

INCREASING INCOMES, REDUCING HUNGER

GAFSP
ANNUAL REPORT 2013



The Global Agriculture and Food Security Program (GAFSP) works to increase agricultural productivity, reduce poverty, and improve food and nutrition security in low-income countries through investments in both the public and private sectors. Launched in 2010, GAFSP represents a transformative approach to development aid that pools donor funds to make lasting improvements by supporting technically sound, country-led plans and sustainable, inclusive small and medium sized enterprises. The inaugural donors—**Bill & Melinda Gates Foundation, Canada, Republic of Korea, Spain,** and the **United States**—were soon joined by **Australia, Ireland,** and the **United Kingdom**. This year, two new donors—**Japan** and **the Netherlands**—signed on to support this important fund. GAFSP’s donors work in partnership with **recipients, civil society organizations,** and other stakeholders to improve the lives of smallholder farmers and their families. Millions of poor and vulnerable people around the world will directly benefit from GAFSP’s continued commitment and support. GAFSP looks to engage other donors and stakeholders in this important initiative.

All dollar amounts are U.S. dollars unless otherwise indicated.



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ANNUAL REPORT 2013
Report Period: July 1, 2012 - June 30, 2013



FOREWORD

Worldwide hunger has disappeared from the front pages of newspapers in the face of challenging economic times. But hunger continues to impact the poor of the world, most of whom still live on less than \$1.25 a day. As developed countries make spending cuts across the board, aid to poor countries needs to be efficient, effective, and have a large impact.

This is where the Global Agriculture and Food Security Program (GAFSP) comes into the picture. GAFSP focuses on increasing agricultural productivity as a way to reduce poverty and increase food and nutrition security - agricultural growth is two to four times more effective in raising the incomes of the very poor than growth in other sectors. This innovative program pools donor resources to fund effective, medium- and long-term, projects that improve the lives and livelihoods of the rural poor in the most efficient ways possible.

GAFSP is designed to help countries build sustainable agriculture sectors and become more resilient to economic, political, and climate shocks so beneficiaries are less likely to fall back into hunger and poverty. While increasingly robust public programs are a necessary part of the solution for long-term growth, GAFSP believes it is also critical to harness the private sector as an engine of growth and development

The program has focused on creating synergies between public and private sectors to maximize the impact of its investments. The country-owned schemes supported by the Public Sector Window are complemented by an active Private Sector Window searching out private initiatives, supporting opportunities to integrate farmers into inclusive business models, and promoting appropriate risk evaluations and services to benefit the rural poor.

In spite of global cuts to aid, both Japan and the Netherlands joined GAFSP's cause as donors this year; and Australia, the Bill & Melinda Gates Foundation, Canada, the Republic of Korea, and the United States all committed fresh funding to GAFSP's endeavors. While strides have been made, more effort, more progress, and more funding are required to keep moving forward.

The first results for the GAFSP are starting to come in and the signs are promising. GAFSP expects to reach 8 million direct beneficiaries by the end of our current projects. We have already reached more than half a million people. In some project areas, beneficiaries have increased yields by 200 percent and shop owners have quadrupled their incomes. With your partnership, we can visibly improve the world.



Bob Quiggin
Chair
GAFSP Steering Committee



Marcel Beukeboom
Chair
Private Sector Window Donor Committee

ACRONYMS AND ABBREVIATIONS

ABCs	Agricultural Business Centers	LAMP	Livestock and Agricultural Marketing Project
AGP	Agriculture Growth Program	LWH	Rwanda Land Husbandry, Water Harvesting, and Hillside Irrigation Project
APNIP	Agricultural Productivity and Nutrition Improvement Project	MARNDR	Ministry of Agriculture, Natural Resources, and Rural Development
AS	Advisory Services	MDG	Millennium Development Goals
BICIS	Internationale pour le Commerce et l'Industrie du Senegal	MSME	Micro, small, and medium enterprises
CAADP	Comprehensive Africa Agriculture Development Program	AFSP	Agriculture and Food Security Project
CB	Community bank	NAIP	National Agricultural Investment Plan
CFW	Cash-for-work	NGO	Nongovernmental Organization
CIDA	Canadian International Development Agency	NSADP	National Sustainable Agriculture Development Plan
CIP	Country investment plan	PADAT	Rural Development Support Project
COPSL	Coconut Oil Processing Santa Limited	PAMP II	Public Employment for Sustainable Agriculture and Water Resources Management Project II
CSOs	Civil society organizations	PASA	Agriculture Sector Support Project
DFCF	Dairy farm commercialization facility	PASA Lou/Ma/Kaf	Food Security Support Project in the Louga, Matam, and Kaffrine
DIME	Development Impact Evaluation Initiative	PMERSA-MTZ	Water Mobilisation Project to Enhance Food Security in Maradi, Tahou, and Zinder
EAAPP	East Africa Agricultural Productivity Program	PNIASA	National Agricultural Investment and Food Security Program
EFAP	Emergency Food Assistance Project	PNSADR-IM	Platform for Food Security and Rural Development Programme in Imbo and Moso
ESAP	Environmental and Social Action Plan	PTTA	Small Farmer Agriculture Technology Transfer Program
FAO	Food and Agriculture Organization	RESEPEG	Strengthening of Agriculture Public Services Project
FASDEP	Food and Agriculture Sector Development Project	Rice-SDP	Climate Resilient Rice Commercialization Sector Development Program
FBO	Farmer-based organization	RSPO	Roundtable on Sustainable Palm Oil
FFP	Family Farming Program	RUTF	Ready-to-use therapeutic food
FSA	Financial Service Associations	SAPEC	Smallholder Agricultural Productivity Enhancement and Commercialization Project
GAFSP	Global Agriculture and Food Security Program	SCP	Smallholder Commercialization Program
GAP	Gender Action Plan	SGR	Strategic grain reserves
GDP	Gross domestic product	SIVAP	Smallholder Irrigation and Value Addition Project
GIP	Global Irrigation Program	SMEs	Small and medium enterprises
GTP	Growth and Transformation Plan	SNNPR	Southern Nations, Nationalities, and Peoples Region
GWFP	Global Warehouse Financing Program	SUN	Scaling Up Nutrition
ha	Hectare	TA	Technical assistance
HDI	Human Development Index	TAA	Technical Assistance Agency
I&D	Irrigation and drainage	TAC	Technical Advisory Committee
IAPP	Integrated Agricultural Productivity Project	WUAs	Water User Associations
IDA	International Development Association		
IFAD	International Fund for Agricultural Development		
IFC	International Finance Corporation		
kg	Kilogram		
km	Kilometer		

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THE GLOBAL CHALLENGE:

In the 21st century, agriculture remains fundamental for sustainable poverty reduction and food and nutrition security. Here is a snapshot of how GAFSP contributes to this global challenge.



1.2 BILLION PEOPLE

live in extreme poverty and
870 million are undernourished

GAFSP IMPACT:

41% of funds go to
fragile states

CHALLENGE

Increasing growth in
agriculture, which is
**2 TO 4 TIMES
MORE EFFECTIVE**
in raising incomes
of the poor.

GAFSP

targets countries with
the highest rates of poverty
and hunger. 43% of people
in GAFSP countries live in
extreme poverty and 26% of
people are undernourished.

CHALLENGE

75%

of worlds' poor live in
rural areas and depend
on agriculture for their
livelihoods.

GAFSP IMPACT:

7.9 million beneficiaries,
most are smallholder
farmers and 42% are female

GAFSP IMPACT:
\$140 million in additional
smallholder incomes
generated per year



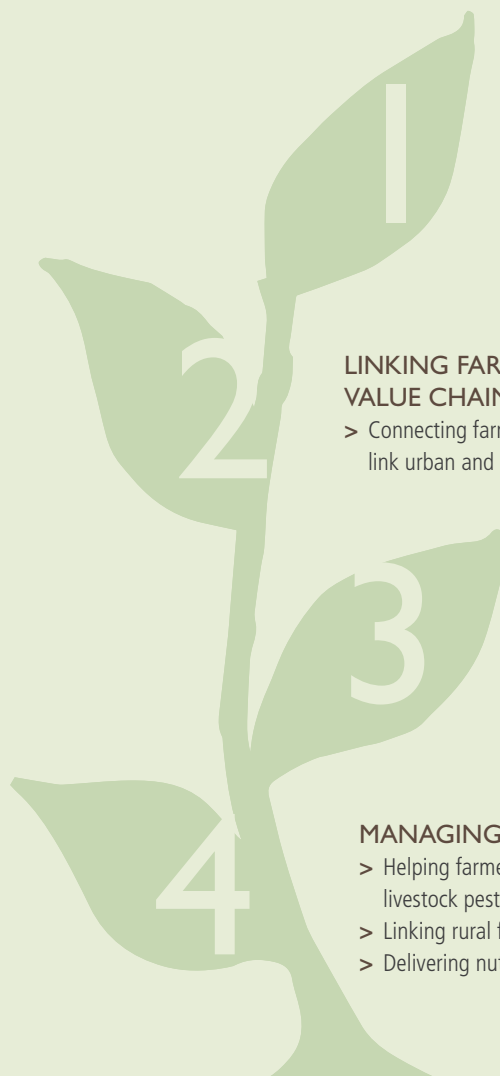
2013 AT A GLANCE

Increasing Income and Reducing Hunger



GAFSP GOAL:

GAFSP aims to increase income and reduce hunger in low-income countries by supporting country-led efforts to invest in sustainable agriculture and food systems. Investments in the following four key areas support GAFSP's efforts:



1 RAISING AGRICULTURAL PRODUCTIVITY AND IMPROVING RESILIENCE TO CLIMATE CHANGE

- > Investing in agricultural research and addressing potential production constraints to increase crop yield
- > Working to improve land management, reduce deforestation, and reduce greenhouse gas emissions (page 24)

2 LINKING FARMERS TO MARKET AND STRENGTHENING VALUE CHAINS BEYOND THE FARM GATE

- > Connecting farmers to local, regional, and global markets to raise income, link urban and rural areas, and reduce overall price volatility (page 30)

3 LEVERAGING PRIVATE INVESTMENTS IN AGRICULTURE

- > Complementary investing in small and medium agribusinesses and the larger surrounding business environment to improve farmers' access to markets, support innovation, and reduce the risks associated with conducting business in the agricultural industry (page 38)

4 MANAGING RISKS TO IMPROVE FOOD AND NUTRITION SECURITY

- > Helping farmers and rural families manage risks, such as food price spikes, the outbreak of crop/livestock pests and diseases, and the incidence of droughts and floods
- > Linking rural families to food-related social safety nets
- > Delivering nutrition services to improve the nutritional status of women and children (page 44)

GAFSP WORKS THROUGH TWO FINANCING WINDOWS TO PROVIDE BOTH FINANCIAL AND TECHNICAL SUPPORT TO PROJECT RECIPIENTS.

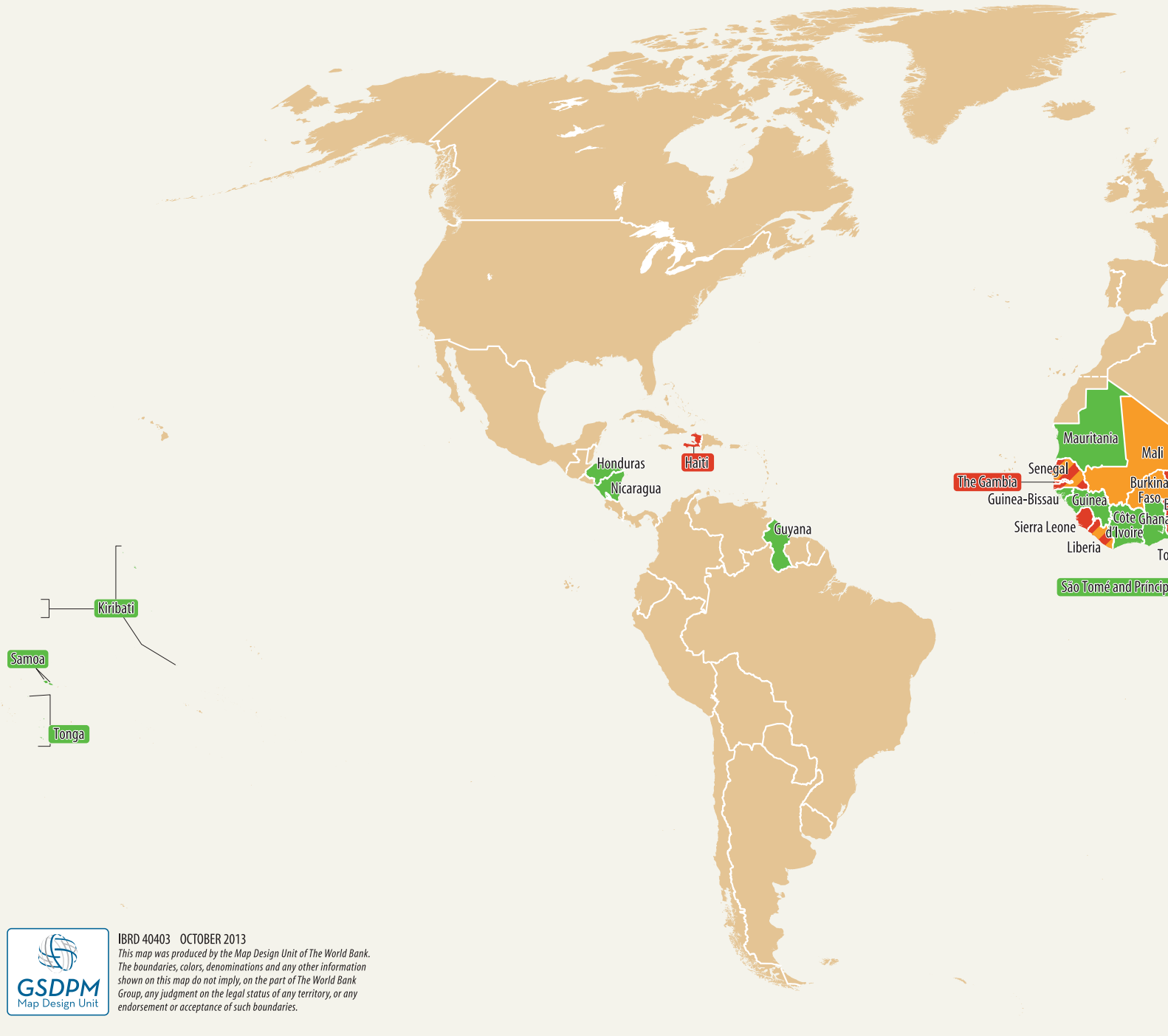
PUBLIC SECTOR WINDOW

This arm of GAFSP provides grant funding to the governments of low-income countries in support of their comprehensive strategies to boost food security.

PRIVATE SECTOR WINDOW

This window provides financing to private companies and financial institutions that focus on increasing the commercial potential of small- and medium-sized agribusinesses and farmers in low-income countries.

WHERE GAFSP WORKS: THE PROGRAM SUPPORTS INITIATIVES AROUND THE

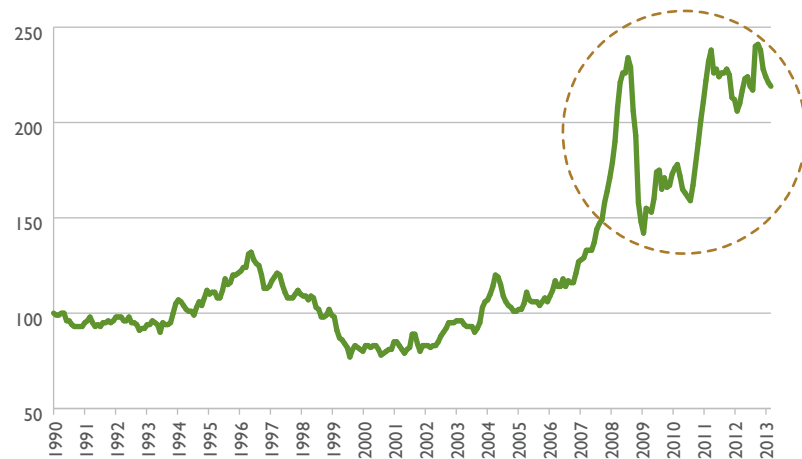


THE YEAR IN REVIEW

This report highlights GAFSP's third year, from July 2012 to June 2013. In its first year, GAFSP designed and established itself as an aid-effective program facilitating country-led development. During its second year, GAFSP expanded its portfolio and helped countries and businesses design their projects in an inclusive, impactful way. This past year, GAFSP focused its efforts on program implementation and creating connections between the Public and Private Sector Windows so that investments in one complement investments in the other.

The already urgent need for action in agriculture and food and nutrition security was amplified by three world food price spikes in the last five years. About half of developing countries have made insufficient progress towards the Millennium Development Goals of halving hunger and poverty by 2015. Even fewer have made progress on the lagging nutrition goal. This situation is partly due to past neglect of agriculture reflected in the historical decline in both donor and government support for the sector. GAFSP was established to address this exact issue. The GAFSP portfolio is building sustainable agriculture and food systems so that recipients and beneficiaries are not at the whim of these volatile prices. It delivers critical investment and technical support to the help poor countries implement their own sector plans and to develop small and medium enterprises. With an eye toward the post 2015 development agenda, GAFSP remains even more relevant today than when it was launched in 2010.

PRICES REMAIN VOLATILE: THE NEW NORMAL



World Bank Food Price Data

In the past year, the program has received \$303.9 million in new pledges from both new (Japan and the Netherlands) and existing (the Bill & Melinda Gates Foundation, Canada, and the Republic of Korea) donors. The timing of these new pledges will result in even greater returns, as they will leverage the United States' commitment to match \$1 for every \$2 pledged by another donor up to a total U.S. contribution of \$475 million. This brings the total amount of funding pledged to the program to \$1.5 billion.

The Public Sector Window portfolio has allocated \$658 million for 25 projects in 18 countries. An additional five countries have started disbursing in the past year bringing the total to 10 countries that are in various stages of implementation. During the past year, the GAFSP Private Sector Window approved five new investment projects, one investment program, and 11 Advisory

Services projects, which brings its total commitments for funding to \$47.4 million in investments and \$3.2 million in Advisory Services.

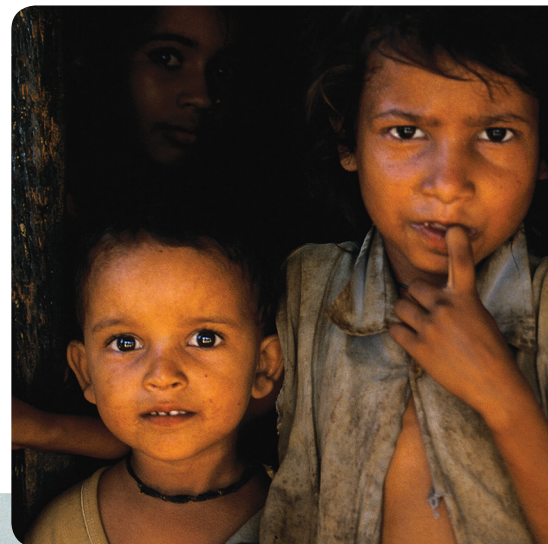
Disbursements have more than tripled over the past year from \$26.2 million to \$90.8 million. With its currently implemented projects, GAFSP has already reached more than half a million people with at least 35 percent of these beneficiaries being women. Early results from many projects are coming in, with updates on 16 out of 20 measurable indicators being used to track implementation progress. Throughout this report, readers will find updates on the program as a whole, and will see both the enormous impact that GAFSP projects have already had and the incredible potential the program is on target to reach.

WHO GAFSP BENEFITS

SEVENTY-FIVE PERCENT OF THE WORLD'S POOR LIVE IN RURAL AREAS, AND MOST ARE INVOLVED IN FARMING. IN THESE PARTS OF THE WORLD, AGRICULTURAL SUCCESS IS CRITICAL TO OVERALL POVERTY REDUCTION, ECONOMIC GROWTH, AND FOOD SECURITY.

GAFSP funding benefits the rural poor in many of the world's most disadvantaged countries. Most of these individuals, who are smallholder farmers, sharecroppers, landless laborers, small fishermen, forestry workers, and pastoralists, face formidable obstacles, struggling to provide basic food and necessities for their families. Even if they have land to farm, they have limited access to markets, financing, or farming technologies, such as fertilizer or high-yielding seeds. Their opportunities for success are few. In many places, the burden of agriculture has shifted to women as a result of the large-scale emigration of men from rural to urban areas due to poverty and war. Women in rural poverty live and work under the same harsh conditions as their male counterparts, but are particularly disadvantaged due to cultural and policy biases that undervalue their work in both the informal, and, if accessible, formal labor markets. Their children are often hungry and malnourished.

These are the people GAFSP aims to help. This is where GAFSP can make a difference.



SUPPORTING THE WORLD'S POOREST THROUGH SUSTAINABLE, INCLUSIVE GROWTH





GAFSP expects to generate at least \$140 million in additional household incomes per year.

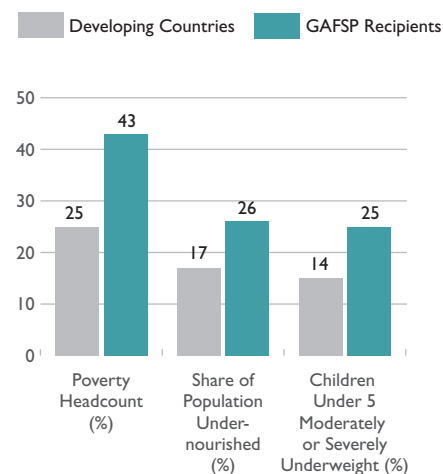
Impacting Communities Where Needs Are High

GAFSP projects focus on countries with high rates of poverty and hunger. In countries selected for GAFSP financing, the average poverty headcount, undernourishment rates, and underweight children are higher than the averages in developing countries (see figure 2.1). About one-third of GAFSP countries are classified as “fragile states”¹ with concentrated poverty. In these fragile states, agriculture and food security are key to economic recovery. Agricultural growth is two to four times more effective in raising the incomes of the very poor than growth in other sectors.

Investments in the world’s poorest countries, including fragile states, maximize benefits. In these regions, each increased dollar of income generates a higher percentage of household income gain for recipients. With increased financial resources, recipients can spend more at local businesses, thereby improving the local economy as well. Because these “income multiplier effects” are magnified

in poor countries and fragile states, investments are particularly powerful in these regions. While targeting poorer households in richer countries has a similar impact on farm incomes, the subsequent multiplier effects are generally less dramatic since the local economies are already more stable.

Figure 2.1. GAFSP Projects Focus on Countries with High Rates of Poverty and Hunger



1. According to the definition developed and used by the World Bank, fragile states are countries that have either (1) a harmonized average CPIA country rating of 3.2 or less, or (2) the presence of a UN and/or regional peace-keeping or peace-building mission during the past three years.

Note: “GAFSP recipients” numbers are for those GAFSP-financed projects that also had appraisal-stage estimates of ex-ante economic returns. All percentages are country averages.

Supporting Country-Led Planning Processes

Through its Public Sector Window, GAFSP supports country-led agricultural development programs that are designed and implemented by the recipient governments according to their own strategies and with the supervising entity of their choice. By establishing a solid foundation, these programs offer recipient countries the opportunity to build sustainable livelihoods and gain the skills necessary to implement similar programs in the future. With a path laid for future growth, investments in country-led programs have the potential to impact global food security and nutrition.

In Africa, GAFSP supports the Comprehensive Africa Agriculture

Development Program (CAADP), an Africa-owned and Africa-led initiative to boost Africa's agricultural productivity. Completion of the CAADP process is a prerequisite for submitting a request for GAFSP financing. Non-African countries also demonstrate that their proposals are derived from their own agriculture and that their food security investment plans were designed through a multi-stakeholder process.

Complementary Public and Private Sector Support

While agriculture requires public investment, it is at the core, a private sector activity. GAFSP's Public and Private Sector

Windows work symbiotically to maximize results in countries receiving GAFSP support. For example, private investment through the Private Sector Window has the potential to enhance the returns of projects financed through the Public Sector Window, and vice versa, when countries choose the right mix of policies and investments. As each window benefits the other, public and private investments increase agricultural productivity, improve access to finance for farmers, enhance sustainability, and promote market and financial innovations. Currently, both windows focus on financing activities in several of the same low-income countries, including Bangladesh, Ethiopia, Liberia, Nepal, Senegal, and Sierra Leone. Efforts are underway to further connect the windows' ongoing activities as well as to forge new public-private partnerships in these countries and elsewhere.

GAFSP IN FRAGILE STATES

Poverty remains concentrated in fragile states. Although the incidence of poverty has decreased globally in the recent past, the rate of decrease has been significantly lower in fragile states compared to other developing countries. More than 1.5 billion people live in fragile and conflict-affected countries. Few of these countries have achieved a single Millennium Development Goal (MDG), and many are unlikely to do so by 2015. The consensus is that the global poor will be increasingly concentrated in fragile states. It is estimated that more than 50 percent of the world's poor will likely be found in fragile states by 2015, which is up from about 20 percent in 2005.^a

GAFSP has been investing in fragile states for long-term solutions to reduce hunger and poverty by developing the agricultural and rural sectors in these countries. To date, about 41 percent of GAFSP funding (\$288 million) from both the Public and Private Sector Windows, has been allocated to activities in the seven fragile states of Burundi, Haiti, Liberia, Malawi, Nepal, Sierra Leone, and Togo.

For example, in Sierra Leone, GAFSP is reinforcing the country's economic foundation by promoting the commercialization of smallholder agriculture through increased productivity, mechanized agriculture, and post-harvest infrastructure. In addition, GAFSP is focusing on value chain development and institutional strengthening to build farmer-based organizations' (FBO) self-reliance.



>> More than 50 percent of the world's poor will likely be found in fragile states by 2015, which is up from about 20 percent in 2005.

a. L. Chandy and Gertz, G. 2011. "Poverty in Numbers: The Changing State of Global Poverty from 2005 to 2015." *Global Views Policy Brief 2011-01*, The Brookings Institution, Washington, DC.

TABLE 2.1. COUNTRIES RECEIVING GAFSP PUBLIC AND PRIVATE SECTOR WINDOW SUPPORT

	Public Sector Window Activity	Private Sector Window Activity
Bangladesh	Integrated Agriculture Productivity Project (IAPP)	PRAN*
Ethiopia	Agriculture Growth Project (AGP)	africaJUICE** *,Velocity Dairy **
Liberia	Liberia Agriculture Sector Investment Program (LASIP)	Roundtable on Sustainable Palm Oil (RSPO)*
Nepal	Agriculture and Food Security Program (AFSP)	Poultry Project*
Senegal	Food Security Support Project in Louga, Matam, and Kaffrine (PASA Lou/Ma/Kaf)	Global Warehouse Financing Program (GWFP) <i>Internationale pour le Commerce et l'Industrie du Senegal</i> (BICIS)** *
Sierra Leone	Smallholder Commercialization Programme (SCP)	Roundtable on Sustainable Palm Oil (RSPO)**

Note: * Investment Services and **Advisory Services

Supporting Inclusive Governance

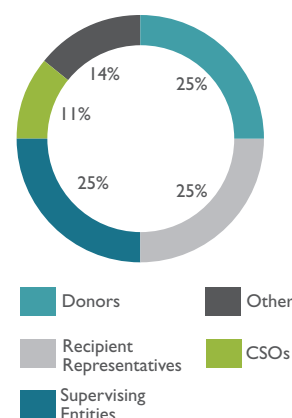
Decisions, such as funding allocations in the Public Sector Window, are made by the GAFSP Steering Committee. This inclusive and transparent committee operates by consensus and ensures that all members have equal access to information. The Steering Committee’s broad composition includes donors, recipients, supervising entities, and civil society representatives from both developed and developing countries (see figure 2.2). The Steering Committee’s donors and recipient representatives have equal voting power in funding allocation decisions.

Three Civil Society representatives on the Steering Committee represent the voices of local and regional farmers’ organizations (Asia, Africa, and the North) and make their own visits to GAFSP project sites as an additional accountability measure. The Asian and African CSO representatives have actively worked to meet with local CSOs in GAFSP project areas, hear their concerns, and increase their capacity to get involved with GAFSP projects. The views of Asian farmer organizations are coordinated by Asian

Farmers Association (AFA) based in the Philippines, and Réseau des Organisations Paysannes et de Producteurs de l’Afrique de l’Ouest (ROPPA) based in Burkina Faso coordinates on behalf of Africa. The Northern CSO Representative (ActionAid International) has worked to advocate for GAFSP and for CSO involvement in effective development programs. While regional CSO networks of Africa, Asia, and the North are actively involved in GAFSP individual member organizations do not endorse all aspects of GAFSP due to their specific organizational goals. GAFSP is working with CSO stakeholders to ensure that voices are being heard and reflected in project implementation.

The Private Sector Window is working to set up an advisory mechanism to provide strategic advice on program management of the GAFSP Private Sector Window. The goal of this mechanism will be to increase development impact, foster innovation, and strengthen partnerships. The group will also serve as a forum for harnessing the collective knowledge and expertise of its diverse participants to ensure that stakeholders’ voices are reflected in the management of the program and to enhance the overall impact of the Private Sector Window.

Figure 2.2. GAFSP Steering Committee Composition



Note: Voting members = donors and recipient representatives; Other = UNSG’s Special Representative on Food Security and Nutrition and non-voting donors (Ireland, Japan, Netherlands).

Providing Faster Delivery of Support

Through its Public Sector Window, GAFSP provides additional and frequent financing to countries that need and are prepared to use donor funds. GAFSP makes funds available without requiring countries to wait for replenishment cycles of other sources of donor funds. In some cases, funds have been allocated to countries with few alternative sources of funding, which has helped to leverage scale in financing and impact. Financing from multiple donors allows for the pooling of funds to generate scale.

GAFSP finances the neediest countries with the most “ready” investment proposals in terms of a country’s policy environment to support agricultural growth and the technical quality of the proposal. Readiness, which is assessed by an independent Technical Advisory Committee, is given strong consideration by the GAFSP Steering Committee when selecting the recipients of financing awards. A high correlation exists between assessed readiness and the subsequent speed of project preparation, allowing for expedited delivery of support to rural households.

In fact, GAFSP projects have been prepared in one-third less time than the average time for regular agriculture and food security-related projects at supervising entities (see figure 2.3). This quick average preparation time (for the 10 disbursing projects as of June 2013) has been fairly consistent across supervising entities when compared to the average preparation times of the supervising entities’ regular agriculture projects.

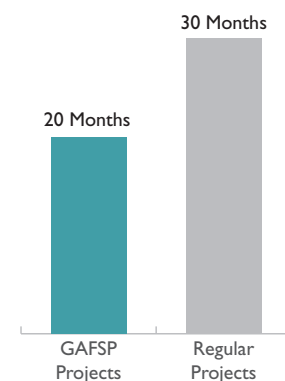
Supporting Evidence-Based Policy Making

Since 2011, GAFSP has partnered with the World Bank’s Development Impact Evaluation Initiative (DIME) to conduct impact evaluations of up to one-third of its Public Sector Window projects. The Private Sector Window is also currently in the process of establishing a 10-year evaluation strategy for its projects. These efforts reflect GAFSP’s strong commitment to evidence-based policy making, as well as its emphasis on developing and sharing global knowledge. The government project team, the supervising entity team, DIME, and its affiliated researchers work together to complement the project’s day-to-day monitoring and evaluation by designing and implementing an experimental or quasi-experimental impact evaluation. To date, six GAFSP countries (Bangladesh, Haiti, Liberia, Mongolia, Nepal, and Rwanda) are working with DIME on designing the sampling framework and surveys to be used for the impact evaluation. Baseline data collection, which is already complete in Bangladesh and Rwanda, is being planned for the remaining countries.

GAFSP impact evaluation, carried out by DIME, is a key tool to improve the quality of operations through iterative learning while building in-country capacity. The impact evaluation process provides the project team with the invaluable opportunity to gather and incorporate evidence, empirically test the effectiveness of policy alternatives, expand best-performing policies, and improve the effectiveness of programs during implementation rather than waiting until the end of a project. These efforts will provide important answers to key development questions in agriculture and food and nutrition security.



Figure 2.3. Preparation Time to First Distribution





A SNAPSHOT OF RWANDA: THE BASELINE SURVEY REPORT

Together with the government, the DIME team oversaw the collection of baseline data for Rwanda’s Land Husbandry, Water Harvesting, and Hillside Irrigation (LWH) project. Conducted in the summer of 2012, the survey questioned project beneficiaries in more than 1,609 households. Non-beneficiaries living in similar conditions were also surveyed to understand the baseline conditions of people living in the targeted areas. Findings include:

- One in four households is headed by a female. Female household heads tend to be older, less educated, and less healthy than their male counterparts. The gaps in literacy are particularly striking—72 percent of male-headed households report being able to read and write a simple letter as compared to only 31 percent of female household heads.
- A public extension worker visited only 5.4 percent of households in the last 12 months. Households visited by non-public extension workers were even less.
- One-half of the households include at least one member with a bank account for savings, but only 6.5 percent of households report requesting any loan in the past 12 months.
- Twelve percent of those surveyed are members of a farmer group, and 16 percent are members of a cooperative.
- Farmers (in the sample) produced crops worth 413,984 Rwandan francs (US \$776) during the two primary agricultural seasons.
- Farmers sold at market 28.8 percent of their total crop output. The most commonly grown crops were beans, maize, and sorghum, while the most commonly commercialized crops were beans, maize, soya, and groundnuts.
- The average annual agricultural income of those surveyed is 165,877 Rwandan francs (US \$266), which is less than a dollar a day.
- One-third of households reported shortages of food in the past 12 months.
- Thirty-four percent of women reported consuming food from three or less of the nine food groups. The most commonly consumed food groups are legumes, starchy staple foods, and “other” fruits and vegetables (not leafy greens or vitamin-A-rich fruits or vegetables).
- Most households consumed beans (84 percent), vegetables (81 percent), starchy staples such as matoke, cassava, or potatoes (78 percent), and flour (52 percent) from their own production. The most frequently purchased items were salt or other spices (purchased by 94 percent of households), oil (92 percent), and sugar (54 percent).

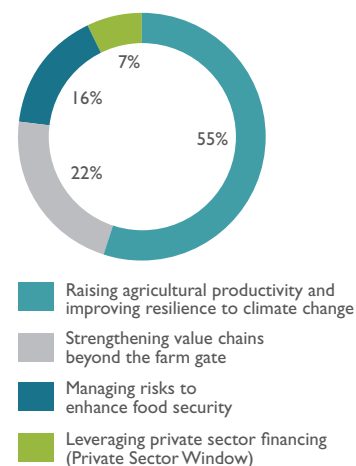
Moving Beyond Traditional Agriculture

GAFSP focuses on country-led activities to sustainably improve the income and food security of poor people in developing countries. The GAFSP portfolio reflects recipients’ priorities, and investments are made in areas emphasized by recipient governments or private businesses (see figure 2.4). As of June 30, 2013, GAFSP had provided \$708 million in financing, including \$658 million to government-implemented activities and \$50 million to support small and medium agribusinesses. Approximately 55 percent of activities

are targeted towards raising agricultural productivity and resilience to climate change. About 20 percent support activities aimed at linking farmers to markets and strengthening value chains beyond the farm gate.

GAFSP grants are highly competitive. In the Public Sector Window, GAFSP funds about the top third of submissions for each call for proposals. Many of these projects have gone beyond traditional agricultural support to focus on often-neglected, crosscutting issues that are increasingly becoming priorities of poor countries, including: gender, nutrition, and climate smart agriculture.

Figure 2.4. The Breakdown of GAFSP-Financed Efforts



GAFSP Targets Women in Agriculture

According to the Food and Agriculture Organization (FAO), if women had the same access to productive resources as men, their yields would increase by 20 to 30 percent over current yield levels. This could raise total agricultural output in developing countries by 2.5–4 percent, which could in turn reduce the number of hungry people in the world by between 12 and 17 percent.

Female farmers in low-income countries are a major untapped force in agriculture. One of the most effective ways to increase agricultural productivity is to simply increase women's access to inputs like improved

seeds, land, credit, and information. Women account for 42 percent of the 7.9 million expected beneficiaries of current GAFSP programs. In some countries, such as Nepal, about 75 percent of targeted beneficiaries are women. To date, 186,285 women have been reached through GAFSP interventions.

Almost all GAFSP projects include gender-related actions that aim to improve gender equality by addressing the distinct needs of women and girls (or men and boys). All GAFSP projects monitor key project outcomes separated by gender through project monitoring and evaluation. About 78 percent of GAFSP operations include specific gender analysis as part of project design. Examples of GAFSP projects with a strong focus on gender include:

> **In Haiti's Relaunching Agriculture: Strengthening Agriculture Public Services project (RESEPAG II)**, design and implementation plans were informed by the results of gender assessments, findings from gender assessments conducted through other World Bank-supported projects in Haiti, and lessons learned from a gender action plan (GAP) grant supporting the predecessor project, RESEPAG I. In 2011, the program conducted a gender review in RESEPAG II's target areas to identify ways of ensuring socially equitable outcomes, such as adequate coverage of female farmer groups in the project's matching grant facility.

PROJECT PROFILE: GENDER IN CAMBODIA

Higher food prices greatly impact poor and food-insecure households and lead families to reduce their food consumption or rely on cheaper, less-nutritious foods. In Cambodia, this is particularly true during the lean production season between August and November when food shortages are common. Women in Cambodia, as in many parts of the world, manage the cooking and care of household members. During the lean production period women tend to favor the needs of other family members, especially children, over their own nutritional and health needs. This has adverse implications for women's health and consequently, the overall food security of the entire household.

During project preparation, the Cambodia Emergency Food Assistance Project developed a GAP to ensure equal access of project benefits by men and women within poor and vulnerable groups. The GAP specifically

established measures to: (1) ensure women's equal access to cash-for-work (CFW) employment; (2) promote women's decision making at the community level through CFW project committees; (3) promote women's decision making and membership in farmers' organizations and/or self-help groups; (4) ensure women's equal access to agriculture-related productivity inputs and extension training; (5) target women for improved home-based fish and livestock production and vegetable gardening; (6) raise women's awareness of improved nutrition, food preparation, and feeding practices; and (7) increase management's capacity and accountability for GAP implementation and reporting.

Thanks to such gender-informed planning, the project ensures active participation by women in the decision-making processes especially through female representatives of commune and village councils.



> In Nepal, GAFSP's Public Sector Window supports the government's Agriculture and Food Security Project (AFSP) that focuses on improving child feeding and caring practices by: (1) promoting behavior change communications and homestead production (kitchen garden and backyard poultry) among households with pregnant and/or nursing mothers and children under the age of two, (2) providing nutrition education to farmer groups, and (3) promoting simple household labor-saving and drudgery-reducing technologies that provide women with the time needed for self and child care.

> The GAFSP Private Sector Window Advisory Services is also working in Nepal to support the International Finance Corporation's (IFC) Poultry Project in offering gender-sensitive training to 1,000 female poultry farmers by providing women-specific courses that address women's specific constraints and needs. The training takes a holistic approach to build the capacity of the female farmers and to mainstream women in the supply chain by linking with lead firms. For example, the project works to target female participants, to use female trainers and role models, and to provide flexible timing, convenient venues, and childcare. The gender-sensitive training approach will be used for effective engagement of women by other IFC projects in Nepal and throughout the region.

GAFSP Supports Improved Nutrition

Many GAFSP projects have either nutrition-sensitive agricultural activities or direct nutrition interventions. Eight projects under implementation include nutrition-related activities totaling about \$63 million (or 11 percent of the funding for countries under implementation). Two-thirds of this funding supports nutrition-sensitive agricultural activities, and the remaining one-third supports direct non-agricultural, nutrition-specific activities, mainly through the health sector.

GAFSP efforts are focused in countries where under-nutrition rates are high. On average, the percentage of the population that is undernourished in countries awarded GAFSP financing is six points higher than the average for all eligible countries. The average percentage of children under age five who are moderately or severely underweight is five points higher than the rate in all eligible countries.



“Nutrition is crucial to both individual and national development...National and international momentum to address human nutrition and related food security and health needs has never been higher. We must work together to seize this opportunity.”²

2. “Maternal and Child Nutrition,” *The Lancet*. June 6, 2013. <http://www.thelancet.com/series/maternal-and-child-nutrition>.

Specific examples of GAFSP's nutrition-sensitive agriculture activities include:

- > **The AFSP in Nepal** supports an array of nutrition-sensitive agricultural activities accompanied by basic nutrition interventions that are coordinated with the Ministry of Health. The nutrition-sensitive agriculture interventions include: (1) technology development and adaptation of nutritionally significant crops, (2) improved breeds for backyard poultry in mountain areas, (3) support for kitchen gardens, (4) integration of nutrition in the curriculum of agriculture extension teams, (5) nutrition education to promote diet diversity, and (6) strengthened government food lab capacity to facilitate the nutritional analysis of locally available foods.
- > **In Rwanda**, the LWH project supports three main nutrition activities:
 - The launch of a nutrition-awareness campaign and behavioral-change training in collaboration with the Ministry of Health, which has already trained 678 lead farmers (286 of whom were women) on how to improve diet to reduce or prevent malnutrition
 - The promotion of kitchen gardens through demonstration plots and the training of community members in the construction and management of kitchen gardens with the goal of improving access to nutrition-rich vegetables
 - The production of iron- and zinc-fortified beans in all five project sites where beans are grown. During the last season, a total of 1,786 ha of fortified beans were planted, benefiting about 5,866 households, and the project is tracking the changes in food consumption and dietary diversity of the beneficiaries.

- > **In The Gambia**, the Food and Agriculture Sector Development Project (FASDEP) supports interventions in horticulture, livestock, aquaculture, and food crops, as well as the development of community gardens. It will also augment the availability of nutritious food for local households. In addition to creating greater awareness of the importance of nutrition, the project's efforts to improve food preparation practices, dietary diversification, food quality/safety, and nutrition requirements aim to greatly improve overall nutritional levels in The Gambia's targeted communities.

GAFSP's financing complements ongoing national investment plans, such as the Scaling Up Nutrition (SUN) movement. Countries that have signed onto SUN commit to: (1) ensuring that programs in all sectors of government are sensitive to nutrition and (2) increasing coverage of proven interventions that improve nutrition during the 1,000-day period between a mother's pregnancy and her child's second birthday. Seventy-five percent of GAFSP recipient countries have already committed to SUN, and the *SUN 2012 Annual Report* highlighted GAFSP projects as strong examples of nutrition-sensitive agriculture interventions. GAFSP is poised to scale up these operations alongside the countries it supports.

GAFSP also finances direct, non-agricultural, nutrition-specific activities in Bangladesh, Cambodia, The Gambia, Malawi, Nepal, and Tajikistan. Within the nutrition community, there is general consensus that some of the most common, direct nutrition-specific activities are particularly effective. These nutrition activities include projects in the context of community health and school feeding programs, particularly those targeting pregnant women and children (see page 46 for additional examples of nutrition-specific interventions supported by GAFSP).



GAFSP Supports Climate Smart Agriculture

Climate smart agriculture is a “triple win” for agriculture, the climate, and food security. After all, agriculture is the only sector that can take carbon out of the atmosphere.

Climate smart agriculture can increase farm productivity and income, make agriculture more resilient to climate change, and contribute to climate change mitigation.

It leads to a “triple win”—farming techniques that increase yields can also make agriculture more resilient in the face of climate extremes (adaptation) and transform the farm to be a solution to the climate change problem rather than part of the issue (mitigation). More than half of GAFSP projects include some actions towards climate adaptation and/or mitigation. For example, in Rwanda, the LWH program is improving land husbandry and increasing productivity in 101 watersheds covering 30,250 ha of land. GAFSP support improves hillside

agricultural management to protect against erosion and to enhance sustained crop productivity and ecosystem conservation. Efforts include soil conservation measures and infrastructures that address differing slope categories and downstream reservoir protection. The project also develops conveyance structures for hillside irrigation. While some actions focus at the farm level, others, such as efforts in Rwanda, assess the diversity of land use across a broader landscape to provide resilience and to achieve social, economic, and ecological impacts.



PROJECT PROFILE: CLIMATE SMART AGRICULTURE IN BANGLADESH

In Bangladesh, GAFSP supports the Integrated Agricultural Productivity Project (IAPP) to increase crop, livestock, and fishery productivity in economically depressed areas with significant environmental stress, such as seasonal droughts, cold snaps, and flash flood submergence (in the north) or varying levels of salinity, tidal, and saline submergence (in the south). In order to improve agricultural development, farmers in these areas need more suitable crop varieties, stronger production practices, and technologies or inputs that are specific to the location and problem to increase average yield and enhance water efficiency. The project will support the National Agricultural Research Institute’s release of 23 new seed varieties and improved fish species and 22 packages of new cropping and fisheries production that can be adapted to local soil-water-climate conditions and resource base.

To date, two new varieties of wheat have already been released that have protein-enriched, high yield and are short duration with adaptation to drought, boron-deficiency, and acid soils. Seven other varieties of maize, oilseeds, pulses, and rice

are currently under development. These climate-appropriate varieties are expected to make agriculture more resilient to climate variability. For example, the rice varieties developed by the Bangladesh Rice Research Institute (BRRI) will include zinc-enriched rice and varieties that show tolerance to submergence (including tidal submergence), salinity, drought, and cold, as well as those with a shorter maturity period.

During the past year, the project has provided training to farmers through 1,850 Livelihood Field Schools. To date, 24,000 farmers have adopted various improved agricultural technologies, including those for fisheries and livestock; conducted 4,700 crop and fisheries demonstrations on various improved technologies; distributed 157 tons of certified seeds; and improved irrigation and drainage systems on 4,010 hectares. Overall, the project aims to benefit 295,000 households. It is expected that these interventions will increase rice production from 2,200 kg/ha to 2,700 kg/ha; increase fish harvest from 2,700 kg/ha to 3,400 kg/ha, and increase the yield of milk from 1 liter/cow/day to 3 liters/cow/day.

RAISING AGRICULTURAL PRODUCTIVITY AND IMPROVING RESILIENCE TO CLIMATE CHANGE





The world population has just reached seven billion people. By 2050, there will be more than nine billion people in the world. Agricultural production must increase by 50 percent in order to feed the growing population.

Investing in Sustainable Agriculture and Food Systems

As demand for increased agricultural yields increases, land and water scarcity is becoming more constraining amidst growing concerns about climate change. Raising crop yields and improving their resilience to climate change are the most important actions needed for sustainable global food security, and to raise the incomes and food security of rural people in the world's poorest countries. A concerted effort is needed to raise yields, improve agricultural water management, strengthen land tenure security and land markets, and foster agricultural innovation systems and new technologies.

Approximately 55 percent of the GAFSP Public Sector Window's portfolio (\$388.2 million) includes efforts to help countries increase agricultural productivity and improve resilience to climate change. These efforts include: (1) adopting high-yielding technologies, (2) generating new technologies, (3) improving water management, and (4) strengthening land rights and land use. The largest funding allocations are provided to efforts that improve water management and promote the adoption of high-yielding technologies.

Figure 3.1. Breakdown of GAFSP Financing for Increasing Agricultural Productivity and Improving Climate Resilience

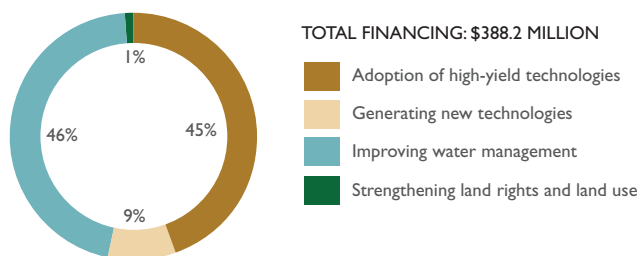
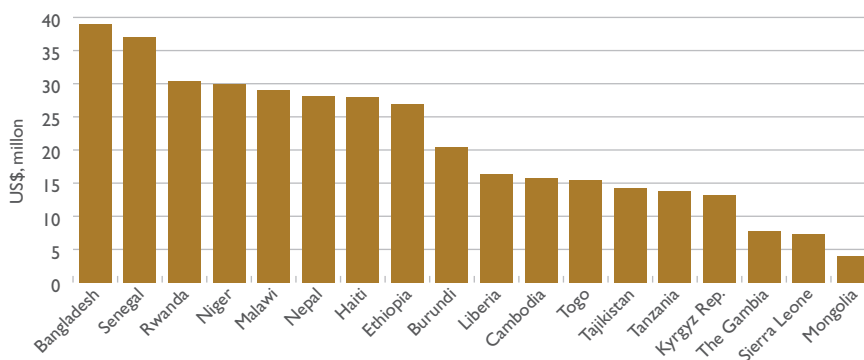


Figure 3.2. Countries in Which GAFSP Supports Improving Agricultural Productivity and Resilience to Climate Change



Adopting High-Yield Technologies

Average crop yields in many countries are often only one-third of their potential, such as yields for rice in parts of Asia and maize in Africa. Closing this gap will require sustained investments in high-yield technologies, higher-quality inputs, and better farm, livestock, and fishery management practices.

GAFSP supports activities to: (1) increase access to improved seeds and fertilizers; (2) facilitate the adoption of improved technology and aquaculture management practices, veterinary services, and improved breeds; and (3) provide farmers with advice and information. In the current portfolio, 14 countries are undertaking these activities. When fully implemented, 545,197 farmers and 98,930 ha of land will collectively adopt the new technology being promoted. As of June 2013, GAFSP-funded projects have already reached 62,452 farmers and 12,861 ha.

> **In Togo**, the Rural Development Support Project (PADAT) has distributed “quick-start kits” to more than 53,000 farmers. These kits supply improved inputs, such as seeds and fertilizers, for the development of 0.5 ha of corn and 0.25 ha of rice. As of May 31, 2013, 7,875 tons of maize and 1,250 tons of rice had been produced as a result of the project’s support. Through Togo’s Agriculture Sector Support Project (PASA), also supported by GAFSP, 1,176 ha of coffee and cocoa area have been regenerated or newly planted through the provision of adapted technical advisory services and high-quality planting material.

Generating Innovative Technologies

While significant gains are achievable from the adoption of existing technology, additional efforts are required to develop innovative technologies that meet the world’s varied agro-ecologies, particularly in Africa. New solutions are also needed to solve existing problems, including banana bacteria wilt, coffee wilt disease, rift valley fever, and climate change, that significantly and negatively impact the livelihoods of the poor.

GAFSP finances technology development and adaptation, institutional development, and linkages between farmers and advisory services. In its current portfolio, eight countries are undertaking these activities. Collectively, when fully implemented, 168,060 training days will be provided to farmers, extension agents, agro-dealers, scientists, and community members. As of May 31, 2013, GAFSP had already provided 21,091 client days of training.

> **In Bangladesh**, the IAPP has released two improved wheat varieties to farmers, and another seven varieties of maize, oilseeds, pulses, and rice are currently in the pipeline for release. More than 23,000 farmers have adopted improved agricultural technologies and management practices for crop, fisheries, and livestock.

> **In Ethiopia**, the Agriculture Growth Project (AGP) has provided 91,700 client days of training to extension agents, technical specialists, and other government officials. Women accounted for 29 percent of the participants.

Average crop yields in many countries are often only one-third of their potential, such as yields for rice in parts of Asia and maize in Africa. Closing this gap will require sustained investments in high-yield technologies, higher-quality inputs, and better farm, livestock, and fishery management practices.

Improving Water Management

About 20 percent of the world's farmed area is irrigated and produces 40 percent of the agricultural production in developing countries. Irrigation will continue to be an important source of productivity growth, especially in Sub-Saharan Africa and parts of Latin America that still have large untapped water resources for agriculture. In other regions, where the scope for further expanding irrigated agriculture is limited, more efforts are needed to address the policy, technical, and governance aspects of agricultural water use and to increase water use efficiency and productivity. Rain-fed agriculture, which accounts for most agricultural production in developing

countries, can also be improved, especially in arid and semi-arid regions. Water management is often a key determinant for agricultural production and productivity due to highly variable rainfall and long dry seasons, as well as recurrent droughts, dry spells, and floods.

GAFSP finances improved water use to: (1) increase productivity through the expansion and rehabilitation of irrigated areas and (2) improve river basin management and water use in rain-fed systems. In the current portfolio, 12 countries are undertaking these activities. When fully implemented, GAFSP financing will lead to 162,475 ha of new and improved irrigation and drainage services, which will support 483,240 water users and 322 operational water users associations (WUAs). GAFSP

support has already led to 5,425 ha of new and improved irrigation and drainage services in Bangladesh, Cambodia, and Sierra Leone. GAFSP has supported 4,095 water users and 173 WUAs, helping them operate and maintain their water infrastructure.

> **In Sierra Leone's SCP**, GAFSP financing led to the rehabilitation of 1,300 ha of irrigated land and the formation of 117 WUAs to maintain and rehabilitate the sites. The model is a low-cost irrigation system that is used in low-lying swamp areas to capitalize on water availability for year-round, increased productivity. The system is designed for double rice cropping and dry season cultivation of short-cycle crops such as sweet potato, groundnut, maize, and cassava.



PROJECT PROFILE: IRRIGATION DIAGNOSTIC STUDY

Globally, agriculture consumes more than 70 percent of global water withdrawals totaling 3,100 billion cubic meters (m³). Without efficiency gains, this number will increase to 4,500 billion m³ by 2030 as more food is produced to meet the growing global need. Improving the water productivity of primary agricultural production is a critical challenge as 90 percent of the water is consumed during growing.

Improving efficiency involves training farmers to adopt specific production methods and technologies, such as efficient irrigation technologies, helping them access financing, and ensuring that the appropriate technology is available in the market. In addition to reducing

the amount of water used per hectare, efficient irrigation technology also increases crop productivity.

With GAFSP funds, IFC is collaborating with FAO on an irrigation diagnostic in Africa to inform private-sector opportunities for introducing water efficient agriculture. Africa is considered a future source of global food production, so sustainable water use via irrigation technology is crucial to the sector's long-term growth. The diagnostic feeds into the programmatic Global Irrigation Program (GIP), with \$250 million provided by IFC, and it is expected to leverage funds from GAFSP, commercial banks, and other funders to reach up to \$1 billion.

Strengthening Land Rights and Land Use

In some countries, particularly in Latin America and southern Africa, inequality in land ownership often leads to underutilization and deep-rooted rural poverty.

The security of property rights and the ability to draw on local or national authorities to enforce those rights are fundamental to increasing incentives for investing in the development of productive land use. While these issues are often politically sensitive, a wide range of

options, including full formal title and the issuance of certificates of customary ownership, can be used to promote higher levels of tenure security. The transferability of land rights is also linked directly to security of tenures. Making land rights transferable not only increases investment incentives but also allows the landless to access land through sales and rental markets or through public transfers.

GAFSP supports efforts aimed at land policy and legal reform, particularly to improve women's access to land, increase the security of existing customary and informal land tenure, modernize land

administration, prevent and reduce land conflicts, and improve land use planning. Activities related to this component have been limited to date as a result of recipient countries prioritizing other projects.

> **In Sierra Leone**, which has a complex, multiple-land tenure system based on legislation and customs, GAFSP supported the signing of 117 land tenure agreements between landowners and sharecroppers on Inland Valley Swamp sites to raise the efficiency and equity of land distribution.

PROJECT PROFILE: TRANSFORMING HILLSIDE AGRICULTURAL MANAGEMENT IN AN ENVIRONMENTALLY SUSTAINABLE MANNER IN RWANDA

The Rwanda LWH program is designed to address some of the key constraints to agricultural growth in Rwanda. These constraints include the following:






- The need for larger-scale, community-based infrastructure approaches rather than household-level interventions
- The need for strong farmer mobilization, education, and support alongside investments

The project transforms the intensification of hillsides to increase productivity in an environmentally sustainable manner. The project envisions: (1) the production of high-valued, marketable crops, such as organics, on irrigated portions of hillsides; and (2) the improved productivity and commercialization of rain-fed crops on the remainder of the site catchment-area hillsides.

As part of the project, land husbandry infrastructure is improving hillside agricultural management by protecting against soil erosion and enhancing sustained crop productivity. As of June 2013, a total of 7,906 ha of land had been protected against erosion using a variety of land husbandry practices, including terraces, soil bunds, nutrient management, grass strips, and tree planting. The end-of-project target for this effort is 12,940 ha. Overall, this represents a 61 percent level of achievement for the project and a net increase in the area protected against erosion of 2,654 ha since January 2013. Yields of maize, beans, and Irish potato in treated areas are 30 percent, 167 percent, and 219 percent above their national averages, respectively.

In four sites, erosion or sediment yield (tons/hectare/year) was reduced by an average of 66 percent relative to the yield measured when the land husbandry works were still under construction. This reflects the effectiveness of the land husbandry practices in reducing soil erosion on the hillsides.

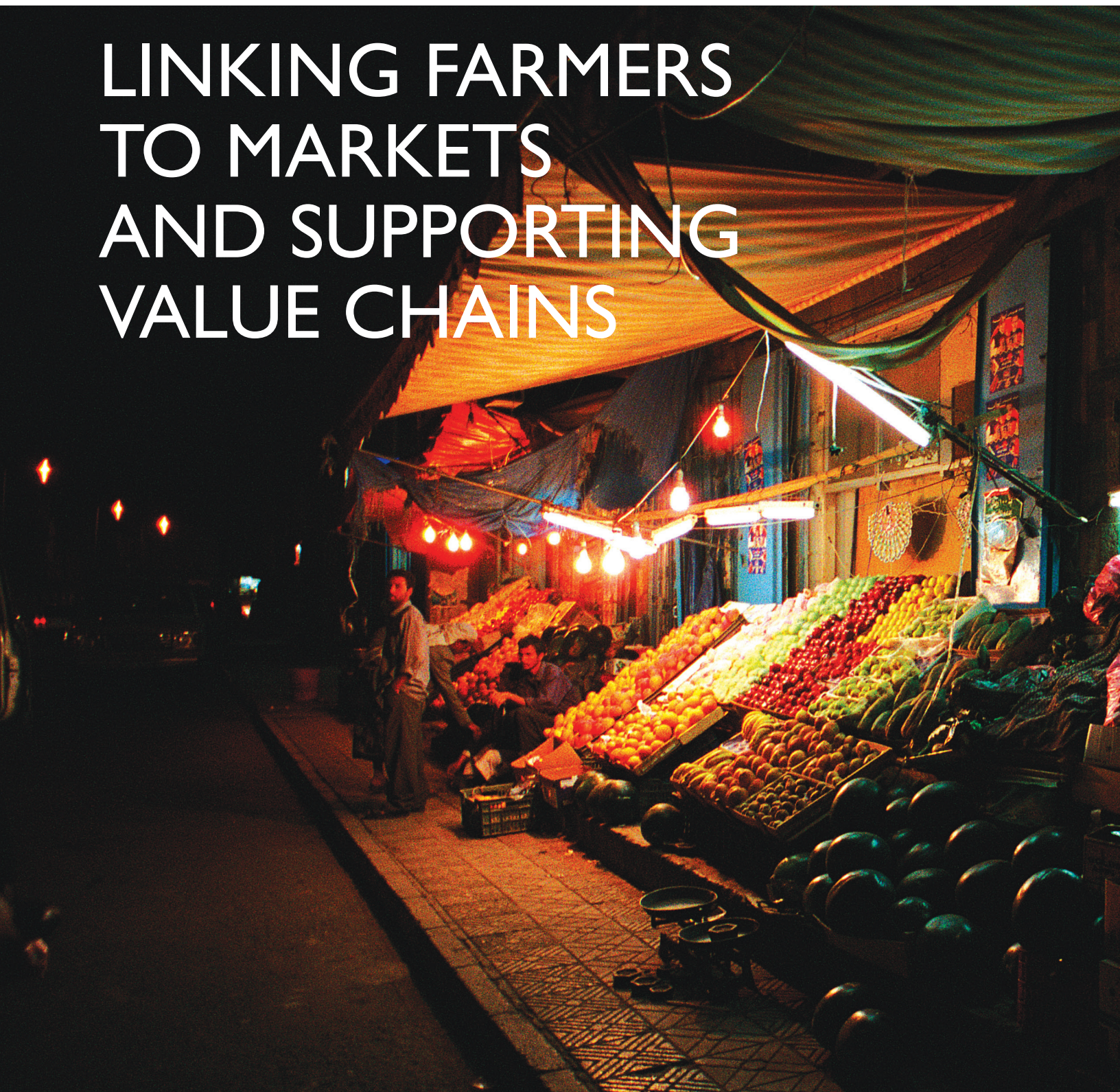
TABLE 3.1. RAISING AGRICULTURAL PRODUCTIVITY—WHERE WE ARE AND WHERE WE ARE HEADED

INDICATORS		% ACHIEVED AS OF 07/2013	TOTAL TARGET
	Days of training provided to farmers, scientists, extension agents, agro-dealers, and community members	13%	168,060 days
	Operational water user associations	54%	322 associations
	Farmers who have adopted the technology being promoted	11%	545,197 farmers
	Additional hectares that have adopted the technology being promoted	13%	98,930 hectares
	Target population with land use or ownership rights recorded in a manner recognized by national or customary law	45%	258 people



In some countries, particularly in Latin America and southern Africa, inequality in land ownership often leads to under-utilization and deep-rooted rural poverty.

LINKING FARMERS TO MARKETS AND SUPPORTING VALUE CHAINS





Continuous Support from Farm Gate to Table

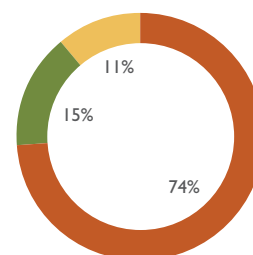
Increasing income and reducing hunger requires sustained efforts to link farmers to markets and to develop vibrant value chains beyond the farm gate. Effective marketing systems can reduce both food costs and supply uncertainties, contributing to enhanced food security for everybody.

Unfortunately, many factors, such as poor infrastructure, inadequate support and financial services, high transfer and transaction costs, and price volatility in food markets, contribute to poorly functioning agricultural markets. FAO estimates that one-third of global food production is wasted. In Africa, roughly one-quarter of food production spoils before it reaches the consumer. Food loss and waste squander resources, including water, land, energy, labor, and capital, and needlessly produce greenhouse gas emissions, contributing to global warming and climate change. Reducing losses is essential to increasing food supply while limiting the environmental impact of food production.

GAFSP supports countries, farmers, and businesses in efforts to overcome these challenges and to accelerate smallholder farmers' access to markets through both the Public and Private Sector Windows. In the Public Sector Window, 22 percent of funding (\$153.9 million) supports:

- > Developing market linkages and improving post-farm logistics
- > Promoting post-harvest activities to add value to farm outputs
- > Supporting the mobilization of rural finance

Figure 4.1. Breakdown of GASFP Financing in Support of Linking Farmers to Market and Strengthening Value Chains Beyond the Farm Gate



TOTAL FINANCING: \$153.9 MILLION

- Developing market linkages and improving post-farm logistics
- Promoting post-harvest activities to add value to farm outputs
- Supporting the mobilization of rural finance

More than three-quarters of currently allocated funds are directed towards developing market linkages and improving post-farm logistics. Eleven percent of funds support post-harvest activities, while the remaining funds support the mobilization of rural finance.

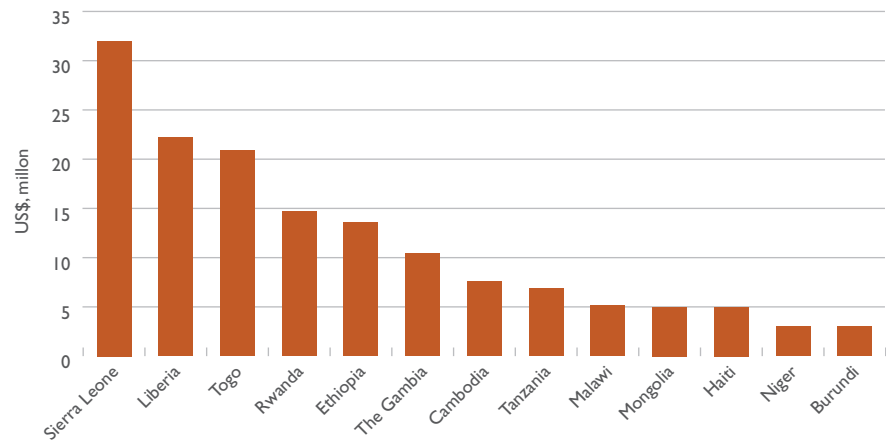
Thirteen out of 18 GAFSP-supported countries engage in activities that support value chains beyond the farm gate.

FAO estimates that one-third of global food production is wasted. In Africa, roughly one-quarter of food production spoils before it reaches the consumer.

Developing Market Linkages and Improving Post-Farm Logistics

Poorly developed market linkages and inadequate logistics can raise costs for farm goods to reach markets. Underdeveloped infrastructure and services, such as roads, electricity, communication technology, and market information systems, lead to post-harvest loss, increased costs, and the inability of farm goods to reach markets. This reality results in food-surplus areas that are unable to sell their produce as well as food-deficit areas not able to access food from markets. In these areas, local markets are more vulnerable to natural and man-made shocks that exacerbate negative effects. Well-functioning agricultural market systems require reliable infrastructure, institutions, and services to function.

Figure 4.2. Countries in Which GAFSP Invests to Support Value Chains Beyond the Farm Gate



GAFSP supports the development of farm-to-market key linkages by:

Rehabilitating or constructing rural access and feeder roads to connect farm areas to markets

- > **In The Gambia**, FASDEP is upgrading 200 km of existing feeder roads.
- > **In Liberia**, the Liberia Agriculture Sector Investment Program (LASIP) is rehabilitating 270 km of all-weather feeder roads by 2017.
- > **In Malawi**, the Smallholder Irrigation and Value Addition Project (SIVAP) is rehabilitating 50 km of access roads by 2018.
- > **In Senegal**, PASA/Lou-Ma-Kaf is constructing more than 120 km of rural roads in pastoral areas by 2015.

Improving the collection and dissemination of real-time market information

- > **In The Gambia**, FASDEP supports the planning services of the Ministry of Agriculture in their efforts to collect, analyze, and disseminate accurate market information via national media, rural community radios, mobile phones, and other media sources.
- > **In Malawi**, SIVAP supports the Ministry of Agriculture and Food Security Market Information System.
- > **In Togo**, PADAT supports decentralized collection of information and developing networks of inter-regional groups that can use mobile phones to share real-time price changes in major markets.

Improving government systems for food grades and standards

- > **In Malawi**, SIVAP supports the Malawi Bureau of Standards and Research Units.

Promoting Post-Harvest Activities to Add Value to Farm Outputs

There are several types of losses that can occur during the post-harvest phase.³ These losses include:

- > **Quantitative losses.** A loss in the actual quantity of food produced.
- > **Qualitative losses.** The loss of caloric and nutritive value, loss of acceptability by consumers, and loss of edibility.⁴
- > **Environmental losses.** The loss that occurs when non-renewable resources are expended to produce, process, and transport agricultural commodities.

These losses impact both food availability and the fluctuation of food prices. However, specific infrastructure, such as local storage and small-scale processing capacity, can help control losses, improve crop quality, and ensure food safety. Improved processing of agricultural produce, which is often completed by women, can also increase returns. Selling processed products also provides benefits, including increases in productivity, the generation of extra income, and the stimulation of the local economy.

GAFSP supports efforts to further boost the value of farm outputs, including the following:

- > **In Burundi**, the Platform for Food Security and Rural Development Program in Imbo and Moso (PNSADR-IM) is strengthening 100,000 producer organizations/enterprises in the marketing and processing sectors in support of value chain development. Activities, which will focus on rice, milk, and palm oil, will include developing a network of small- and medium-sized enterprises in the processing and marketing sectors to optimize these three crops.
- > **In Cambodia**, the Climate Resilient Rice Commercialization Sector Development Program (Rice-SDP) is establishing a 30,000-ton paddy drying and storage facility that accommodates post-harvest paddy supplies to ensure better processing quality and retained added value. These facilities will be operated by public-private partnerships.
- > **In Liberia**, LASIP is establishing agribusiness and Ministry of Agriculture centers for post-harvest handling (i.e., grading and packaging) and crop processing that will provide technical, business, and marketing training to individual farmers, farm-based organizations, and rural entrepreneurs. Agro-processing machinery options will include rice hullers/millers and cassava graters, presses, fryers, chippers, and millers.

3. The postharvest time frame consists of the time from when a crop is harvested to the time of consumption. Postharvest activities include: harvesting, handling, storage, processing, packaging, transportation and marketing. "Post-Harvest Losses Management," Food and Agriculture Organization of the United Nations, <http://www.fao.org/tc/exact/sustainable-agriculture-platform-pilot-website/post-harvest-losses-management/en/>.

4. Kader, A.A., "Increasing Food Availability by Reducing Postharvest Losses of Fresh Produce," Department of Pomology, University of California, <http://ucce.ucdavis.edu/files/datastore/234-528.pdf>.

Helping Farmers Gain Access to Finance

Small farmers are small businesses that cope with extreme uncertainties in weather, production, and markets. Financial institutions view them as risky borrowers rather than potential

clients because most small farmers have undocumented credit histories, unstable incomes, and little collateral. For example, in Africa, agriculture accounts for just 2 percent of commercial bank lending. Farmers strapped for cash to buy basic necessities are often forced to sell their crops directly after harvest, when supplies are high and prices are low. Investments

in non-traditional lenders who work with smaller borrowers and/or provide supply-chain finance can provide small farmers with more credit and a more stable income.

GAFSP works through both its Public Sector and Private Sector Windows to improve farmers' access to finance in

PROJECT PROFILE: FACILITATING AND SUPPORTING THE SCALE-UP OF INNOVATIVE INTERVENTIONS IN SIERRA LEONE

In Sierra Leone, where GAFSP supports the Smallholder Commercialization Programme (SCP), farmers faced many constraints:

- Production volumes were constrained by the lack of storage facilities, which led to high rates of post-harvest losses.
- Value-addition was low in the absence of modern processing equipment and rural infrastructure.
- Farmers suffered from limited rural services, including financial services, which prevented farmers' investments in modern inputs.
- Rural enterprises involved in agro-processing and input trading were mostly informal and often did not respond to farmers' needs.
- Most value chains were short and underdeveloped.

Since the project's launch, 191 farmer field schools/ FBOs have formed to provide farmers with technical knowledge of staple crops. An additional 150 agricultural business centers (ABCs) are also being supported. These centers aim to establish sustainable and self-governed farmer/producer associations equipped with agro-service facilities. The ABCs provide their members and local farmers with essential services that offer access to technology innovations (e.g., bulking centers, input and output marketing, equipment renting, and communication and technical advisory services for production and

processing). The project also improved farmers' access to finance by establishing 15 financial services associations (FSAs) and four community banks (CBs), with three more CBs in the pipeline. In addition, technical support is provided by the government's Technical Assistance Agency (TAA) to a wider network of 51 FSAs and 17 CBs throughout Sierra Leone. With GAFSP support, the TAA is transitioning into an Apex Bank, the largest banking network in Sierra Leone.

As a result of the program, farming is becoming a viable and attractive business undertaking for the current and next generation of Sierra Leoneans and is contributing to the overall strengthening of the country's food security.



PROJECT PROFILE: ROOT CAPITAL REACHING THE “MISSING MIDDLE” IN RURAL FINANCE

Root Capital is a social lender that lends to the “missing middle,” borrowers who are too large for microfinance and too small for banks. Its clients include farmers’ cooperatives, seed companies, and private enterprises that help build sustainable livelihoods by aggregating hundreds, or even thousands, of rural producers in Africa and Latin America. IFC and GAFSP provided a \$10 million loan package to support Root Capital’s expansion of its agricultural lending business, particularly in Africa, and to help it transform from a social lender to a sustainable financial institution.

For example, Root Capital works with Maraba, a Fair Trade Certified coffee cooperative located in southern Rwanda’s Butare province. War devastated the country’s agriculture sector, and, in the years that followed, producers struggled to rebuild. The majority of farming families had little income and were often unable to afford even basic necessities such as clothing, medicine, or housing. Maraba was initially established in 1999 as a trade association to help farmers sell their coffee with just 70 smallholder producers. It has since grown to have more than 1,300 registered members.



Almost 40 percent of Maraba’s members are women, the large majority of whom are widows from the Rwandan genocide. Like most coffee cooperatives, Maraba grappled with liquidity challenges—the main coffee harvest is from April to June, yet most expenses occur between January and April when there is typically very little money remaining from the previous harvest.

IFC’s investment in Root Capital would not be possible without the use of GAFSP funding in a blended finance solution. This IFC/GAFSP investment aims to help the transition of Root Capital’s business toward becoming a financially sustainable entity. The concessional finance allows for the provision of much needed long-term capital priced at a level that will support the growth of Root Capital to scale. By reaching scale, this lender will be able to operate and financially sustain itself while continuing to serve a market segment of farmers who have extremely limited access to finance.






This effort will also strengthen capacity of rural financial institutions and improve the creditworthiness of farmers in order to make financial services attractive and available to smallholder farmers.

rural areas. Through the Public Sector Window, GAFSP supports the development of an enabling legal, regulatory, and policy environment to support the mobilization of rural finance. This effort will also strengthen the capacity of rural financial institutions and improve the creditworthiness of farmers in order to make financial services attractive and available to smallholder farmers.

Currently, GAFSP supports activities that facilitate access to credit for value-chain participants in Liberia, Rwanda, and Sierra Leone.

Through GAFSP's Private Sector Window, loan facilities will be provided either directly to companies or through financial intermediaries to micro-, small- and medium-sized enterprises (MSMEs) and farmers. This effort is part of an overall strategy to help increase farmer and MSME incomes and develop the in-country financial sector's capacity. The Private Sector Window also supports innovative financing programs, such as warehouse financing, that allow harvested crops to serve as collateral in order to better meet the needs of rural clients. In addition to financing, MSMEs will receive technical assistance to improve capacity.

TABLE 4.1. SUPPORTING VALUE CHAINS—WHERE WE ARE AND WHERE WE ARE HEADED

INDICATORS	% ACHIEVED AS OF 07/2013	TOTAL TARGET
 Kilometers (km) of roads constructed or rehabilitated	10%	1,370 km
 Targeted clients who are members of a supported association, including producer associations, cooperatives, and WUAs	52%	35,988 clients
 Rural market centers constructed or rehabilitated	11%	455 facilities

PROJECT PROFILE: GLOBAL WAREHOUSE FINANCING PROGRAM

GAFSP's Private Sector Window supports IFC's \$500 million Global Warehouse Finance Program (GWFP) that provides the development of instruments, such as warehouse receipts, collateral management agreements, and stock monitoring agreements. Legal ownership documentation for agricultural inventory and clarified accountability for covered commodities offers farmers the potential to access working capital to better manage the sale of their crops. This, in turn, allows them to maximize their profits and better manage price volatility, especially when food prices are high. By encouraging investment in warehouses for crop storage, the program also reduces waste. GAFSP funding of \$20 million to this program enables the credit program to extend into riskier locations, where markets are less developed, and into crops, such as cashews, that do not have global market reference prices. GAFSP supports GWFP with up to \$20 million in guarantees and funded/unfunded credit lines to individual allocations.

In its first commitment under the GWFP, GAFSP provides a 30 percent first loss cover on IFC's unfunded risk sharing facility for Banque Internationale pour le Commerce et l'Industrie du Senegal (BICIS), Senegal's fourth largest bank.

IFC and GAFSP will assume up to 50 percent risk of BICIS' commodity-backed finance portfolio, which is expected to reach up to \$40 million and will include mutually pre-selected agribusiness companies in Senegal. This risk mitigation instrument will support access to finance for local agri-companies, especially importers of food,

and allow them to expand their trade volume. The facility will have a demonstration effect on the credit worthiness of the selected agri-companies and build a track record that will improve their future ability to access finance. The facility will also develop a commercially sustainable model of short-term financing for the local agribusiness sector.

The beneficiaries of this innovative program will largely be importers of food crops with positive impacts on food availability in Senegal. Exporters of cash crops will also benefit from warehouse financing, which will support the



livelihood of many of the small farmers who produce these crops. BICIS and IFC estimate to reach approximately 9,000 farmers and improve the lives of 28,000 individuals in the agri-sector by 2015.

LEVERAGING PRIVATE-SECTOR FINANCING

A high-angle, close-up photograph of a field of young green lettuce plants. The plants are arranged in neat, parallel rows, spaced evenly across a dark brown, rich soil. The perspective is from above, looking down at the plants, which are in the early stages of growth. The background is a soft-focus field of more lettuce plants, creating a sense of depth and scale. The overall color palette is dominated by the vibrant green of the lettuce and the dark brown of the earth.



Most of all, success requires the creativity of the private sector to bring the same innovative financing, advice, technology, and markets that have transformed agriculture in the developed countries to poor countries where poverty and hunger are endemic.

Harnessing the Private Sector As an Engine of Growth and Development

The United Nations estimates that the world needs to increase investments in agriculture by more than \$80 billion annually to keep up with the needs of a growing population and to achieve food security, environmental sustainability, and economic opportunity.

This statement reflects the massive investment needed and emphasizes the importance of finding effective ways to channel capital into developing countries' agricultural systems. While increasingly robust public programs can meet part of the necessary investment, private investments by agribusinesses, financial institutions, and farmers themselves are critical to success.

A challenge of this magnitude requires engagement across a broad range of stakeholders. Solutions require better government policies. Success requires action by companies, development institutions, cooperatives, and civil society groups. It requires leveraging scarce public funding with private investment. Most of all, success requires the creativity of the private sector to bring the same innovative financing, advice, technology, and markets that have transformed agriculture in developed countries to poor countries where poverty and hunger are endemic.

GAFSP is well positioned to tackle this challenge, particularly through the innovative Private Sector Window, a financing modality managed by IFC that is dedicated to supporting private sector activities for agricultural development and food security. The Private Sector Window can offer clients both investments and advisory services.

Blended Finance

GAFSP's private sector projects aim to address investment needs across the food supply chain—from farm inputs to logistics and storage to processing. GAFSP's Private Sector Window co-invests alongside IFC, but goes a step further toward addressing market failures by providing a temporary subsidy for riskier projects that hold high potential for development impact and can eventually be self-sustaining. The term "blended finance" refers to the provision of financing (via a blended package) to a private sector investment project on terms that are more favorable than market terms when the need for below market terms is expected to be time-bound.

GAFSP Private Sector Window funding is used to support perceived high-risk and/or commercially not viable projects that have good prospects for achieving GAFSP's strategic objectives. Investment funding is available to support projects that IFC and other commercially minded financiers do not conventionally support.

Investments under this window address the need for more and better private sector investment in agriculture and related sectors to improve the income and food security of the poor and vulnerable in low-income countries. The Private Sector Window's support of sustainable agriculture serves as an example to other private sector financiers to encourage increased investment in and financing of agribusinesses in International Development Association (IDA)-eligible countries.

Every dollar of GAFSP private sector investment leverages between \$5 and \$10 of outside funding. To date, GAFSP approvals for investments total \$47 million, supporting projects worth a total of \$343 million. GAFSP's support of private companies includes short- and long-term loans, equity capital, and guarantees for first-loss cover to make small farmers and rural businesses more attractive to financial institutions. In some cases, GAFSP complements investment with advisory services that promote access to agriculture finance, improve farmer productivity, strengthen standards and market links, reduce risks, and mitigate climate change effects.

TABLE 5.1. PRIVATE SECTOR WINDOW ALLOCATIONS FOR INVESTMENT PROJECTS AND PROGRAMS AS OF JUNE 30, 2013

Project	GAFSP investment (US\$, millions)	Project size (US\$, millions)	Mobilization multiple	Expected incremental farmers reached
PRAN	\$5.00	\$40.00	8.0x	1,800
Root Capital	\$5.01	\$40.00	8.0x	307,000
Global Warehouse Finance Program (GWFP)	\$20.00	\$136.00	6.8x	28,800
GWFP BICIS	\$6.02	\$40.00	6.6x	9,000
africaJUICE	\$3.00	\$14.80	4.9x	1,300
COPSL	\$1.50	\$3.50	2.3x	15,000
Velocity Dairy	\$6.90	\$68.00	9.8x	5,000
Total	\$47.43	\$342.30	Range 2.3x-9.8x	367,900

Note: An additional \$5 million was approved to support a separate investment with a third-party investor and Root Capital. The allocation of \$6 million approved for GWFP BICIS is part of the overall allocation of GAFSP funding for the GWFP.



Proven Innovative Solutions in Challenging Markets

The Private Sector Window offers financing for investments in a variety of fund types to support agribusiness firms' growth and operations throughout the value chain. Funding types are categorized in four main types:

- > Risk-sharing products, including guarantees
- > Debt
- > Subordinated debt/mezzanine financing
- > Equity

Since beginning operations in January 2012, the GAFSP Private Sector Window has approved six investment projects and one investment program that will serve as an umbrella to facilitate

additional projects. IFC's investment, such as in Root Capital, will support an innovative financial intermediation business model that targets underserved market segments, including bottom-of-the-pyramid clients and small-scale rural farmers. This investment is expected to have a strong demonstration effect, increasing the potential for other institutions serving this market segment to replicate their business model.

PROJECT PROFILE: PRAN—RAISING INCOMES FOR FARMERS AND MEETING DEMAND FOR PACKAGED FOOD

Forty percent of people living in Bangladesh live in poverty, and 85 percent of them live in rural areas. Development of Bangladesh's agribusiness sector offers a significant opportunity for improving lives. Food processing companies are a critical link in the food supply chain. Food processors, like PRAN, a leading food and beverage company in Bangladesh, link farmers to consumers, provide the capital and technical advice farmers need to increase productivity and income, and help reduce food losses from spoilage.



Marketing is a major challenge for farmers in Bangladesh. Poor roads and a lack of storage make it difficult to move crops. Bountiful harvests often rot in the field. Middlemen take advantage of this lack of options for selling crops by offering low prices. PRAN helps farmers get around these obstacles by purchasing direct from the field. The company works with about 75,000 farmers, providing quality seeds and other inputs, such as fertilizer, irrigation and other agricultural equipment, and training in new technologies and water management.

An investment by GAFSP helped PRAN expand its processing capacity and its food distribution network both domestically and abroad. IFC loaned PRAN \$15 million, including \$5 million from GAFSP, to fund new processing facilities, providing farmers with more consistent demand and fair pricing for their fruits and vegetables

A review of the project by ActionAid Bangladesh found that farmers working with PRAN have grown their incomes and achieved higher farm output, as a result of improved inputs and training. Farmers interviewed reported that improved quality helped them typically receive above-market prices. Small shopkeepers are benefitting from a better product range, and day laborers have gained steadier employment.

Mohammad Wahab Ali, 30, of Nabin Krishnapur village in Natore district, stated "I was born into a very poor family having a small shanty which couldn't even protect us from rainwater...now we've got a one-story well-structured building." Mr. Wahab went from selling polythene shopping bags to being the owner of a corner shop near a local high school. As the shop expanded, he stocked the store with popular PRAN items like pickles and milk that school students like. He has continued to grow his business with PRAN and started supplying moog pulse (moong bean) to PRAN. A PRAN official said the company has been able to create many more Wahabs in its project areas.

Sustainable and Inclusive Business Models

In addition to financial investment, companies need a pro-entrepreneurship regulatory environment and expert advice on business best practices in order to thrive. To help the private sector in emerging markets, IFC Advisory Service teams provide emerging companies with technical assistance and capacity building. The teams also offer advice, problem-solving assistance, and training to companies, industries, and governments. IFC delivers its advisory services via four core “business lines” to address the different constituents in private sector development (see table 5.2 for the

Advisory Service’s portfolio and Annex 1 for details of each activity):

- > Access to finance
- > Investment climate
- > Public-private partnerships
- > Sustainable business advisory

GAFSP and IFC Advisory Services will identify advisory opportunities in participating countries with the expectation of achieving one or more of the following:

- > Increased reach to farmers
- > Increased farmer incomes
- > Reduced crop losses
- > Improved food quality
- > Increased financing to farmers

TABLE 5.2. GAFSP ADVISORY SERVICES PORTFOLIO AS OF JUNE 30, 2013

Project name	Country/region	Approved GAFSP amount (US\$)
AfricaWorks conference	Global	15,770
Ecom FTC Kenya	Kenya	617,270
Climate and RE PPPs (Grain Study)	Sub-Saharan Africa	355,000
WEFA (Irrigation Diagnostic)	Sub-Saharan Africa	37,680
Smallholder events	Africa/Asia	100,000
Pakistan Dairy	Pakistan	800,900
Nepal Poultry Project	Nepal	70,000
BICIS	Senegal	20,000
africaJUICE	Ethiopia	60,000
RSPO Sierra Leone	Sierra Leone	536,00
RSPO Liberia	Liberia	560,00
Total		3,172,620

Environmental and Social Impacts

All GAFSP projects, both public and private, are governed by the safeguard policies of their respective supervising entities. For the Private Sector Window, GAFSP follows IFC Performance Standards, which address issues including environmental and social impacts, labor practices, community engagement and consultation, and assuring future livelihoods for existing users. These standards are acknowledged by a wide range of stakeholders as leading global standards to manage and improve environmental and social performance.

Each performance standard is tied to helping clients achieve set outcomes through means that are appropriate to the nature and scale of the activity and commensurate with the level of environmental and social risks and/or impacts. Managing environmental and social risks and impacts is the responsibility of the client, however, in any project involving IFC financing, including any component that includes GAFSP financing. IFC seeks to ensure that the business activities it finances are implemented in accordance with the requirements of the performance standards through its due diligence, monitoring, and supervision efforts.

IFC works together with the client to identify the issues that need to be addressed by way of specific environmental and social reporting as well as an Environment & Social Action Plan (ESAP), which could be a short-term or a multi-year plan. The costs associated with the implementation of the ESAP, including the effort and costs of hiring technical specialists, are usually borne by the client. However, when the technical or financial capacity of the client is limited, GAFSP offers additional capacity-building support. This is especially relevant in low-income countries given the typical size, skill, and other limitations faced by local sponsors.

PROJECT PROFILE: FARMER CAPACITY BUILDING WITH ECOM COFFEE IN KENYA

Kenyan coffee is Arabica grown on the rich volcanic soil that is found in the highlands of the country. While Kenya is the 20th largest producer of coffee in the world, coffee production has declined more than 60 percent since 1995. This decline is attributed to fewer agricultural extension systems and reduced public sector support for material inputs such as seeds and fertilizers. Smallholders produce 75 percent of Kenya's coffee, most with only 0.3–0.5 ha of

land. For these farmers, who are already living on the edge of poverty, low productivity and the inability to comply with standards results in lower incomes.

International coffee traders, such as Ecom, recognize the challenges facing small coffee growers in their supply chain. Using GAFSP funds, IFC is working with Ecom to support the capacity building of farmers in Kenya's coffee sector via training on practices to improve productivity. These practices will bring the Kenyan coffee sector up to international coffee standards and help farmer cooperatives to achieve profitability.

The project is expected to improve the productivity of 9,000 Kenyan farmers, raising their income from less than \$200 per year to \$475 per year for a typical grower. The project also encourages growers to comply with recognized industry standards to further increase incomes by an additional 5–25 percent.



MANAGING RISKS TO IMPROVE FOOD AND NUTRITION SECURITY





1 in 8 people in the world - 870 million people - will go to bed hungry tonight.

Helping Rural Households Manage Income Shocks and Develop Long-Term Resilience

Rural farmers in developing countries face many risks, including:

- > Increased price uncertainty
- > More frequent and severe droughts and floods
- > The threat of major pest/disease outbreaks affecting crops and livestock

These risks are even greater in households with sick and undernourished children and farmers who themselves are anemic and have low labor productivity. Institutions that discriminate against women's ability to access a household's productive assets

and assert control over the family's income further diminish the potential of vulnerable households to thrive.

While higher agricultural prices provide farmers with an opportunity to produce and invest more, when prices are highly volatile and input costs are rising, farmers are unable to benefit from the opportunity. Poor households spend between 50 and 70 percent of their income on food. For long-term well-being, particularly for women and children, households must be able to safeguard their income and consumption patterns against economic and climatic shocks.

GAFSP responds to these challenges by supporting investments worth \$114.4 million, accounting for 17 percent of the Public Sector Window. These investments ensure access to sufficient and nutritious food, manage price and weather risks, strengthen food-related social protection, and build institutional capacity.

Figure 6.1. Breakdown of GAFSP Financing to Enhance Food Security

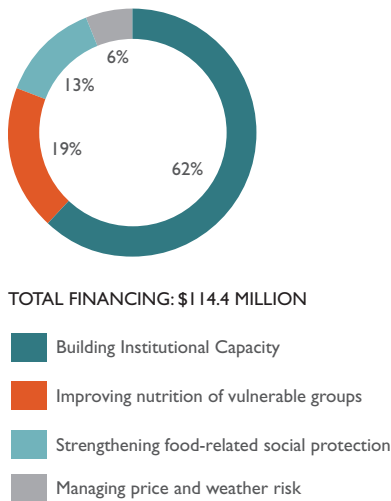
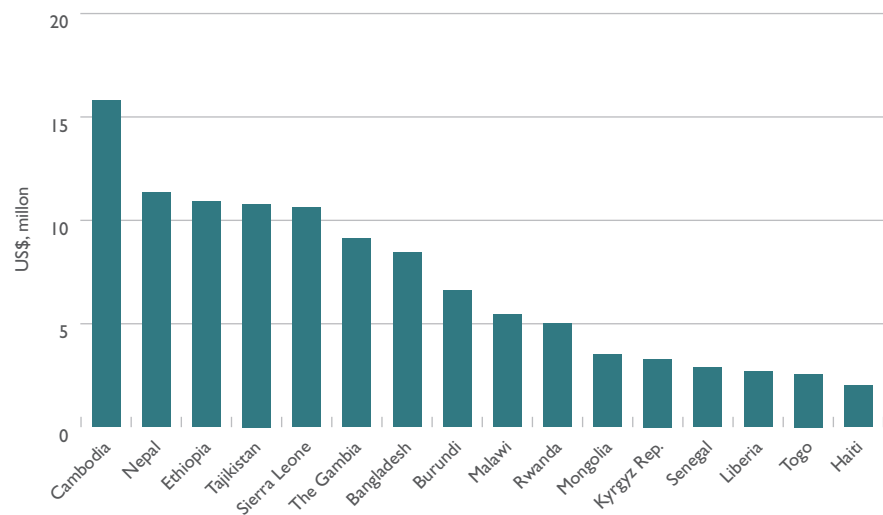


Figure 6.2. Countries in Which GAFSP Invests to Manage the Risks Associated With Food Security



Delivering Nutrition Services to Vulnerable Groups

Globally two billion people suffer from deficiencies in micronutrients such as iron, zinc, and vitamin A.

Deficiencies in micronutrients have serious implications for the health, survival, and optimal cognitive development of vulnerable populations, such as pregnant and lactating women and children in their first 1,000 days of life. The 2013 Lancet series estimates that there are still 165 million stunted children globally, and that under-nutrition causes 45 percent of global child deaths, resulting in 3.1 million deaths annually.⁵

In six GAFSP-supported countries, \$20 million in GAFSP funds are targeted towards the delivery of nutrition services, mainly through health and community-

NUTRITION INTERVENTIONS⁶

Nutrition-specific interventions address the **immediate** determinants of fetal and child nutrition and development—adequate food and nutrient intake, feeding, caregiving and parenting practices, and low burden of infectious diseases.

Nutrition-sensitive interventions address the **underlying** determinants of fetal and child nutrition and development— food security; adequate caregiving resources at the maternal, household, and community levels; and access to health services and a safe and hygienic environment—and incorporate specific nutrition goals and actions.

based programs. This effort complements other GAFSP nutrition-related activities, such as nutrition extension, agricultural research on nutritious crops, and the dissemination of bio-fortified crops. Overall, GAFSP support to nutrition, through agriculture and other sectors, is estimated at about \$63 million in eight countries.

GAFSP-supported nutrition delivery activities include the following:

- > In Cambodia, GAFSP efforts are improving nutrition and health through:
 - Training to women and children on improved food use, nutrition, and basic healthcare
 - Home gardening training offered to individuals, self-help groups, and farmer organizations
 - Sanitation inputs and training
 - Expansion of on-farm activities, such as livestock and aquaculture, to help

5. "Maternal and Child Nutrition," *The Lancet*. June 6, 2013. <http://www.thelancet.com/series/maternal-and-child-nutrition..>

diversify available food options and provide improved nutrient intake by mothers and children

- > **In The Gambia**, FASDEP provides ready-to-use therapeutic food for children with micronutrient deficiencies. Community-based nutrition education is provided to teach families about safe food preparation practices. To date, 65 percent of households in the targeted areas have participated.

Food-Related Social Protection

To adopt new technologies and improve their agricultural inputs, farmers need a reliable safety net during times of price volatility and/or weather shocks. Farmers and their families, especially pregnant and lactating women, need protection from the potential long-term negative effects of any “shocks” that threaten their crops. About 13 percent of GAFSP financing, or \$14 million, is devoted to strengthening food-related social protection systems. For example:

- > **In Tajikistan**, the Public Employment for Sustainable Agriculture and Water Resources Management II (PAMP II) promotes employment opportunities in public works, such as manual cleaning of irrigation canals, for members of food insecure households. Expenditure will fund payments to workers, employer contributions to workers’ social security taxes, labor force administration costs, and the procurement of low-cost tools for manual labor.
- > **In Cambodia**, EFAP is working to protect rural, vulnerable households from uninsured risks. Through support to the government, GAFSP finances the construction and implementation

of food and seed reserves. The project aims to strengthen public and private warehouses in reserve management, improve institutional coordination at the national and subnational levels, and improve information management and monitoring systems to link production trend and food security/nutrition data analysis.

Managing Price and Weather Risks





Six percent of GASFP financing under this component, or \$7 million, targets the management of unpredictable price and weather risks, including pests, plant/animal diseases, climatic factors (i.e., droughts and floods), and sudden changes in input and output prices. For example:

- > **In Haiti**, GAFSP funds support RESEPAG II’s efforts to establish an agriculture-sector information systems to: (1) increase the availability of quality agro-climate data and tools, enabling farmers to plan for agricultural input use, manage crop-yield risks, and identify and respond to animal and plant health threats; and (2) facilitate the collection and dissemination of agricultural market prices to include farm gate prices.
- > **In Rwanda**, LWH supports the introduction and expansion of index-based weather insurance to project beneficiaries.

Institutional Capacity Building

GAFSP-financed projects target bolstering institutional capacity at household, local, national, and/or regional levels, to strengthen the ownership and technical capacity of the actors involved in the development process. This may involve developing strategies at the national, sub-national, or community levels; strengthening agriculture, food security, or nutrition-monitoring systems and datasets; and conducting and disseminating relevant analytical work that fills knowledge gaps and raises the effectiveness of investment operations.

TABLE 6.1. IMPROVING FOOD SECURITY—WHERE WE ARE AND WHERE WE ARE HEADED

INDICATORS	% ACHIEVED AS OF 07/2013	TOTAL TARGET
 Households benefiting from cash transfer programs	21%	23,376 households
 Policies, strategies, frameworks, or investment plans adopted	17%	9
 Trained additional civil servants dedicated to sectoral planning and strategy	30%	60
 Community-based organizations that actively participate in national or provincial-level technical and policy bodies or in project implementation related to food security or agriculture programs	8%	25 organizations



PROJECT PROFILE: ENHANCING FOOD AND NUTRITION IN NEPAL

In spite of its challenging political environment, Nepal's economy has improved since the end of the conflict in 2006. According to the World Bank, the proportion of poor people has fallen substantially from 45 percent in 1995-96 to 25 percent in 2010-11. Nepal has also made impressive improvements towards the achievement of the United Nation's MDGs, particularly in the areas of primary education, gender equality, and under-five child mortality. However, despite these successes, the nutritional status of women and children has not significantly improved. Malnutrition and stunting stubbornly affect about 50 percent of Nepal's children.

With GAFSP funding, the Nepal Agriculture and Food Security Project aims to enhance the food and nutritional security of targeted communities in the western provinces

of Nepal through the following traditional, nutrition-sensitive agriculture interventions:

- Technology development and adaptation of nutritionally significant crops, such as buckwheat, blackgram, soybean, olive, walnut, lentil
- Technology development for improved breeds of poultry for backyard poultry in mountain areas
- Support to kitchen gardens as part of rural-livelihood enhancement
- Promotion of women-friendly, labor-saving technologies, such as treadle pumps, to liberate women's time for self care
- Addition of nutrition education to the curriculum of district agriculture extension teams
- Promotion of diet diversity through nutrition education
- Strengthening of government food-lab capacity to analyze the nutritional value of locally available foods

Basic nutrition interventions, such as hygiene, sanitation, infant and young-child feeding and caring practices, and better use of iron, folic acid, and micronutrient powder supplements, accompany the above efforts.

With a focus on women and children, project targets include: (1) increasing the percentage of pregnant and lactating mothers with improved intake of nutritious foods by 20 percent by the end of the project and (2) increasing the percentage of children between the ages of six months and two years with complementary feeding by 30 percent by the end of the project. The project's nutrition-enhancement impacts will benefit 45,000 pregnant and lactating mothers and 54,000 children under the age of two.



ANNEXES



Annex I: Project Profiles and Implementation Updates

GLOBAL

- > Global Warehouse Finance Program (GWFP)*
- > Investment Development Marketplaces & Partner Development Event: Smallholder Event Conference**

AFRICA REGION

- > Investment Development Marketplaces & Partner Development Event: Africa Works Conference **
- > Country/Sector Diagnostics: Sub Saharan Africa Irrigation Diagnostic **
- > Country/Sector Diagnostics: Sub Saharan Africa Strategic Grains Reserve Study**
- > Root Capital*

BANGLADESH

- > Integrated Agricultural Productivity Project (IAPP)
- > The PRAN Group*

BURUNDI

- > Platform for Food Security and Rural Development Program in Imbo and Moso (PNSADR-IM)

CAMBODIA

- > Emergency Food Assistance Project (EFAP)
- > Climate Resilient Rice Commercialization Sector Development Program (Rice-SDP)

ETHIOPIA

- > Agricultural Growth Project (AGP)
- > AfricaJUICE* **
- > Velocity Dairy*

THE GAMBIA

- > Food and Agriculture Development Project (FASDEP)

HAITI

- > Small Farmer Agriculture Technology Transfer Project (PTTA)
- > Strengthening of Agricultural Public Services Project II (RESEPAG II)

KENYA

- > Farmer Capacity Building in partnership with Ecom**

KYRGYZ REPUBLIC

- > Agriculture Productivity and Nutrition Improvement Project (APNIP)

LIBERIA

- > Smallholder Agricultural Productivity Enhancement and Commercialization Program (SAPEC)
- > Roundtable on Sustainable Palm Oil (RSPO)**

MALAWI

- > Smallholder Irrigation and Value Addition Project (SIVAP)

MONGOLIA

- > Livestock and Agricultural Marketing Project (LAMP)

NEPAL

- > Agriculture and Food Security Project (AFSP)
- > Nepal Poultry Sector Support**

NIGER

- > Water Mobilisation Project to Enhance Food Security in Maradi, Tahoua, and Zinder Regions (PMERSA-MTZ)

PAKISTAN

- > Dairy Sector Support to Reach Traditional and Smallhold Dairy Farmers**

RWANDA

- > Land Husbandry, Water Harvesting and Hillside Irrigation (LWH) Program

SENEGAL

- > Food Security Support Project in the Louga, Matam, and Kaffrine (PASA Lou/Ma/Kaf).
- > Global Warehouse Finance Program with Banque Internationale pour le Commerce et l'Industrie du Senegal (BICIS)* **

SIERRA LEONE

- > Smallholder Commercialization Programme (SCP)
- > Roundtable on Sustainable Palm Oil (RSPO)**

TAJIKISTAN

- > Public Employment for Sustainable Agriculture and Water Resources Management II (PAMP II)

TANZANIA

- > Expanding Rice Production Project

TOGO

- > Rural Development Support Project (PADAT)
- > Agriculture Sector Support Project (PASA)

VANUATU

- > Coconut Oil Processing Santo Limited (COPSL)*

*Private Sector Window Investment Projects and

**Private Sector Window Advisory Services

Annex I: Project Profiles

GLOBAL

GLOBAL WAREHOUSE FINANCE PROGRAM (GWFP)

Amount: \$20 million

Type of Engagement: Credit-lines and/or risk-sharing facilities

Supervising Entity: International Finance Corporation (IFC)

Status: Committed in December 2012

For more information: http://www.gcgf.org/wps/wcm/connect/Industry_EXT_Content/IFC_External_Corporate_Site/Industries/Financial+Markets/Trade+and+Supply+Chain/GWFP/

The GWFP helps banks increase access to finance for MSMEs and smallholders in agribusiness in emerging countries by providing them with "warehouse financing," a specific modality of inventory financing. Warehouse financing is a lending technique that allows farmers access to finance secured by their harvested commodities deposited in warehouses. It also allows banks to reach small-scale farmers that otherwise would be hard to support. Market studies confirm that a financing gap of \$10.8 billion exists in warehouse financing for agriculture in emerging markets (2009).

IFC's \$500 million GWFP provides essential support to the agri-infrastructure and regulatory capacity of many of the world's poorest countries by supporting the development of related instruments such as warehouse receipts, collateral management agreements, and stock monitoring agreements. Legal ownership documentation for agricultural inventory and clarified accountability for covered commodities provide farmers with access to working capital, which enables them to better manage their crop sales. This access allows them to maximize their profits and better manage price volatility, especially when food prices are high.

GAFSP supports the GWFP with up to \$20 million in guarantees and funded/unfunded credit lines to individual allocations, which are committed on a case-by-case basis. The GWFP increases the availability of short-term finance for the agriculture sector in emerging markets and is anticipated to reach 208,600 farmers by 2014. As of June 30, 2013, the Banque Internationale pour le Commerce et l'Industrie du Senegal (BICIS), the fourth largest bank in Senegal, has received investment and advisory service under this program.

SMALLHOLDER EVENT CONFERENCE

Amount: \$100,000

Type of Engagement: Investment Development Marketplaces and Partner Development Event

Supervising Entity: IFC

Status: Approved in April 2013

The roundtable series on "Expanding Supply Chains through Smallholder Engagement" is an IFC-designed event that addresses strategies for linking the private sector with smallholder farmers. The first event was held in Washington, DC in December 2012 with the participation of global companies, donors, regional teams, the GAFSP team, and IFC.

The event confirmed the private sector's commitment to strengthening smallholder farmers' sustainable supply chains, and it produced enthusiastic interest in developing partnerships among attendees. IFC has incorporated the insights from this event into a handbook of good practices for firms working with smallholder farmers and expects to launch the handbook at the next roundtable event.

GAFSP is now funding this ongoing series of roundtables including: Nairobi (June 4-6, 2013), Cambodia (October 2013), and South Asia (January 2014). As part of this series, IFC partnered with *This is Africa/Financial Times* to launch an editorial report in June 2013, which had extensive distribution among governments, businesses, investors, and NGOs.

GAFSP support to the smallholder event allows IFC to catalyze new partnerships and projects in African and Asian markets. IFC uses the event to call attention to the GAFSP program and provides a forum for engaging with private sector companies and potential investment clients.

ROOT CAPITAL

Amount: \$5 million

Type of Engagement: Senior Loan Package

Supervising Entity: IFC

Status: Committed in December 2012

For more information: <http://ifcext.ifc.org/ifcext/spiwebsite1.nsf/ProjectDisplay/SII32518>

IFC, with GAFSP support, has provided a \$10 million senior loan package to Root Capital (\$5 million from GAFSP and \$5 million from IFC). Founded in 1999, Root Capital is a nonprofit development financier that provides loans and financial training to farmer aggregators, cooperatives, and agricultural SMEs in Africa and Latin America.

Root Capital operates in more than 30 countries, including Kenya, Tanzania, Uganda, Rwanda, Zambia, Liberia, Mali, Burkina Faso, Benin, Cameroon, Ghana, Senegal, Togo, and Sierra Leone. Headquartered in Cambridge, Massachusetts, the company also has two regional hubs in Costa Rica and Kenya and six associated locations in Guatemala, Mexico, Nicaragua, Peru, Senegal, and Uganda.

The financing package will help Root Capital scale its Sustainable Trade Fund operations, its core lending arm, to become a financially sustainable business. It will also address the funding needs of the “missing middle,” rural businesses that are too large to access credit from microfinance institutions but considered too remote to secure financing from commercial banks.

Root Capital is currently registered as a 501(c)(3) non-profit organization and therefore, does not have any shareholders. The company is capitalized with philanthropic contributions and borrowings from financial institutions, foundations, individual investors, and corporations. Notable contributors and lenders include, among others, Bill & Melinda Gates Foundation, Skoll Foundation, Overseas Private Investment Corporation, Inter-American Development Bank, and Starbucks Corporation. The interest rate for a GAFSP loan is below commercial market levels to create a blended interest rate that is affordable to Root Capital during its transformation toward a commercial entity.

Root Capital is expected to reach approximately 2 million farmers during the next five years. This funding significantly enhances Root Capital’s lending volume targets as stipulated in its five-year business plan.

AFRICA REGION

AFRICA WORKS CONFERENCE

Amount: \$15,600

Type of Engagement: Investment Development Marketplace and Partner Development Event

Supervising Entity: IFC

Status: Approved in November 2012

In order to build awareness and identify potential investment opportunities, the GAFSP Private Sector Window supported the “Africa Works Conference” in Zeist, the Netherlands in October 2012. This event marked the launch of the GAFSP Second Call for Investment Proposal. It also served as a way for IFC to raise awareness about the GAFSP program and to engage with private sector companies and potential investment clients with business interests in Africa.

With increased outreach to more investment channels, the call generated 89 proposals, one of which advanced through the investment review process and received approval for an IFC/GAFSP investment. Each proposal received was reviewed for consideration of investment. Results of the screening process were communicated to each applicant. At this time, about 14 proposals remain under consideration for a possible investment.

SUB-SAHARAN AFRICA IRRIGATION DIAGNOSTIC

Amount: \$37,700

Type of Engagement: Country/Sector Diagnostics (Phase 1)

Supervising Entity: IFC

Status: Approved in March 2013

Agricultural production typically accounts for 90 percent or more of water consumed. Therefore, significant water savings can result from improving water productivity for primary agricultural production in the

supply chain of agribusiness companies. Improving efficiency involves training farmers to adopt specific production methods and technologies (i.e., efficient irrigation technologies), helping them access financing, and ensuring that the appropriate technology is available in the market. This suite of measures can be difficult for a business to undertake alone.

IFC is collaborating with the Food and Agriculture Organization (FAO) on an irrigation diagnostic in Africa to further inform IFC on private sector investment and advisory opportunities for introducing water-efficient agriculture in Africa. The diagnostic feeds into the programmatic Global Irrigation Program (GIP) with \$250 million from IFC. It is expected to leverage funds from GAFSP, commercial banks, and other funders to create a \$1 billion facility.

The FAO-led diagnostic is expected to identify up to five crops that have the best potential for efficient irrigation in no more than five countries. It will also shortlist up to two crops to develop business cases for and identify potential partners, such as irrigation companies and major producer companies, for the introduction of water-efficient agriculture.

SUB-SAHARAN AFRICA STRATEGIC GRAINS RESERVE STUDY

Amount: \$355,000

Type of Engagement: Country/Sector Diagnostics

Supervising Entity: IFC

Status: Approved in January 2013

The world food crisis created a policy response from several governments to focus more attention on strategic grain reserves (SGR). Many countries have announced policies to enhance SGR and introduce better management of SGR. Some countries in Africa have adopted similar policies, though there is little available information on these policy responses or the efficacy of these measures. Further, with

millions of poor to feed, the evolution of policy by African nations must be translated into effective implementation in terms of improved infrastructure and logistics to manage SGR. Since the issue of SGR is directly linked to farmers' livelihoods, it is important to understand how farmers are affected in the process and to learn whether these policy responses are integrating better access to markets and finance for them.

GAFSP supports a mapping study in the Africa region that aims to identify key issues around policy, storage, and handling of strategic grain reserves. The study's objective is to identify areas where IFC and other development partners can support specific countries. These areas relate to both policy and specific interventions, such as infrastructure development, through public-private partnerships.

The desk review report is expected to highlight SGR policies, assess the way the grain value chain (procurement/import, transportation, handling, storage, dispatch/export) operates in the country, analyze current private sector trends, and assess the role of farmers and the extent to which they have access to markets and finance. This includes:

- **Study report.** The report will highlight key results and conclusions and identify priority countries that should be targeted for pilot public-private partnership (PPP) projects.
- **Conference participation.** GAFSP will assist in the preparation of and will participate in an Africa conference in September 2013 to discuss the report with member countries, private sector attendees, and development partners.

BANGLADESH



INTEGRATED AGRICULTURAL PRODUCTIVITY PROJECT (IAPP)

Amount: \$50 million grant

Supervising Entity: World Bank (\$46.31 million) and FAO (\$3.69 million)

GAFSP Grant Awarded: June 2010

Status: Under implementation

For more information: www.gafspfund.org/gafsp/content/bangladesh

Bangladesh is the most densely populated country in the world, resulting in difficult living conditions and intense pressure on natural resources. One-sixth of the total population lives in extreme poverty, and the incidence of malnutrition is the highest in the world. Food and nutrition security in Bangladesh faces considerable challenges, such as scarce natural resources, climate change, rising sea levels, and vulnerability to external shocks and changing weather patterns. The agricultural sector employs 44 percent of the labor force, provides 45 percent of household income, and contributes one-quarter of total export earnings.

Recognizing the importance of agriculture as a major contributor to pro-poor economic growth and food and nutrition security, the government of Bangladesh prepared a Country Investment Plan (CIP) to serve as the main tool for investing in food security and nutrition. IAPP, partially funded by GAFSP, will contribute to achieving the objectives of the CIP. The total project cost is \$67.5 million. GAFSP will finance 75 percent (\$50 million) of the project, with the remaining 25 percent (\$17.5 million) financed by the government of Bangladesh. The World Bank will supervise the investment components (\$63.81 million in total), and FAO will supervise the technical assistance (TA) component (\$3.69 million fully funded by GAFSP)

The IAPP aims to increase the agricultural productivity (crops, livestock, and fisheries) in selected agro-ecologically constrained and economically depressed areas (Rangpur, Kurigram, Nilfamari, and Lalmonirhat districts in the north and Barisal, Patuakhali, Barguna and Jhalokathi districts in the south). It will also promote sustainable conservation and utilization of surface water to increase average yield and enhance water efficiency. The TA component is designed to strengthen the capacity of government staff and service providers related to agriculture and food and nutrition security programs, including civil society organizations (CSOs), nongovernmental organizations (NGOs), private sector companies, farmers' organizations, and consultants.

During the past year, the IAPP has made substantial progress, including the following:

- Providing training to farmers through 1,850 Livelihood Field Schools
- Promoting improved agricultural technology to 24,000 farmers who have already adopted various improved agricultural technologies, including those for fisheries and livestock
- Conducting more than 4,700 crop and fisheries demonstrations on various improved technologies
- Introducing two new varieties of wheat with seven more in the process of development
- Distributing 157 tons of certified seeds
- Improving irrigation and drainage systems on more than 4,000 ha

The IAPP TA component is in its second year of implementation. The project has made substantial progress including conducting 11 capacity-development activities and events for 513 participants and carrying out three interventions in support of the World Bank-supervised IAPP investments. Overall, the project is expected to benefit 295,000 households, of which an estimated 20 percent are women farmers (175,000 crop farmers, 60,000 livestock farmers, and 60,000 fish farmers). The intervention is expected to increase rice production from 2,200 kg/ha to 2,700 kg/ha, increase fish harvest from 2,700 kg/ha to 3,400 kg/ha, and increase the yield of milk from 1 liter/cow/day to 3 liters/cow/day.

THE PRAN GROUP

Amount: \$5 million

Type of Engagement: Senior Loan Package

Supervising Entity: IFC

Project Status: Fully disbursed

For more information: http://www.gcgf.org/wps/wcm/connect/industry_ext_content/ifc_external_corporate_site/industries/agribusiness/news/agriculture+and+food+security+program+makes+its+first+transaction

IFC and GAFSP are providing a \$15 million loan to PRAN Group to expand production capacity of its snacks, confectionary, and juice lines at its Natore Industrial Park in northern Bangladesh.

Of the total loan amount, \$5 million is provided by GAFSP's Private Sector Window through IFC acting as the Supervising Entity. This project was the first investment supported by the Private Sector Window of GAFSP.

PRAN's latest expansion project is in response to continued growth in domestic demand as well as increased export market demand in India, Africa, and the Middle East for packaged food products. The project contributes to enhanced food security by increasing the production and availability of affordable, quality food products for the local population. Additionally, the project promotes inclusive economic development by linking farmers to commercial channels, creating jobs, and establishing linkages with micro, small, and medium enterprises. The GAFSP funding leverages up to eight times the private sector investment in this project.

The project expects to have a strong development impact, including:

- Creating an additional 1,200 direct jobs, mostly in rural areas
- Impacting the livelihood of approximately 600 additional farmers, with a total of 1,800 farmers reached, and their communities by ensuring consistent demand and fair pricing for their produce
- Providing affordable and high-quality food and food-related products to consumers at the base of the pyramid
- Encouraging private sector involvement in income-generating agricultural activities, and the subsequent integration of small farmers into formal supply chain linkages

BURUNDI



PLATFORM FOR FOOD SECURITY AND RURAL DEVELOPMENT PROGRAMME IN IMBO AND MOSO (PNSADR-IM)

Amount: \$30 million grant

Supervising Entity: International Fund for Agriculture Development

GAFSP Grant Awarded: May 2012

Project Status: Under preparation

For more information: www.gafspfund.org/gafsp/content/burundi

Burundi is one of the world's poorest countries. The United Nations Development Programme's 2011 report ranked it 185th out of 187 countries on the Human Development Index. The landlocked country is constrained by high demographic pressure, subsistence farming, the fragmentation of farms (66 percent of farms have an area of less than 0.5 ha), and low productivity. During the past ten years, the growth in agricultural production (2 percent) has lagged behind population growth (ranging from 2.6–3 percent). Rural poverty has risen sharply as a result of the decline in agricultural production. However, the Imbo and Moso plains have major potential in terms of land and water resources that have not been sufficiently tapped. Several projects in the area have demonstrated the ability to diversify into high market value agricultural products, such as irrigated rice,⁶ market gardens, fruit crops, and palm

oil, and to improve the productivity of traditional crops, such as mosaic-resistant cassava, banana, groundnut, sunflower, bean, and maize.

The GAFSP-funded PNSADR-IM will support the development of productive capital, the intensification and diversification of crop and livestock production, improvements in nutrition and vulnerability management, and the bolstering of rice, milk, and palm oil value chains. Specifically, the project will lead to the development of 6,200 ha of irrigation schemes (3,000 ha in Moso for rice and groundnut development and 3,200 ha in northern Imbo for rice and maize development) that will benefit 12,400 households and 80,000 ha of watershed management. It will also support the introduction of 8,000 crossbred cows, the development of fruit production on 20,000 ha, and the introduction of extension services. The proposed project will focus on rice and milk value chains by developing a network of small- and medium-sized enterprises in the processing and marketing sector. The project will support nutrition interventions, such as food fortification, nutrition education, capacity building, and the promotion of nutrition-related activities to vulnerable households, through small livestock, the development of kitchen gardens and school gardens, and small-scale processing, among others. These activities are expected to reach 600,000 people. The project is expected to begin implementation by mid-2014.

6. System of rice intensification (SRI) is a technique that, if well managed by farmers and adapted to local conditions, has the potential to double yields per surface area unit of measurement.

CAMBODIA



EMERGENCY FOOD ASSISTANCE PROJECT (EFAP) AND CLIMATE RESILIENT RICE COMMERCIALIZATION SECTOR DEVELOPMENT PROGRAM (RICE-SDP)

Amount: \$39.1 million grant (EFAP, \$24.5 million and Rice-SDP, \$14.6 million)

Supervising Entity: Asian Development Bank

GAFSP Grant Awarded: June 2011

Status: EFAP under implementation and Rice-SDP approved June 2013

For more information: www.gafspfund.org/content/cambodia

Cambodia has a population of more than 15.2 million, of which approximately 4 million people live on less than \$1.25 per day, and 37 percent of children under the age of five suffer from chronic malnutrition. Agriculture accounts for 36 percent of GDP, of which 15 percent comes from rice production. The agricultural sector is dominated by traditional smallholder production systems with generally small average farm size (about 1.5 ha). The Royal Government of Cambodia developed the Strategy for Agriculture and Water (SAW) to contribute to poverty reduction, food security, and economic growth by increasing agriculture productivity and diversification and improving water resource development and management.

GAFSP funding is providing additional financing to the EFAP and to the newly proposed Rice-SDP. These projects strengthen technology generation, promote higher-yielding technologies, and facilitate access to markets by reducing transfer and transaction costs and promoting better management of price and weather risks.

The EFAP funding will increase availability to and awareness of nutritious food and hygiene among food-insecure households through cash-for-work (CFW) and extension services that include: (1) home garden production in the household plots of the poor to diversify their food consumption, (2) increased access to improved agricultural inputs and technologies among food-insecure farmers and women, and (3) improved capacity to respond to food emergencies. The project is anticipated to impact more than 40,000 households, of which 50 percent are women. As of May 2013, a total of 4,939 households, including 1,035 women-headed households, participated in the completed CFW projects and earned approximately \$100.

The Rice-SDP will help transform the predominantly subsistence rice subsector into a commercially oriented sub-sector by: (1) removing legal and regulatory constraints inhibiting rice commercialization, (2) improving productivity of paddy crops and consistency in quality of milled rice, (3) enhancing rice value chain support services, and (4) addressing risks associated with climate change through mitigation and adaptation. It will tackle these areas by expanding capacity for drying paddy in target provinces by 2,000 tons per day by 2018 (thereby improving quality and quantity of domestically milled rice), increasing the capacity for paddy storage in target provinces by 40,000 tons by 2018, and facilitating millers' access to finance through diversified collateral arrangements to increase in-country milling and storage. The project is expected to benefit 30,000 households, 40 percent of which will be women beneficiaries.

ETHIOPIA



AGRICULTURAL GROWTH PROJECT (AGP)

Amount: \$51.5 million grant

Supervising Entity: World Bank (\$50 million) and FAO (\$1.5 million)

GAFSP Grant Awarded: November 2010

Project Status: Under implementation

For more information: www.gafspfund.org/gafsp/content/ethiopia

More than 80 percent of the Ethiopian population lives in rural areas, and their main source of income is agriculture. The agricultural sector accounts for about 45 percent of GDP, almost 90 percent of exports, and 85 percent of employment. Food security, however, remains a key challenge, and the exposure to climatic risk is high, especially in light of the low capacity to store water and irrigate. Ethiopia's Growth and Transformation Plan (GTP), which is its five-year development plan spanning from 2010/11 to 2014/15, is geared towards fostering broad-based development in a sustainable manner to achieve the Millennium Development Goals (MDGs). One of the major components of the five-year GTP is to maintain agriculture as a major source of economic

growth by doubling the current agricultural production to ensure food security in Ethiopia. GAFSP financing will strengthen the AGP, which is a major component of the GTP.

GAFSP's contribution will support the objectives of the AGP to increase agricultural productivity and market access for key crop and livestock products in higher potential districts (woredas) with increased participation of women and youth. The AGP focuses on areas that have considerable potential for agricultural growth. The 96 AGP woredas are spread among 20 clusters in the four regions of Amhara, Oromiya, Tigray, and Southern Nations, Nationalities, and Peoples Region (SNNPR). The project supports agriculture production and commercialization by: (1) strengthening the capacity of farmer organizations and their service providers to scale up best practices and adopt improved technologies in production and processing, and (2) strengthening the marketing and processing of selected commodities through engagement with private sector stakeholders. The project will also support small-scale, rural infrastructure development and improve productivity by constructing, rehabilitating, and improving

the management of small-scale rural infrastructure as well as working to further develop and improve access to markets. GAFSP financing is expected to benefit 9.8 million people in an estimated 2 million households. Approximately 19 percent of the direct beneficiaries are expected to be women-headed farm households.

FAO is the supervising entity for the \$1.5 million TA component. It provides technical support for the project's livestock development activities with a focus on fodder production and the amelioration of livestock's impact on watersheds. It also provides technical support for the implementation of activities to promote integrated pest management. The TA will benefit 20,000 households.

AFRICAJUICE

Amount: \$3 million

Type of Engagement: Preferred Shares (\$3 million) and Advisory Services Project (\$60,000)

Supervising Entity: IFC

Status: Approved in June 2013

For more information: <http://ifcext.ifc.org/ifcext/spiwebsite1.nsf/651aeb16abd09c1f8525797d006976ba/782bc619bb-15002485257b750071835a?OpenDocument>

The africaJUICE project was the first investment sourced through the GAFSP Public Call for Investment Proposals that was launched in October 2012. AfricaJUICE, an Ethiopian fruit juice and juice concentrate producer, will undertake a \$14.8 million capacity and production expansionary project. The project will be funded by a preferred-equity/quasi-equity investment of \$3 million from GAFSP, \$3 million from IFC's own account, and an additional \$4 million mobilized from other development finance institutions, as well as investment by the sponsor.

GAFSP funding plays a catalytic role in creating opportunity to support innovative private sector investments and deliver a level of additionality and impact beyond what is possible through IFC's regular operations.

AfricaJUICE is seeking to transition into its next stage of growth by adding production volumes and product diversity. The plan is focused on realizing the passion fruit potential of its existing farm and its outgrowers, on diversifying its product base with the development of three new strategic crops (pomegranate, acerola, and lemon), and on expanding its processing capacity. The outgrower program will be expanded to incorporate 1,000 to 2,000 ha of smallholder passion fruit farmers.

GAFSP Advisory Services is also working with africaJUICE to build the internal expertise to apply and comply with the IFC's Environment and Social Action Plan (ESAP). Many new IFC-GAFSP investment clients are smaller, regional companies with limited capacity to meet IFC's performance standards. In the case of africaJUICE, compliance with the ESAP is fundamental to both the IFC-GAFSP investment and future outgrower work. It is expected that ESAP specialists will engage with

africaJUICE for a total of 6–12 months to improve environmental and social systems in line with the risks identified in the IFC appraisal.

With projected growth, the company will employ 3,000 employees by 2018, a net increase of approximately 1,400 employees, and will support an outgrower program targeted to reach 1,000 farmers.

VELOCITY DAIRY

Amount: \$6.9 million

Type of Engagement: Common Equity

Supervising Entity: IFC

Status: Approved June 2013

For more information: <http://ifcext.ifc.org/ifcext/spiwebsite1.nsf/651aeb16abd09c1f8525797d006976ba/407cfde30a11b4f385257b-740068dc4b?OpenDocument>

The proposed investment consists of investing up to €10.6 million (approximate equivalent of US\$13.8 million) in Velocity Dairy Plc (through Velocity Africa Holding B.V.) in support of a greenfield dairy operation in Ethiopia. The GAFSP investment will finance the construction of a modern dairy processing plant with a daily capacity of up to 70,000 liters, including related infrastructure work and procurement of factory machinery and equipment.

Velocity Dairy intends to produce dairy products and fruit juices to be marketed primarily in the local market. With expected growth, the company will employ 750 employees by 2020 and will support an outgrower program that is expected to reach 7,000 farmers in Oromiya. A complementary Advisory Services program for the dairy supply chain is expected to support this project.

The company plans to source raw milk from local dairy farmers, for which a comprehensive extension program will be developed. The program will provide training on proper milking techniques, animal health, pasture management, artificial insemination, veterinarian services, feed and nutrient supplements, and appropriate smallholder-based dairy technologies. Both ultra high temperature (UHT) milk and pasteurized milk will be produced for the local market, with the former to be sold nationally, and the latter focusing on Addis Ababa.

The project is expected to have a significant development impact by supporting food security and safety in Ethiopia and will contribute to the development of a critical value chain, supporting rural economies and improving overall environmental and social impacts for a greenfield project in Ethiopia. Specifically, the project is expected to have significant impact in the following areas:

- 1. Farmer linkages.** Limited and unpredictable purchases of raw milk by existing Ethiopian dairy companies expose dairy farmers to a reduced and volatile flow of income, significantly affecting their ability to sustain themselves and invest further on cattle nutrition, genetics, or other productivity improvements. The proposed project is expected to increase 7,000 farmers' ability to sell their production

through a more frequent and predictable milk-sourcing schedule, which includes milk collection twice a day instead of the existing daily practice. Additional industrial demand is likely to increase domestic milk prices, resulting in additional incomes.

2. Employment. The project is expected to create at least 490 jobs, directly benefiting rural communities, including poverty-afflicted areas of the country. The creation of jobs in rural areas will generate opportunities for subsistence farmers and low-skill workers to move into higher, value-added positions, and benefit from training, which will enhance their workforce mobility and their capacity to take advantage of new opportunities. Job creation will encompass not only the direct employment but also jobs created in downstream

manufacturing, which can be 3-20 times the direct employment according to recent IFC studies. Thus, it is likely that the impact of this project on local employment will exceed the 490 newly created positions within the company.

3. Poverty impact. The project outcomes listed above suggest that the company's expansion is likely to have a strong impact on poverty reduction in an environment where most of the population lives in poverty. This is due to: (1) the impact on farmers' productivity and incomes; (2) the impact on employment of subsistence farmers and low-skilled workers; (3) the impact on local MSMEs that will provide goods and services to the company and its outgrowers.

THE GAMBIA



FOOD AND AGRICULTURE SECTOR DEVELOPMENT PROJECT (FASDEP)

Amount: \$28 million grant

Supervising Entities: African Development Bank (\$26.6 million) and FAO (\$1.4 million)

GAFSP Grant Awarded: May 2012

Status: Under implementation

For more information: www.gafspfund.org/content/gambia

The Gambia has a narrow economic base, relying heavily on agriculture, which provides employment for about 75 percent of the labor force. The sector's performance has declined substantially between 2010 and 2011, contributing 29 percent to the GDP in 2010 and 19 percent in 2011. Despite its potential, yields are low, unpredictable, and highly susceptible to droughts and erratic climate patterns. The sector is basically rain-fed, with only 3 percent of the arable land under irrigation. This means that it is highly susceptible to droughts—in fact, the severe drought in 2011 almost destroyed the sector's gains in a single year.

FASDEP will reduce rural household poverty, food insecurity, and malnutrition through increased agricultural production/productivity and commercialization. The main outputs of the project include increased agricultural productivity and production through: (1) enhanced management of 3,000 ha and the development of an additional 200 ha under tidal irrigation; (2) 155 ha of improved horticultural schemes and 60 ha of school gardens established; (3) 200 fish ponds, 25 small ruminants, and 20 poultry schemes established; (4) 120 agro-business enterprises established and supported, of which 60 percent will be owned by women; (5) 200 km of access roads rehabilitated; and (6) 20 municipal market structures rehabilitated/constructed. Women and youth are the principal beneficiaries for these activities (88 percent).

The total number of beneficiaries of FASDEP is 240,000 people in the targeted regions, comprised of 150,000 women, 60,000 youths, and 30,000 men. This includes 30,000 beneficiary households, representing about 42 percent of total households in the project area and about 20 percent of the population involved in agriculture. In addition, FASDEP will support the School Feeding Program in 101 pre- and elementary schools for an estimated total of 35,000 pupils. FASDEP will also support the development of four regional cereal banks that will be stocked with cereals during emergencies as a strategic approach to national food and nutrition security.

To support the investment interventions, \$1.4 million has been allocated for TA activities developed and managed by the FAO. Specifically, the TA will increase nutritional levels, food security, and incomes of vulnerable populations in the three GAFSP target regions through strengthening technical and organizational capacities of targeted stakeholders. This will be achieved through improving knowledge, skills, and practices that bolster production, commercialization, and market access, and increasing levels of food and nutrition security by improving nutritional practices. Much of the TA capacity development activities will be based on farmer-field school and farmer-business school approaches, working particularly in support of members of smallholder FBOs. The TA will also support reducing risk and vulnerability to disasters on a sustainable basis (such as drought and floods), through improving community resilience and household coping strategies, as well as supporting efforts in establishing a national social protection policy.

The TA is estimated to directly benefit slightly more than 47,000 people living or working in the three target regions and 38,400 children of primary school and early childhood education ages. It is estimated that at least half of all beneficiaries of the TA will be women and youth.

HAITI



SMALL FARMER AGRICULTURE TECHNOLOGY TRANSFER PROJECT (PTTA) AND STRENGTHENING OF AGRICULTURAL PUBLIC SERVICES PROJECT II (RESEPAG II)

Amount: \$35 million grant

Supervising Entity: Inter-American Development Bank (PTTA, \$25 million) and World Bank (RESEPAG II, \$10 million)

GAFSP Grant Awarded: June 2010

Status: Under implementation

For more information: www.gafspfund.org/gafsp/content/haiti

The state of the Haitian economy in the last two decades has been particularly affected by repeated political crises and a series of devastating natural disasters. Agriculture plays a dominant role in the Haitian economy, contributing more than 25 percent of GDP and accounting for approximately 50 percent of overall employment, 66 percent of employment in rural areas, and 75 percent of employment in low-income households. More than 1 million families own mainly small-scale subsistence farms, with an average farm size of less than 1 ha. Haiti imports more than 50 percent of its caloric requirements.

Increasing agriculture production is a key objective of the government's reconstruction efforts after the devastating earthquake in 2010. Agriculture plays a major role in achieving Haiti's food security, economic recovery, and social stability. GAFSP 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). Two NAIP projects receive GAFSP support—\$25 million to the PTTA and \$10 million to RESEPAG II.

GAFSP support for the PTTA, supervised by the Inter-American Development Bank, will contribute to sustainably improving small farmers' agriculture income and food security in the north and northeast departments of Haiti. The PTTA will provide increased farmer access to improved agriculture inputs and technologies while supporting the development of a private agriculture service and input provider network. Approximately 30,000 farmers will be given access to improved agricultural services and investment. The project will also help the Ministry of Agriculture, Natural Resources, and Rural Development (MARNDR) to build capacity for control and regulation of seeds.

RESEPAG II, supervised by the World Bank, will support MARNDR's capacity to increase access to agriculture extension services for smallholder farmers, to provide training on animal and plant health in priority regions, and to provide financial assistance in the case of an agriculture sector emergency. Furthermore, GAFSP financing will allow an increase in the capacity of the public sector to conduct bio-safety analyses in country. These analyses will be possible by investing in necessary equipment and through TA to certify that the national laboratory meets adequate bio-safety levels. RESEPAG II is expected to provide access to improved agriculture information, technologies, inputs, material, and services to 50,000 farmers and increase the extension services provided to farmers and community members by 62,000 client days.

KENYA



FARMER CAPACITY BUILDING IN PARTNERSHIP WITH ECOM COFFEE

Amount: \$617,270

Type of Engagement: Advisory Services Project

Supervising Entity: IFC

Status: Approved in January 2013

All Kenyan coffee is Arabica grown on the rich volcanic soil that is found in the country's highlands. Kenya is the 20th largest producer of coffee in the world, producing more than 680,000 bags in 2011. It represents approximately 4.5 percent of all Kenyan exports and employs more than 6 million people. In spite of impressive statistics, Kenya's coffee production has declined, falling more than 60 percent since 1995. This decline is attributed to reduced agricultural extension systems and decreased public sector support for material inputs, such as seeds and fertilizers. There has been a significant decrease in productivity, with

Kenyan growers currently averaging only 2 kilograms or less (cherry) per bush where yields of 5 kilograms per bush are achievable. Seventy-five percent of Kenya's coffee is produced by smallholders, most with only 0.3–0.5 ha, so low productivity and an inability to comply with standards results in lower incomes for people already living on the edge of poverty.

International coffee traders, such as IFC investment client Ecom, have noted the issues facing small coffee growers in their supply chain in Kenya and have requested IFC's support to help confront those challenges. With GAFSP funds, IFC now supports capacity building of farmers in the coffee sector in Kenya by offering training on practices to improve productivity, aligning practices to meet international coffee standards, and supporting farmer cooperatives to become "bankable," thereby financing their farmers. The goal is to increase incomes of coffee farmers.

The project is expected to reach 9,000 farmers and raise their yield per bush to 4–5 kilograms of cherry, resulting in an additional 120 kilograms of beans and an increase in gross income from less than \$200 to \$475 for a typical grower. The project also supports growers'

compliance with recognized industry standards as a means to increase income by 5–25 percent, while strengthening the coffee cooperatives' capacity to access finance from financial institutions.

KYRGYZ REPUBLIC



AGRICULTURAL PRODUCTIVITY AND NUTRITION IMPROVEMENT PROJECT (APNIP)

Amount: \$16.5 million grant

Supervising Entity: World Bank

GAFSP Grant Awarded: May 2012

Status: Under preparation

For more information: <http://www.gafspfund.org/content/kyrgyz-republic>

During the past three years, the Kyrgyz Republic has seen dramatic developments. In April 2010, the government was overthrown, which was followed by an outbreak of ethnically motivated violence in June 2010 in the southern region of the country. Following parliamentary elections in October 2010 and presidential elections in spring 2012, the government has worked towards providing a stable policy and governance environment. With an estimated per capita GDP of \$886 in 2010, Kyrgyz Republic is one of the poorest economies in Central Asia. Approximately one-third of households are food insecure, with 20–22 percent facing severe food insecurity and 12–15 percent facing moderate food insecurity. The agriculture sector generates about one-quarter of the country's GDP and about one-third of employment and is driven by small-scale irrigated agriculture (1.3 million ha) and pasture-based livestock production (9 million ha). More than half of rural households are dependent, to some extent, on crop and livestock sales from which they earn more than one-third of their income. Irrigated agriculture has a major influence on rural household incomes

and, consequently, on food security. Crop yields, which are strongly influenced by access to irrigation, have remained stagnant or declined on average.

APNIP's objective is to increase the agricultural productivity and food security of rural households in selected areas nationwide. This will be achieved through: (1) rehabilitation of irrigation and drainage (I&D) infrastructure, (2) improvements to irrigation service delivery at on-farm level, (3) improved water management by water users associations (WUAs) and farmers, (4) provision of agricultural advisory services and training, and (5) the scaling up of key nutrition interventions. It is expected that around 22,000 ha of on-farm I&D systems will be rehabilitated and managed in an efficient manner by 16 WUAs. This represents about 16,000 smallholder farms and farming families, comprising approximately 72,000 people. More than half of these farms irrigate less than 1 ha of land, and 20 percent are female-headed households. About 50 percent of these smallholder farmers and farming families, including women, will benefit from advisory services and training. These farming families will also receive agricultural extension services for improved crop production. Nutrition interventions will benefit about 130,000 people in the villages where the WUAs are located. Families, particularly women and children, will benefit from nutrition interventions, which will include community-level nutrition awareness programs and improved domestic gardening on household plots to increase dietary diversification. The project is expected to begin implementation by early 2014.

LIBERIA



SMALLHOLDER AGRICULTURAL PRODUCTIVITY ENHANCEMENT AND COMMERCIALIZATION PROJECT (SAPEC)

Amount: \$46.5 million grant

Supervising Entity: African Development Bank

GAFSP Grant Awarded: May 2012

Status: Under implementation

For more information: www.gafspfund.org/gafsp/content/liberia

A recent national accounts estimate (2010) puts Liberia's gross national income per capita at \$240, making it one of the poorest countries in the world, with 84 percent of the population living on less than \$1.25 a day. Agriculture accounts for 61 percent of GDP, and approximately 70 percent of Liberia's active workforce depends on agriculture for survival. The 14-year civil war severely damaged the nation's agriculture sector. Productivity plummeted as people fled their homes, and agricultural value chains were left under-developed. Although agricultural production has increased in recent years, yields remain below the regional average, and food insecurity is high. Productivity has been damaged by a lack of quality inputs (seeds, tools), pest infestations, damaged irrigation and drainage systems, and limited capacity in post-harvest processing, especially among small farmers.

The government designed SAPEC to hasten the transformation of Liberia's agriculture sector, which is dominated by traditional subsistence farming systems characterized by labor-intensive shifting cultivation and low technologies that result in low productivity. GAFSP funds will provide a critical funding gap to help SAPEC meet its goal to reduce rural poverty and household food insecurity by increasing, on a sustainable basis, the income of smallholder farmers and rural entrepreneurs, particularly women, youth, and the physically challenged. In particular, GAFSP will help improve technologies for rice, cassava, and vegetables; develop new irrigation and drainage systems; and support efforts to rehabilitate feeder roads, storage facilities, and processing equipment. The project will increase the productivity of 4,000 ha and 1,000 ha of uplands dedicated to cassava and rice cultivation, respectively. The project will also make more land and water available for cropping, with the rehabilitation of 1,000 ha of community-owned lowland in the four rice-producing counties. In addition, SAPEC will rehabilitate 270 km of all-weather feeder roads and 12 market centers, construct nine agribusiness centers, and refurbish three technology transfer centers. GAFSP will also support strengthening institutional capacity in the agricultural sector.

Upon completion of the program, an estimated 25,000 households (125,000 people), of which 60 percent are women, will benefit from this intervention. SAPEC is expected to: (1) reduce beneficiaries' poverty rate from 68 percent to 55 percent; (2) reduce the rate of rural population below the minimum level of dietary energy consumption from 46 percent to 38 percent; (3) increase household income by 300 percent; and (4) increase the annual production of rice, cassava, and vegetables by 110 percent, 287 percent, and 28 percent, respectively.

ADVISORY PROJECTS: ROUNDTABLE ON SUSTAINABLE PALM OIL (RSPO)

Amount: \$560,000

Type of Engagement: Advisory Services Project

Supervising Entity: IFC

Status: Approved in April 2013

Despite its favorable agricultural climate for palm oil, Liberia is a net importer of palm oil, importing 12,000 tons (19 percent of domestic consumption). Domestic demand is set to grow to 100,000 tons in the next five years, driven by post-war recovery of incomes and a growing population. Relative proximity to the European market also offers an export opportunity, as global demand for palm oil continue to rise.

Smallholders are an important part of the palm oil supply chain. Small-scale farms (average plantation size of 1–2.5 ha) dominate Liberia's palm oil sector, and large operators entering the market are engaging in outgrower schemes. Development of the palm oil sector provides an opportunity to benefit smallholders through potential access to markets, improved productivity, and increased incomes. The RSPO was developed a decade ago to confront the growing concern about expanding plantations leading to deforestation. RSPO criterion 7.3, in particular, was developed to address this challenge by prohibiting expansion in high-conservation value areas. RSPO-certified plantations must comply with this criterion. In the same context of sustainable land use, it is important to note that oil palm is an efficient producer of oil. If the demand for vegetable oil is to be met, certified palm oil can play an important role, and alternatives require more land.

GAFSP supports the RSPO Liberia project to make palm oil production in Liberia more sustainable and efficient. This will be achieved through the following three project activities: (1) multi-stakeholder national interpretation of the RSPO's principals and criteria, (2) development and dissemination of guidance tools for smallholders, and (3) value-chain analysis of the palm oil sector. IFC is reviewing several palm oil companies working in Liberia as potential GAFSP investment clients.

The project is expected to have the following results by June 2015:

- The National Interpretation for RSPO Liberia will be endorsed by RSPO headquarters.
- Relevant stakeholders, such as members of the oil palm industry, NGOs, and government, will be made aware of the RSPO and the National Interpretation.
- Support will be provided to smallholders to apply the RSPO's requirements.

MALAWI



SMALLHOLDER IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)

Amount: \$39.6 million grant

Supervising Entity: African Development Bank

GAFSP Grant Awarded: May 2012

Project Status: Awaiting first disbursement (expected in September 2013)

For more information: www.gafspfund.org/gafsp/content/malawi

Malawi is a small country with one of the lowest per capita incomes in the world. In 2011, Malawi's Gross National Income per capita was \$340. With a population of 14.9 million, it is also one of the world's most densely populated countries. Malawi regularly suffers from droughts and floods. Its production and export structure is not diversified. Despite improvements in its food security, the country still experiences frequent food shortages, especially in the south. With the majority of the poor living in rural areas, rural growth through agricultural transformation is critical as Malawi strives to reduce the number of people who live in absolute poverty. Agriculture is the backbone of Malawi's economy and the main source of growth and exports, accounting for about 85 percent of employment and about 80 percent of foreign exchange. Smallholders are responsible for more than 80 percent of Malawi's agricultural production, but they primarily engage in subsistence farming. Their reliance on rain leaves them vulnerable to bad weather, and investment in productivity enhancements is minimal.

Transformation and modernization of smallholder agriculture is at the core of SIVAP. GAFSP support for the promotion of irrigated rice and horticulture production, as well as crop diversification and value chain development for selected commodities, will help address Malawi's critical agricultural challenges. In particular, the GAFSP grant will finance the development of sustainable land and water management by providing irrigation for 2,050 ha and rehabilitating irrigation on 1,295 ha. This support will contribute significantly to increasing agricultural productivity and production through increased water-use efficiency and expansion of land under irrigation for cultivation of both food and cash crops. It will also help to mitigate the negative climate change effects in the targeted districts of Karonga and Salima. GAFSP will also support the implementation of programs to address institutional and capacity constraints by providing capacity building of locally based farmer organizations, WUAs, and farmer cooperatives, production technologies, nutrition, agribusiness, and environmental management. The farmers, 50 percent of whom are female, will be given appropriate training on the best farming practices, including timing and planting/harvesting techniques, to maximize crop potential.

Staffing for the project is in progress and field activities are likely to be fully operational in September 2013. The project is expected to directly benefit 70,100 farm families (420,000 people), of whom 50 percent are women. The project will also indirectly benefit about 436,600 people (at least 218,300 women) consisting of suppliers, casual laborers, millers, transporters, rural youth, women, smallholder farmers, traders, and agro-processors.

MONGOLIA



LIVESTOCK AND AGRICULTURAL MARKETING PROJECT (LAMP)

Amount: \$12.5 million grant

Supervising Entity: World Bank (\$11 million) and FAO (\$1.5 million)

GAFSP Grant Awarded: November 2010

Project Status: World Bank under preparation and FAO under implementation

For more information: www.gafspfund.org/gafsp/content/mongolia

Mongolia is a landlocked, sparsely populated country with a population of around 2.9 million people. Only 1 percent of Mongolia's arable land is cultivated with crops, and much of its area is covered by arid and unproductive steppes, with mountains to the north and west and the Gobi Desert to the south. The country is also subject to occasional harsh climatic conditions known as dzud. The country's high altitude, extreme fluctuation in temperature, long winters, and low precipitation provides

limited potential for agricultural development. However, the agriculture and rural development sector contributes significantly to the Mongolian economy and is critical to achieving sustained economic growth and poverty reduction. It is estimated that the agriculture sector provides 20.6 percent of Mongolia's annual GDP and provides about 43 percent of the employment (7 out of 10 jobs in the sector are from livestock activities).

GAFSP funding fills a critical gap in developing a livestock sector that is adaptable to the changing climatic and social conditions. It also creates an environment in which the sector is economically and sustainably viable and competitive in the market economy. In addition, GAFSP funds provide a safe and healthy food supply to the population. Specifically, GAFSP funds LAMP, which will improve rural livelihoods and food security amongst herder households by increasing and improving the quality of livestock production and improving livestock marketing and value added, thus raising herder households' income potential.

GAFSP also provides TA for establishing effective program management and monitoring mechanisms integrated in the existing structure's governments. FAO, as the supervising entity of the TA to LAMP, focuses on developing the human and organizational capacity in animal health control, breed improvement, feeding and nutrition, value-adding to livestock products (meat, fiber, dairy), and horticulture production. The TA project preparation began in June 2012 and became effective

in January 2013 when all of the basic office structures for operations of the TA and LAMP project implementation unit were in place. By mid-2013, fieldwork to target areas was completed, and all technical guidelines were drafted in readiness for the start of LAMP. Overall, GAFSP's intervention is expected to benefit 8,100 households.

NEPAL



AGRICULTURE AND FOOD SECURITY PROJECT (AFSP)

Amount: \$46.5 million grant

Supervising Entity: World Bank

GAFSP Grant Awarded: June 2011

Project Status: Under implementation

For more information: www.gafspfund.org/gafsp/content/nepal

Agriculture contributes more than one-third of Nepal's GDP, but 14 percent of the population is food insecure. Limited arable land and limited access to market infrastructure have made some regions particularly food insecure. Malnutrition levels in Nepal are alarming. An estimated 39 percent of children under the age of five are underweight, and 49 percent suffer from stunting. Maternal under-nutrition is also a major challenge in Nepal. Given that Nepal's poorest households spend more than 75 percent of their income on food, high food prices will worsen Nepal's food insecurity problem and will erode any recent gains made in poverty alleviation.

Through the AFSP, the government of Nepal has made a commitment to enhance household food security in the country's poorest and most food-insecure western regions. The project aims to increase agricultural productivity (both crop and livestock) and raise awareness of health and nutrition. The project will invest in specific nutrition programs to help promote behavior change through community-based nutrition programs, improve dietary intake by promoting diversified diets, and improve feeding and caring practices for pregnant and nursing women and children. The project will also support nutrition-sensitive agricultural activities. These activities include the generation and adaptation of technology that will increase yields and production intensities of nutritious crops and fish for project farmers. The project also aims to enable farmers to sustainably improve agricultural production and management practices. The project became effective on April 30, 2013, and project implementation is underway.

The project is expected to benefit 82,500 crop and livestock farmers, 35,000 women engaged in household/kitchen-garden production, and 45,000 households with pregnant and nursing women.

NEPAL POULTRY SECTOR SUPPORT

Amount: \$70,000

Type of Engagement: Advisory Services Project

Supervising Entity: IFC

Project Status: Approved in March 2013

The poultry sector in Nepal is worth \$240 million and employs an estimated 70,000 people. An IFC review of the sector highlighted that the current inefficiency in the industry is calculated to be \$32 million if Nepal's performance is compared to an achievable international benchmark performance on broiler livability and feed conversion ratio (FCR). Most inefficiencies in the industry exist in the broiler outgrower sector, which is dominated by small and medium enterprises (500–3,000 birds) that do not have any formal training on farm management and cannot sustain profitably. Broiler farmers rely heavily on the quality and cost of day old chicks and feed, which represent 90 percent of their costs. The quality and cost of these two inputs are critical prerequisites of any engagement with broiler growers. Bio-security and disease management throughout the industry is also critical to its sustainability. Currently, government-provided veterinarians have no role in the sector, and while some large hatcheries and feed suppliers have technical teams to provide services, there are not enough adequately trained technical teams.

In 2010, IFC initiated a project to assist three poultry companies and 3,000 poultry farmers to improve feed, day old chick quality, and grower performance to reduce mortality and subsequently increase farmers' income. GAFSP support was requested to extend the project and to train an additional 1,000 female farmers using a gender-sensitive training methodology.

Upon completion, the project aims to: (1) provide fee-based training to 3,000 poultry growers on farm management and bio-security, (2) facilitate productivity improvement by reducing FCR by 0.2 (baseline 2.2), (3) increase broiler livability by 3 percent (baseline 90 percent), and (4) increase broiler sales revenue of small- and medium-enterprise poultry farms by 15 percent.

NIGER



WATER MOBILISATION PROJECT TO ENHANCE FOOD SECURITY IN MARADI, TAHOUA, AND ZINDER REGIONS (PMERSA-MTZ)

Amount: \$33 million grant

Supervising Entity: African Development Bank

GAFSP Grant Awarded: November 2010

Project Status: Under implementation

For more information: www.gafspfund.org/gafsp/content/niger

Niger, a landlocked country, is the largest nation in West Africa. Eighty percent of Niger is covered by the Sahara desert, and only about 12 percent of its land is arable. Much of the non-desert portions of the country are threatened by periodic drought and desertification. Niger has consistently been named as one of the lowest-ranked countries in the world (186th of 186 countries in 2012) according to the United Nations' Human Development Index (HDI), with a GDP per capita of \$680 (adjusted by purchasing power parity), which is one of the lowest in Africa. The Nigerien economy is dominated by agriculture, which accounts for 43 percent of GDP, with about 80 percent of the population depending on rain-fed agriculture and livestock. As a landlocked country more than 1,000 km away from the nearest seaport, its exports and imports also face high transport costs. Niger's high

vulnerability to droughts and other crop failures regularly leave a high share of the population's food insecure. Furthermore, the country's vulnerability to frequent weather shocks and its fragile ecosystems has led farmers to cultivate marginal lands that are particularly sensitive to erosion and herders to engage in overgrazing, especially around water points and livestock concentration areas.

To address these challenges, the government, with GAFSP's support, is focusing on raising and safeguarding agricultural output through the mobilization of surface and ground water. These efforts focus on the most vulnerable areas through the PMERSA-MTZ.

To date, bids for the construction of 74 village wells, 28 cereal banks, and 25 cattle food shops are underway. It is expected that work will start before the end of 2013. In terms of environmental protection, 762.4 ha of degraded land were recovered, of which 108.2 ha are dunes. A total of 419 ha of grazing land have been treated against the proliferation of plants that are not palatable for animals. The project completed the construction of two pools in Maradi and Tahoua. The project also aims to improve income-generating activities for women and youth through the acquisition and installation of small equipment for processing and for preservation of agro-pastoral products for small business and livestock activity.

PAKISTAN



DAIRY SECTOR SUPPORT TO REACH TRADITIONAL AND SMALLHOLD DAIRY FARMERS⁷

Amount: \$800,900

Type of Engagement: Advisory Services Project

Supervising Entity: IFC

Project Status: Approved in April 2013

Pakistan is the fifth largest milk-producing country in the world with an estimated 8 million farming households. Around 96 percent of milk is sold in the informal sector in unhygienic conditions without any quality standards. Traditional farms with 1–10 animals represent 97 percent of all dairy farms and account for 80 percent of the milk supply, while commercial farms with 11–250-plus cows represent only 3 percent of all dairy farms and account for 20 percent of milk production. Considering the high potential for growth, major dairy processors in Pakistan are now focusing their development efforts on commercializing farms, aiming to improve quality and at least double their supply of milk within the next five years. However, commercial dairy farms in Pakistan are not globally competitive for the following reasons:

- Infrastructure (logistics, services, scientific research support for the industry, operating expertise) is considerably dated with little investment.
- Input suppliers and services providers are not able to support the commercialization of traditional and small farms.
- Poor farm management practices and limited farmer access to knowledge, inputs, services, and financial resources exist, and 70 percent of the population live in rural areas and produce milk mainly to feed their families rather than for commercial purposes.

GAFSP supports the Pakistan Dairy Advisory Project to increase the quantity and quality of milk supply. This will be achieved in partnership with large dairy processors in Pakistan through improving farmers' access to knowledge, providing technical support for implementing recommended practices, increasing access to finance, and enhancing sustainability practices. The project will establish a dairy farm commercialization facility (DFCF) comprising a pool of expertise that will focus on supporting the upgrading of existing traditional and small dairy farms to become commercial farms.

7. At the Private Sector Window Donor Committee held on June 20, 2012, members agreed that the Private Sector Window Donor Committee would consider projects in IDA-blend countries (IDA-eligible but also creditworthy for some IBRD borrowing), such as Pakistan, on a case-by-case basis.

The project is expected to achieve the following results: (1) reach 800 traditional, small, and medium dairy farmers; (2) provide technical support to 280 traditional, small and medium dairy farmers on best practices in animal husbandry, hygiene, and technical dairy farming; (3) help the selected farms gain access to finance for scaling up and

expanding operations, resulting in a total increase of milk supply by 15 million liters and an increase in farmers' overall income by \$6.7 million; and (4) support the expansion and development of existing dairy farms by facilitating up to \$14 million in loans to be disbursed to the dairy farms.

RWANDA



LAND HUSBANDRY, WATER HARVESTING, AND HILLSIDE IRRIGATION PROJECT (LWH)

Amount: \$50 million grant

Supervising Entity: World Bank

GAFSP Grant Awarded: June 2010

Project Status: Under implementation

For more information: www.gafspfund.org/gafsp/content/rwanda

With a population of more than 10 million people, Rwanda is one of the world's most densely populated, landlocked countries. It is also one of the poorest, with more than one-third of all Rwandans living in extreme poverty, earning less than \$0.30 per day. Agriculture contributes about 39 percent to the national GDP, generates about 63 percent of export revenues, and provides full or partial employment for 80 percent of the working population. However, Rwanda faces a situation of land scarcity, and soil fertility has deteriorated dramatically over time. Fertility loss is compounded because almost 90 percent of arable land is on slopes of 5–55 percent that require careful land husbandry. On more than half of these slopes, torrential rains cause erosion and the subsequent flooding and silting of valley bottoms.

Since almost all of Rwanda's poor depend on agriculture to generate income, scaling up agricultural intensification and commercialization will be the quickest way to get significant numbers of people out of poverty. Also, given its high dependency on rain-fed agriculture, irrigation and water management are critical to reducing the sector's

vulnerability to climatic variation and to aligning the right incentives for intensification. GAFSP supports the government's LWH project. The project became effective in June 2010 with \$50 million from GAFSP, \$34 million in IDA financing, \$7.8 million from the Canadian International Development Agency (CIDA), and up to \$14 million (\$10 million to date) from USAID. Total project financing is \$105.8 million.

As of May 2013, 7,900 ha (61 percent of project target) of land had been protected against erosion using various types of land husbandry practices (terraces, soil bunds, nutrient management, grass strips, and tree planting). LWH has also launched irrigation works covering 694 ha, and tenders for an additional 732 ha of irrigation works were launched in August 2013. The project expects to reach 100,000 farmers, having already reached 92,381 beneficiaries (of which 45,417 are women).

The project also launched a nutrition-awareness campaign in collaboration with the Ministry of Health that trained 678 lead farmers in nutrition and educated them on how to improve their diets to reduce or prevent malnutrition. LWH also promoted kitchen gardens through demonstration plots and trained communities in the construction and management of kitchen gardens that are improving access to nutrition-rich vegetables. During the last season, a total of 1,786 ha of bio-fortified beans were planted, benefiting about 5,866 households. Additionally, plans for 3,700 ha of land husbandry in hillsides are planned for the current fiscal year. Yields of maize, beans, and Irish potato in treated areas are 30 percent, 167 percent, and 219 percent, respectively, above their national average.

SENEGAL



FOOD SECURITY SUPPORT PROJECT IN THE LOUGA, MATAM, AND KAFFRINE (PASA LOU/MA/KAF)

Amount: \$40 million grant

Supervising Entity: African Development Bank

GAFSP Grant Awarded: May 2012

Status: Expected to begin implementation in September 2013

For more information: www.gafspfund.org/gafsp/content/senegal

Senegal has an estimated population of about 13.7 million, of which 47 percent lives below the poverty line. Most of Senegal lies within the drought-prone Sahel region, which has irregular rainfall, generally poor soil, and only about 5 percent of irrigated land. Senegal continues to rely on rain-fed agriculture, which occupies about 77 percent of the workforce. The agricultural sector is vital to Senegal's economic growth, accounting for about 17.8 percent of GDP in 2011.

The GAFSP intervention is strategically aligned with the National Agricultural Investment Plan (NAIP) to increase food production and availability at the national level. In particular, GAFSP will contribute to the sustainable growth of plant and animal production and to improving incomes of small farmers and women in Louga, Matam, and Kaffrine. Implementation of activities is expected to begin in September 2013. The project's priority targets will be small producers (men and women) living in the three project intervention regions, with particular focus on the Louga and Kaffrine regions. In total, the project will directly impact more than 30,000 farmers and livestock breeders, of which 13,000 are women and 5,000 are children. In the Kaffrine and Louga regions, 14,000 producers will benefit from facilities built in the valleys, of which 2,000 women and children will be settled in 36 equipped, modern farms. About 14,000 livestock breeders in the sylvo-pastoral zone will be organized and supported within pastoral units that will be created or revitalized. In addition, the living conditions of an estimated 390,000 people from the neighboring villages will be improved as a result of greater availability of food and access to roads and drinking water points.

GLOBAL WAREHOUSE FINANCE PROGRAM WITH BANQUE INTERNATIONALE POUR LE COMMERCE ET L'INDUSTRIE DU SENEGAL (BICIS)

Amount: \$6.02 million

Type of Engagement: Risk Sharing Facility (\$6 million) and Advisory Services Project (\$20,000)

Supervising Entity: IFC

Project Status: Approved June 2013

For more information: www.ifc.org/wps/wcm/connect/Industry_EXT.../GWFP/

BICIS, Senegal's fourth largest bank, is the first project under the GWFP to receive investment and AS support from GAFSP Private Sector Window funding. It will benefit importers of food crops with positive impact on food availability and exporters of cash crops, which will support the livelihood of many small farmers who produce these crops.

The project will promote commodity-backed lending among local banks and will finance more working capital to farmers, input suppliers, processors, traders, and other participants along commodity supply chains. Since the agriculture sector is an important driving force of Senegal's economy, improved availability of credit to the agriculture sector will support growth, promote employment, and generate higher incomes in this sector.

In addition, through this project, IFC will have the opportunity to disseminate best practices in commodity financing to a relatively small bank in Sub-Saharan Africa and potentially to other similar banks, which will launch similar products in the future. IFC and GAFSP will assume up to 50 percent of the risk of BICIS' commodity-backed finance portfolio and will include mutually pre-selected agribusiness companies in Senegal.

GAFSP supports an AS project with BICIS that focuses on building the bank's capacity for warehouse finance operations. GAFSP has funded the initial diagnostic to determine the final AS activities.

SIERRA LEONE



SMALLHOLDER COMMERCIALIZATION PROGRAM (SCP)

Amount: \$50 million grant

Supervising Entity: International Fund for Agricultural Development

GAFSP Grant Awarded: June 2010

Project Status: Under implementation

For more information: www.gafspfund.org/content/sierra-leone

The eleven years of civil conflict in Sierra Leone had a devastating social and economic impact on the country. As a result of the civil war, rice production declined by an estimated 40 percent, more than 90 percent of the country's cattle were either killed or transferred to neighboring countries, and fishery production declined by an estimated 50 percent. The result has been the spread of poverty, unemployment, and malnutrition, an increased dependency on food imports, and expanded foreign debt. On average, 66 percent of the population lives below the poverty line, and 21 percent of children under the age of five are malnourished. But Sierra Leone has begun to rebound since 2010, and the agriculture sector, which accounts for 58 percent of GDP, has been identified as one of the key drivers of growth required to sustain socio-economic growth.

The government developed the SCP as part of the National Sustainable Agriculture Development Plan (NSADP). The SCP is a flagship sector program aimed at empowering the 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. SCP focuses on the intensification, diversification, and commercialization of smallholder agriculture through improving value-addition and access to marketing. The program aims to reduce the gap between national rice production and demand (representing 70,000 metric tons) and increase farm incomes by 10 percent for 100,000 farm households.

As of May 30, 2013, the project had disbursed \$15.8 million, accounting for 32 percent of the total project budget. It has supported 281 farmer field schools and FBOs and 150 agricultural business center models to improve the business model and ensure sustainability (43 percent of target). Implementation of the SCP has resulted in an increase in the production of both food and cash crops. For example, production of paddy rice has increased to 1,038 metric tons from 588 metric tons. Milled rice has increased to more than 620 metric tons from 350 metric tons. Production of other food crops, such as cassava, sweet potatoes, poultry, small ruminants, and traditional cash crops (cocoa and coffee) has also significantly improved. SCP has also identified 2,000 ha of coffee or cocoa rehabilitation to be implemented in 2013, and a feasibility study is also ongoing for supporting other tree crop rehabilitation, such as cashew, citrus, banana, plantain and bamboo.

ROUNDTABLE ON SUSTAINABLE PALM OIL (RSPO) SIERRA LEONE

Amount: \$536,000

Type of Engagement: Advisory Services Project

Supervising Entity: IFC

Project Status: Approved in April 2013

Smallholders are an important part of the palm oil supply chain. Small-scale farms (average plantation is 1–2.5 ha) dominate the palm oil sector in Sierra Leone, and large operators entering the market are engaging in outgrower schemes. It is reported that mills will be sourcing more than 80 percent of their fresh fruit bunches from smallholders. Development of the palm oil sector provides an opportunity to benefit smallholders through potential access to markets, increased productivity, and incomes.

The RSPO was developed a decade ago to confront the growing concern about the deforestation resulting from the expansion of plantations. RSPO 7.3, in particular, was developed to address this by prohibiting expansion in high-conservation value areas. RSPO-certified plantations must comply with this criterion. In the same context of sustainable land use, it is important to note that oil palm is an efficient producer of oil. If the demand for vegetable oil is to be met, certified palm oil can play an important role, and alternatives require more land.

GAFSP supports the RSPO Sierra Leone project to make palm oil production in Liberia more sustainable and efficient. This will be achieved through the following three project activities: (1) multi-stakeholder national interpretation of the RSPO Principals and Criteria, (2) development and dissemination of guidance tools for smallholders, and (3) value-chain analysis of the palm oil sector. IFC is reviewing several palm oil companies working in Sierra Leone as potential GAFSP investment clients.

The project is expected to have the following results by June 2015:

- The National Interpretation for RSPO Sierra Leone will be endorsed by RSPO headquarters.
- Relevant stakeholders, such as members of the oil palm industry, NGOs, and government officials, will be informed about the RSPO and the National Interpretation.
- Support will be provided to smallholders to apply RSPO requirements.

TAJIKISTAN



PUBLIC EMPLOYMENT FOR SUSTAINABLE AGRICULTURE AND WATER RESOURCES MANAGEMENT II (PAMP II)

Amount: \$27.9 million grant

Supervising Entity: World Bank

GAFSP Grant Awarded: June 2011

Status: Under implementation

For more information: www.gafspfund.org/gafsp/content/tajikistan

Tajikistan is the smallest and poorest of the Central Asian economies, with a population of 7.6 million, of which 46 percent live below the poverty line. Of the 4.1 million hectares of agricultural land, only 720,000 ha are irrigated, but only 515,000 ha are currently used due to deterioration of the irrigation and drainage infrastructure, waterlogging, and salinization. Agriculture has a major influence on the entire economy, contributing 21 percent of GDP and providing 64 percent of employment for people in rural areas.

GAFSP supports PAMP II to respond to the need for further rehabilitation of the country's irrigation and drainage infrastructure and

to expand on the achievements of PAMP. PAMP II is rehabilitating the irrigation and drainage infrastructure in twelve target districts that are characterized by high levels of food insecurity, but demonstrate good agricultural potential. GAFSP also supports ongoing institutional and policy reform in water resources management. Around 20 new WUAs will be established. Capacity building will be provided to the WUAs, as well as to 33 already-existing WUAs in the project areas. In addition, the project will work closely with the USAID Family Farming Program (FFP), wherein FFP will establish about 42 WUAs, while PAMP II will finance the rehabilitation of the associated irrigation and drainage systems. It is expected that the project will directly benefit an estimated 22,000 people through the provision of temporary work only. The rehabilitation of irrigation and drainage infrastructure will improve access to irrigation for about 190,000 ha of land and will benefit 750,000 residents in all target districts. To date, almost all planned preparatory works have been completed, and an agreement in unifying approaches in reorganizing existing WUAs and establishing new WUAs has been reached.

TANZANIA



EXPANDING RICE PRODUCTION PROJECT

Amount: \$22.9 million grant

Supervising Entity: World Bank

GAFSP Grant Awarded: May 2012

Status: Under preparation

For more information: www.gafspfund.org/content/tanzania

Approximately 20 million people, or about 73 percent of Tanzania's total population, live in rural households, and these households constitute 80 percent of the country's poor. Agriculture accounts for 27 percent of Tanzania's GDP, and about 80 percent of Tanzanian households depend on agriculture as their primary economic activity. Despite the country's impressive macroeconomic performance, little reduction has been achieved in rural poverty. The continuing expansion of crop area has allowed Tanzania to become mostly self-sufficient in basic food production, however, productivity growth remains limited. Crop yields must increase if the country is to achieve sustained food security and income growth.

Tanzania has placed particular priority on expanding rice production, because this is the second most important cereal grain on the mainland and the most commonly consumed grain in Zanzibar. Productivity

gains can be achieved by expanding irrigated area and improving the quality of irrigated crop management. For example, in 2011/12, Tanzania produced less than 1,000 tons of rice seed or enough to plant less than 2 percent of the national area. Projects such as the East Africa Agricultural Productivity Program (EAAPP) have supported demonstration trials and the improvement of seed processing and seed testing facilities. But complementary assistance is needed from GAFSP in order to ensure that improved seed gets to farmers and is sown with improvements in crop management.

The Expanding Rice Production Project will increase rice produced and marketed in the Morogoro Region of the mainland and in Zanzibar, leading to improved rural incomes and food security. This will be achieved through activities related to: (1) sustainable seed systems, (2) improving crop productivity through better irrigation and crop management, (3) innovative marketing strategies, and (4) project management, monitoring, and evaluation. The project supports the government's "Big Results Now" commitment for the Tanzania mainland to expand rice production through support for irrigation schemes. This will include efforts to manage the irrigation scheme as a block, facilitate bulk purchase of inputs, and coordinate crop sales through a warehousing program. The project is expected to begin implementation by spring 2014.

TOGO



AGRICULTURAL DEVELOPMENT SUPPORT PROJECT (PADAT) AND AGRICULTURAL SECTOR SUPPORT PROJECT (PASA)

Amount: \$39 million

Supervising Entity: International Fund for Agricultural Development (PADAT, \$20 million) and World Bank (PASA, \$19 million)

GAFSP Grant Awarded: June 2010

Project Status: Under implementation

For more information: www.gafspfund.org/gafsp/content/Togo

Togo is one of the smallest countries in Africa, covering an area of approximately 57,000 square km with a population of about 6.6 million. Togo remains a poor country, ranking 159th out of 186, according to the 2013 HDI. About 62 percent of the population lives below the national poverty line, with poverty higher in rural areas. Togo is a tropical sub-Saharan nation, highly dependent on agriculture with a climate that provides good growing seasons. Agriculture is among Togo's key economic engines. The sector bears the greatest potential to directly increase the income of the poor and is expected to have a strong effect on poverty reduction. The sector employs two-thirds of the population and accounts for about 38 percent of GDP. Economic studies show that agriculture will remain the main source of growth and employment for the foreseeable future.

The government's long-term vision of agriculture and rural development is to maintain an agricultural sector that contributes to sustainable food security and growth and will halve poverty, hunger, and malnutrition by 2015 and create jobs, especially for the youth. The National Agricultural Investment and Food Security Program's (PNIASA) strategic approach

for development of the agricultural sector emphasizes improving crop, livestock, and fisheries production and processing. Within this overall program, GAFSP financing supports two projects: PADAT and PASA. PADAT, supervised by IFAD, will contribute to improving food security and the incomes of smallholder farmers as well as the promotion and the development of the value chains of rice, maize, and cassava. It will also improve the development of rural infrastructures including rural roads and food processing equipment. PADAT has distributed "quick-start kits" to more than 53,000 farmers. These kits supply improved inputs, such as seeds and fertilizers, for the development of 0.5 ha of corn and 0.25 ha of rice. As of May 31, 2013, 7,875 tons of maize and 1,250 tons of rice had been produced as a result of the project's support. The project has disbursed 18 percent of funding.

PASA, which is supervised by the World Bank, aims to rehabilitate and reinforce productive capacities across selected value chains and to foster an enabling institutional environment for the development of the agriculture sector. Through GAFSP support, PASA has created eight rural facilities to process rice and other staple crops as part of its support to the Enterprises, Services et Organizations Paysannes (ESOP) to promote postharvest, value-added schemes. The project also regenerated or newly planted 1,176 ha of coffee and cocoa through the provision of adapted TA services and high-quality planting material. To date, the project has affected 3,475 direct beneficiaries through job creation for women and youth by supporting innovative and promising micro projects. PASA has disbursed 11 percent of the GAFSP funding and is also benefiting from Global Food Crisis Response Program funds and IDA financing in support of other activities.

VANUATU



COCONUT OIL PROCESSING SANTO LIMITED (COPSL): SUPPORTING PRIMARY PRODUCTION AND AN INCLUSIVE BUSINESS MODEL

Amount: \$1.5 million

Type of Engagement: Senior Loan

Supervising Entity: IFC

Project Status: Approved June 2013

For more information: <http://ifcext.ifc.org/ifcext/spiwebsite1.nsf/651aeb16abd09c1f8525797d006976ba/1303c3adf0d844f885257b-790050d81c?OpenDocument>

COPSL is a coconut oil processing mill located in Luganville on the island of Espiritu Santo, Vanuatu. COPSL plans to diversify its product range by adding value to its existing products (crude coconut oil and copra meal), including biodiesel, refined bleached deodorized oil, organic coconut oil, organic copra meal, and pelletized copra meal. In order to execute this plan, COPSL requires funding for capital expenditure and working capital.

GAFSP's support to the company will be a \$1.5 million subordinated loan. An additional \$1.5 million will be mobilized from IFC, and \$1.5 million will be secured from the national pension fund. This project supports the largest private sector coconut oil processor and copra buyer in Vanuatu. The copra sector will impact about 40 percent, or about 100,000, of the country's population, 76 percent of whom live in rural areas. The project will improve the long-term sustainability of copra supply, reduce reliance on imported diesel, and increase access to food, household supplies, and fuel in the outer island.

Annex 2: GAFSP GOVERNANCE STRUCTURE

STEERING COMMITTEE MEMBERSHIP (as of June 2013)

CHAIR		
	Australia	Mr. Bob Quiggin
REPRESENTATIVE OF	ORGANIZATION	NAME
I. VOTING MEMBERS		
i. Donors		
Australia	AusAID	Mr. Matt Williams
Bill & Melinda Gates Foundation	-	Mr. Joshua Lozman
	-	Mr. Brantley Browning
Canada	CIDA	Ms. Diane Jacovella
	CIDA	Mr. Michael Gort
Spain	Ministry of Economy and Finance	Ms. Sara Alcaide
	Ministry of Foreign Affairs and Cooperation	Ms. Maria Larrea Loriente
Republic of Korea	Ministry of Strategy and Finance	Mr. Hohyun Jang
	Ministry of Strategy and Finance	Mr. Jangro Lee
United Kingdom	DfID	Mr. Malcolm Ridout (Acting)
	DfID	Mr. Simon Bor
United States	US Treasury	Ms. Marisa Lago
	US Treasury	Mr. Dan Peters
Recipients		
Africa	-	Mr. Ousmane Badiane
Africa	-	Mr. Dunstan S.C. Spencer
East Asia and Pacific	-	Ms. Erdenejargal Tumurbaatar
Europe and Central Asia	-	Mr. Stefan Nanu
Latin America and Caribbean	-	Mr. Jean Robert Chery
Middle East and North Africa	-	Ms. Jeehan Abdul Ghaffar
South Asia	-	Mr. L.K. Atheeq
II. NON-VOTING MEMBERS		
Ireland	Irish Aid	Ms. Cáit Moran
Japan	Ministry of Finance	Mr. Tatsuya Sugiura
	Ministry of Finance	Mr. Hidenori Hashimoto
The Netherlands	Ministry of Foreign Affairs	Mr. Marcel Beukeboom
	Ministry of Foreign Affairs	Mr. Peter LePoole
United Nations	UN Secretary General's Special Representative on Food Security and Nutrition	Mr. David Nabarro
Supervising Entities	ADB	Dr. Lourdes S. Adriano
	ADB	Mr. Samuel Tumiwa

REPRESENTATIVE OF	ORGANIZATION	NAME
Supervising Entities	AfDB	Mr. Abrirahman Beileh
	AfDB	Mr. Dougou Keita
Supervising Entities	FAO	Mr. Laurent Thomas
	FAO	Mr. Guy Evers
Supervising Entities	IDB	Mr. Hector Malarin
	IDB	Ms. Ginya Truitt Nakata
Supervising Entities	IFAD	Mr. Carlos Sere
	IFAD	Mr. Willem Bettink
Supervising Entities	WFP	Mr. Jon Brause
	WFP	Mr. Giammichele DeMaio
Supervising Entities	World Bank	Mr. Juergen Voegele
Northern CSOs	ActionAid International	Ms. Ruchi Tripathi
	ActionAid USA	Ms. Katie Campbell
Southern CSOs (Africa)	ROPPA	Mr. Djibo Bagna
Southern CSOs (Asia)	Farmer and Nature Net, Cambodia	Dr. Sang Naing Koma
	PAKISAMA	Mr. Raul Socrates Banzuela

PRIVATE SECTOR WINDOW DONOR COMMITTEE MEMBERSHIP (AS OF JUNE 2013)

COUNTRY	REPRESENTATIVE	TITLE
Canada	Ms. Isabelle Pouliot-Cotnoir	Economist, Development Policy International Finance and Development Division, International Trade and Finance, Department of Finance
Netherlands	Mr. Marcel Beukeboom, <i>Serving as Chair</i>	Head, Food Security and Financial Sector Division, Department for Sustainable Economic Development, Ministry of Foreign Affairs Serving as Chair of the Donor Committee
United Kingdom	Dr. Kenny Dick	Head, Food and Nutrition Security Team, Policy Division, Department for International Development, DFID
United States	Mr. Daniel Peters	Senior Advisor to the U.S. Executive Director, World Bank Group Board of Executive Directors
	Ms. Shannon Ding	International Economist in the Office of International Debt and Development Policy, U.S. Treasury
Japan	Mr. Go Mukai	Senior Advisor to the Executive Director for Japan, World Bank Group Board of Executive Directors
	Mr. Eusike Inaka	Advisor to the Executive Director for Japan, World Bank Group Board of Executive Directors

PROGRAM MANAGER

Ms. Geeta Sethi (World Bank)

PRIVATE SECTOR WINDOW SECRETARIAT HEAD

Ms. Laura Mecagni (International Finance Corporation)

2013 TECHNICAL ADVISORY COMMITTEE

NAME	TITLE	PROFESSIONAL AFFILIATION
Steven Haggblade (Chair)	Professor of International Development, Department of Agricultural, Food and Resource Economics	Michigan State University
Budry Bayard		Independent Consultant
Derek Byerlee	Member of the Science Council for the Consultative Group on International Agricultural Research; Member of the Steering Committee, High Level Panel of Experts, World Committee on Food Security	Independent Consultant
Glenn Denning	Professor of Professional Practice	School of International and Public Affairs and the Earth Institute, Columbia University
Howard Elliott		Independent Consultant
Adama Faye		Independent Consultant
Sheryl Hendriks	Director, Institute for Food, Nutrition and Well-being	University of Pretoria
Carlota Merchan Meson	Consultant and advisor on food security and nutrition, Directorate-General on Development Policy Planning and Evaluation, Ministry of Foreign Affairs and Cooperation	Independent Consultant
Diana McLean		Independent Consultant Analyst/Advisor, Food Security and Rural Development
Ridley Nelson		Independent Consultant
Sonja Vermeulen	Head of Research for the CGIAR Research Program on Climate Change, Agriculture, and Food Security (CCAFS)	University of Copenhagen

Annex 3: Contributions to GASFP

		COMMITTED AMOUNT (US\$ eq in millions)					RECEIPTS (US\$ eq. in millions)				
		FY10	FY11	FY12	FY13	Total	FY10	FY11	FY12	FY13	Total
Public Sector	Australia	8.4	40.8	49.1	-	98.4	8.4	51.5	10.2	28.2	98.4
	Gates Foundation	30.0	-	-	30.0	60.0	10.0	20.0	-	30.0	60.0
	Canada	177.1	-	-	24.4	201.5	177.1	-	-	24.4	201.5
	Ireland	0.6	-	-	-	0.6	-	0.6	-	-	0.6
	Korea	-	53.9	-	-	53.9	-	2.9	25.9	25.0	53.9
	Spain	-	94.2	-	-	94.2	-	94.2	-	-	94.2
	United Kingdom	-	-	-	20.1	20.1	-	-	-	20.1	20.1
	United States	66.6	99.8	135.0	142.8	444.2	66.6	99.8	135.0	142.8	444.2
	SUBTOTAL	282.8	288.7	184.1	217.2	972.8	262.2	269.1	171.1	270.5	972.8
Private Sector	Canada	-	51.5	-	-	51.5	-	50	1.5	-	51.5
	Japan	-	-	-	30.0	30.0	-	-	-	-	-
	Netherlands	-	-	142.9	-	142.9	-	-	-	76.3	76.3
	United Kingdom	-	-	-	56.7	56.7	-	-	-	28.9	28.9
	United States	-	-	25	-	25.0	-	-	-	25	25.0
		SUBTOTAL	-	51.5	167.9	86.7	306.1	-	49.5	2.0	130.2
	GRAND TOTAL	282.8	340.2	352.0	303.9	1,278.9	262.2	318.6	173.1	400.7	1,154.5

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22-23 – IAPP team

24-25 – Simone D. McCourtie

27 – Bradford Roberts

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34 – Mirella Hernani

35 – Root Capital

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