancing agricultural productivity and diversification and by improving water resource development and management. GAFSP support will aim to strengthen the national capacity to address food security concerns of vulnerable groups and to increase agricultural productivity by helping local farmers achieve higher crop yields through providing relevant extension and advisory support, strengthening farmer organizations and agricultural value chains, and enhancing the availability and quality of seeds, use of fertilizers, and access to machinery and appropriate fertilizers. Building on the relevant experience in the country, GAFSP funding will assist farmers to adopt proven technologies and provide training that will allow farmers to participate in food processing, marketing, and trading activities to improve their incomes, and step-up the country's ongoing efforts to address vulnerability through strengthening of the national emergency response system to food crisis. The financing will also increase agricultural diversification of crops allowing the country to decrease its dependence on imported fruits and vegetables and expanding its high-value crops for export, such as high quality rice and fine herbs and spices to increase the competitiveness and long-term food availability. Such investments will be delivered through up-scaling of ongoing activities under the Emergency Food Assistance Project and the Tonle Sap Poverty Reduction and Smallholder Project as well as the proposed Agricultural Commercialization and Resources Conservation Project. The GAFSP financing is expected to benefit 300,000 rural households or 1.5 million people, of which 450,000 are women.



Ethiopia: Agricultural Growth Program

AMOUNT: USD 51.5 million

SUPERVISING ENTITIES: World Bank (investment activities) and FAO (technical assistance activities)

The USD 51.5 million grant will finance the expansion of the Agriculture Growth Program (AGP) which aims to sustainably increase rural incomes and national food and nutrition security, particularly by developing the untapped potential of well-endowed areas. Specifically, in the project area, the AGP will: (i) sustainably increase agricultural productivity and production; (ii) accelerate agricultural commercialization and agro-industrial development; (iii) reduce degradation and improve productivity of natural resources; and (iv) contribute to improving national food and nutrition security.

World Bank is the Supervising Entity for a USD 50 million project that will support agricultural productivity and market access increase for key crop and livestock products through strengthening farmer organizations and their service providers, technology adoption, and marketing; and promotion of small-scale rural infrastructure. The main target group of the AGP is small- and medium-scale farmers in the selected woredas (districts) who crop an average area of less than 1 hectare (ranging between 0.25 and 2.3 hectares). The total population in the 83 woredas is 9.8 million people in an estimated two million households. About 90 percent of the populations of these woredas are small scale farmers targeted by the AGP. Since GAFSP financing forms 15 percent of the overall AGP funding, rough estimates suggest that GAFSP financing will target 267,000 rural households. Women and young people will be encouraged to participate. Other beneficiaries of the AGP, whose participation would also benefit smallholders, are large commercial farms, farmer organizations, traders, agro-processors, and others. Based on discussions and recent agreement on the specific use of the GAFSP funds, the World Bank's task team is now in the process of submitting the required documentation for project approval.

FAO is the Supervising Entity for the USD 1.5 million technical assistance activity. GAFSP financing will develop public sector capacity for sectoral analysis and program development in agriculture and food security, increase the implementation capacity of key agencies through training and institution building support, and enable effective implementation of the proposed project. Specifically, the technical assistance activities will focus on building Ministry-to-farmer and farmer-to-farmer communications, the strengthening of the national livestock policy with particular focus on farming systems based mitigation of livestock impacts on the natural resource base, and the development of integrated pest management policies at national level and their piloting in the AGP project area. The primary beneficiaries will be individual households and members of farmers associations and cooperatives in the AGP impact area. The project is being negotiated between FAO and the Ministry of Agriculture in August 2011, and should become effective by October 2011, barring further delays brought on by the Horn of Africa crisis.



Haiti: Technology Transfers to Small Farmers and Strengthening Agriculture Public Services

AMOUNT: USD 35 million

SUPERVISING ENTITIES: IDB (for the Technology Transfers to Small Farmers component) and World Bank (for the Strengthening Agriculture Public Services component)

The USD 35 million financing in Haiti is expected to play an important catalytic role in the implementation of sustainable medium and long-term investments in agriculture guided by the National Agricultural Investment Plan (NAIP). It will increase access to improved private agricultural services and inputs for crop production and strengthen the agriculture sector's research, extension and training capacity.

The Inter-American Development Bank (IDB) is the Supervising Entity for the USD 25 million component on Technology Transfers to Small Farmers. The IDB-supervised operation is expected to benefit 30,000 households, of which at least 15 percent are headed by women. GAFSP support will provide increased farmer access to improved agriculture inputs and technologies while supporting the development of a private agriculture service and input provider network. The role of GAFSP financing will prove crucial in scaling up successful experiences and establishing a methodology for delivering market-based, non-distortionary principles to direct farmer support efficiently, effectively, and in a transparent manner, as well as bridging a financial gap in a critical component of the National Agricultural Investment Plan (NAIP). IDB technical approval and GAFSP committee review will be carried out in July 2011 and negotiation of the grant agreement will take place at the end of July 2011. Final approval by IDB is expected by August 31, 2011, and first project disbursements in October 2011.

The World Bank is the Supervising Entity for the USD 10 million component on Strengthening Agriculture Public Services. GAFSP support will increase and strengthen rural animal and plant health public services as well as developing and expanding agriculture extension services in priority regions as specified in the NAIP. It is expected that these investments will increase access to extension services and training on animal and plant health to approximately 30,000 small farmers of which at least 20 percent are women. Furthermore, GAFSP financing will allow an increase in the capacity of the public sector to undertake bio-safety analysis in-country by investing in necessary equipment and technical assistance to certify the national laboratory to adequate bio-safety levels. A Quality Enhancement Review took place in April 19, 2011, and appraisal is planned for August 2011 once a new government is in place. Final approval by World Bank is expected by October 2011 and first disbursement in December 2011.



Liberia: Smallholder Agricultural Productivity Enhancement and Commercialization (SAPEC) Project

AMOUNT: USD 46.5 million

SUPERVISING ENTITY: AfDB

The USD 46.5 million GAFSP financing will aim to enhance the income of smallholder farmers, particularly women and youth, through sustainable irrigable land expansion, land husbandry improvement, and improvement of market access. It will also build capacity for adaptive agricultural research and improve agricultural advisory services. The financing in Liberia will support the implementation of sustainable medium and long-term investments in agriculture guided by the Liberia Agriculture Sector Investment Program (LASIP).

The primary beneficiaries will be rural populations in Liberia, specifically the rice, cassava, and vegetable farmers. Furthermore, the project will ensure the majority of women- and youth-headed households benefit from the project resources and activities. Other individual beneficiaries are consumers of target commodities, scientists and extension workers, women and youth through the project's capacity building activities, and all participants in the target value chain. Other key players in agricultural development, including NGOs, will also benefit as partners.

The AfDB will undertake a project preparation mission from July 11-30, 2011, to hold discussions with the Government of Liberia and various stakeholders (including national sector institutions, partners, and farmer groups likely to benefit from SAPEC) on project design, analysis of the technical soundness of the investment, and consistency of the investment with national development strategies and policies. At the end of the project preparation mission, the modalities for further processing of SAPEC shall be agreed upon between the Government of Liberia and the AfDB, with a view of implementing the project as soon as possible.





Mongolia: Integrated Livestock-based Livelihood Support Programme

AMOUNT: USD 12.5 million

SUPERVISING ENTITIES: World Bank and FAO

The USD 12.5 million financing will reduce rural poverty and household food insecurity on a sustainable basis in livestock-based farming systems. The grant will support the Integrated Livestock-based Livelihoods Support Program, which will increase access to markets for livestock commodities, improve market information systems, access to veterinary services, animal breeding, and technical assistance. The project is expected to benefit herders in approximately 25 soums (districts) in rural Mongolia, with a total population of approximately 6,000 herder households (30,000 beneficiaries). The grant was awarded by the GAFSP Steering Committee on June 2011 and project preparation has begun. Government has a technical steering committee established. A project implementation unit has been established. Preparation studies will begin in August 2011.



Nepal: Food Security Enhancement Project

AMOUNT: USD 46.5 million

SUPERVISING ENTITIES: World Bank (investment activities) and FAO (technical assistance activities)

The project development objective of the USD 46.5 million in financing is to enhance household food security in the poorest and most food-insecure regions through increased agricultural productivity, household incomes, and awareness about health and nutrition. The project aims to improve all the three key aspects of food security – availability, access, and utilization – for the poor and food-insecure households in the selected locations. Increased productivity will increase their food availability; increased household incomes will improve their access to the available food; and increased awareness about health and nutrition will improve their capacity for food utilization. In addition, the project will also contribute to enhancement of institutional capacities of related stakeholders, which is important to make improvement in food security stable and sustainable. The project will promote area-specific interventions that respond to local problems, potentials and priorities. Emphasis will be on generation and release of more productive and locally appropriate technologies, control of diseases and pests, improving the supply of quality inputs, provision of small infrastructure support, value-chain development, and linking farmers to markets. The project will also develop and disseminate improved nutrition, health and hygiene practices, and enhance community resilience to shocks through improved risk-bearing and risk-sharing arrangements. Key indicators for the achievement of the project development objective include yield increases in targeted crops/commodities, and improvement in household income and nutritional status of target groups. The grant was awarded by the GAFSP Steering Committee on June 2011 and investment project preparation has begun.

The technical assistance project intends to strengthen the national and decentralized capacities to coordinate, plan, design, and implement agriculture, food and nutrition security actions and to enhance the effectiveness of the entire project. Upon approval by the GAFSP Steering Committee, a joint World Bank / FAO mission will visit Nepal in July 2011 to launch the preparation process of the project in close association with the Ministry of Agriculture and Cooperative and involving consultation with CSOs.



Niger: Project for Water Mobilization to Increase Food Security

AMOUNT: USD 33 million

SUPERVISING ENTITY: AfDB

The USD 33 million financing will improve food security for rural populations by increasing the mobilization of water to increase agricultural production and yield in the Maradi, Tahoua, and Zinder regions. The main outcomes expected are: (a) the construction and rehabilitation of water storage and distribution devices, including mini dams and irrigation schemes, and development of irrigated land (17,600 ha); (b) land security; and (c) construction of wells, feeder roads, and storage. This will increase land area sustainably farmed, lead to a reduction in post-harvest losses, and increase agricultural and animal production, productivity and income. It will benefit directly 213,000 people and indirectly 459,450 people in the three regions. Preparation for the project started in December 2010 with appraisal in April 2011. The project formulation report is currently going through the last phases of the review process. The project will be negotiated in early September 2011 and submitted for AfDB Board's approval on September 21, 2011. Activities should be launched in January 2012.

“The GAFSP program will help
developing
countries
get themselves out of poverty
and stand on their own feet”.

—Mr. Yoon Jeung-Hyun, Former Minister of
Strategy and Finance, Korea



Rwanda: Land Husbandry, Water Harvesting, and Hillside Irrigation Project

AMOUNT: USD 50 million

SUPERVISING ENTITY: World Bank

The USD 50 million grant for the Rwanda Land Husbandry, Water Harvesting and Hillside Irrigation (LWH) Project was approved by the World Bank Regional Vice President on April 12, 2011. The objective of the project is to increase the productivity and commercialization of hillside agriculture in target areas. The LWH is the Government of Rwanda's two-phase program to implement improved land husbandry and increase productivity in 101 watersheds covering 30,250 ha of land. GAFSP will provide additional financing to implement a series of catchments areas within the government's overall LWH program. In particular, the project will support: (i) capacity development and institutional strengthening for hillside development, which will develop the capacity and institutions for improved hillside land husbandry, stronger agricultural value chains, and expanded access to finance for women and men; (ii) will support infrastructure for hillside intensification that provides the essential hardware for hillside intensification to accompany the capacity development of the first component; and (iii) will increase implementation through the Ministry of Agriculture and Animal Resources Sector-Wide Approach structure, which aims to ensure that project activities are effectively managed within the government program.

The GAFSP financing will increase the areas protected against soil erosion by 5,775 ha, over the USD 35 million IDA parent operation alone. It will further increase land under irrigation by 1,155 ha. This brings the project total to 10,375 ha of sustainably managed hillsides, including a new total of 2,055 ha of irrigated land. The additional financing will allow the project to reach an additional 6,000 direct beneficiaries, with benefits expected to extend to their households. Fully 50 percent of the direct beneficiaries are expected to be women. On April 18, 2011, the Government of Rwanda signed the GAFSP LWH additional financing agreement and it received parliamentary ratification (the final effectiveness condition under Rwandan law) on June 7, 2011. Effectiveness was declared on June 15, 2011. The first withdrawal application is already under preparation by the implementation team for disbursement and will be ready upon completion of arrangements for a more streamlined disbursement procedure requested by GoR during the Bank's implementation support mission of June 2011.

In terms of implementation, the LWH has just finished its first year and has demonstrated an impressively rapid and comprehensive start on project activities including: mass mobilization of beneficiaries for sensitization; implementation of a labor-intensive approach to land works; preparation and disclosure of environmental and social safeguards; development and execution of participatory crop selection on all sites; staffing up of project teams; preparation for necessary studies; completion of first set of land husbandry works on one site and advanced commencement on three sites; satisfactory preparation on dam safety; and extension and marketing support for production on the first terraces for the first project planting season after effectiveness. Though it is too early in project implementation to report on any indicators that involve irrigation

or cooperatives, a number of intermediate outcomes can already be reported. The project has increased the proportion of land protected against soil erosion in project areas by 27 percent over the baseline. The absolute numbers of women and men accessing formal financial services has also increased beyond expected levels for the first year, as has the number trained in improved land husbandry methods. With the first LWH rainfed harvest at the completed site, the project is able to report on productivity and revenue indicators for that site. Net sales from agricultural activities on targeted non-irrigated hillsides is USD 1,925/ha, up from the baseline of USD 1,000/ha. Beneficiaries' share of commercialized products rose from the baseline of 35 percent to 65 percent, exceeding the Government's fiscal year target of 30 percent. Lastly, total revenues from the first season amount to USD 257,822 for the 3,447 smallholders for that site.



Sierra Leone: Smallholder Commercialisation Project (SCP)

AMOUNT: USD 50 million

SUPERVISING ENTITY: IFAD

The USD 50 million grant is supporting the Smallholder Commercialization Program (SCP) that will empower rural poor to increase their food security and incomes on a sustainable basis in order to lead to long-term economic development and poverty reduction. In five years, the specific objectives of SCP financed through GAFSP financing are: (i) to reduce the gap between national rice production and demand (representing 70,000 metric tons) through: (a) increase in rice upland yields by 15 percent; (b) intensification of rice production on 4,000 ha of Inland Valley Swamps; (c) reduction of rice post-harvest losses by 20 percent; and (d) improvement in access to inputs for farmers targeted groups by 10 percent; and (ii) to increase farm incomes by 10 percent for direct beneficiaries through: (a) rehabilitation of 10,000 ha of tree crops (cocoa, coffee and palm oil mainly); (b) increased value addition of product through processing and marketing; (c) improved farmers access to extension services; and (d) enhanced farmers' representation at local and national level to advocate on their interests within value chains development and other areas.

The GAFSP financing is expected to impact 100,000 direct beneficiaries, produce 70,000 additional metric tons of rice, and rehabilitate 4,000 ha of Inland Valley Swamps. The project was approved by the Executive Board of IFAD on May 11, 2011. The Financing Agreement was signed by both IFAD and the Government on May 23 and 30 respectively, and ratified by the Parliament on June 30, 2011.

In order to speed up the start-up process and enhance a smooth and rapid implementation, IFAD has initiated and pre-financed start-up activities in key areas since April 2011. As a result of these preparatory activities, IFAD was able to initiate recruitment for key positions of the project. In parallel, IFAD has maintained close links with the various implementing partners so that all project components are ready to be sub-contracted. Finally, on monitoring and evaluation, a TOR was prepared to establish the baseline and set up a Geographical Information System and Man-

agement Information System. IFAD was advised to revise the TOR in order to separate the two assignments as well as to ensure synergies/complementarities with the recently validated Agricultural Tracking Survey and other existing surveys (WFP, UNICEF, FAO). The next steps will enable the fulfillment of all the conditions of disbursement, in particular: (i) the finalization of the recruitment process; (ii) the opening of the Project Accounts; and (iii) the request for the transfer of the first installment of approximately USD 19 million from GAFSP to IFAD.



Tajikistan: Public Employment for Sustainable Agriculture and Water Management

AMOUNT: USD 27.9 million

SUPERVISING ENTITY: World Bank

The USD 27.9 million grant will aim to increase crop production by developing sustainable irrigation and drainage infrastructure and improving water resource management policies in Tajikistan. The GAFSP funding for Tajikistan will support the government's ongoing Public Employment for Sustainable Agriculture and Water Management Project activities, which are focused on rehabilitating the irrigation system and introducing sustainable management. The project is estimated to create 1.5 million working days of employment, improve 1,500 kilometers of collection and drainage, renovate 500 km of irrigation canals, and fortify about 7,000 spillways; approximately 75,000 households will have increased incomes related to these water improvements. The grant was awarded by the GAFSP Steering Committee on June 2011 and project preparation has begun.

“...this support will be
very useful and
impactful
to our smallholders who constitute the
bulk of the poor in Sierra Leone.”

— Joseph Sam Sesay, Min. of
Agriculture, Sierra Leone



Togo: Project to Support Agricultural Development in Togo (PADAT) and Project to Support the Agricultural Sector (PASA)

AMOUNT: USD 39 million

SUPERVISING ENTITIES: IFAD (PADAT) and World Bank (PASA)

The USD 39 million in Togo would support implementation of the first phase of the Togo National Investment Program for Agricultural Development and Food Security (PNIASA) by complementing the funds committed by an alliance of donors to support a common set of priority operations. The financing will cover rural infrastructures, capacity-building, technological transfers, agricultural productivity growth and strengthening value chains. It will bolster yields in rice, maize and cassava through provision of improved seed varieties, technical assistance for smallholder farmers, and better smallholder access to affordable credit and markets. GAFSP financing will support two programs: USD 20 million for the Project to Support Agricultural Development in Togo (PADAT) supervised by IFAD and USD 19 million for Project to Support the Agricultural Sector (PASA) supervised by the World Bank.

The PASA project was approved by the World Bank's Board of Directors on April 12, 2011 and is expected to impact 75,100 direct beneficiaries once implemented. In addition, about 650,000 households raising poultry and/or small ruminants will benefit from the dedicated animal vaccination campaigns. The PADAT project was approved by the IFAD's Board in December 2010 and is expected to benefit 107,500 small farmers, including 50,000 vulnerable farmers who will receive input kits and technical support under the "quick start" operation. Through the project more than 40,000 ha will be developed, including 10,000 ha for rice and 30,000 ha for maize.

The first disbursement for the PADAT project was made under an advanced funding agreement with the government, which will be reimbursed once the lending conditions are met. For PASA, the first disbursements are currently taking place under a USD 0.7 million IDA project preparation fund and advanced funding from the government counterpart funds, which will also be reimbursed once the lending conditions are met in September 2011.

Initial investments are mainly geared at inputs distribution for small farmers (PADAT "quick start" operation) before the September-October cropping season, livestock vaccination campaigns to take place in October-November (PASA), and the reform/modernization of the Ministry of Agriculture, Livestock and Fisheries, which is the implementing agency (PASA).



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