

Investment Case



“Ending hunger in a world of changing climate is maybe one of the greatest challenges we will face in the 21st century. GAFSP comes with the tools, the flexibility and the expertise we need to do just that.”

— **Dr. Gerd Müller**
German Federal Minister of Economic Cooperation
and Development





TABLE OF CONTENTS

i — iv

Executive Summary

01 — 02

Feeding the Planet: An Urgent Challenge in a Time of Climate Crisis

03 — 06

GAFSP: Ten Years of Impact

07 — 08

How GAFSP is Making a Difference

09 — 12

Success through Inclusion, Participation, and Transparency

13 — 14

Agriculture: More Than Just the Solution to Hunger

15 — 24

Impact beyond Agriculture

25 — 28

GAFSP Replenishment — Meeting the Growing Demand

EXECUTIVE SUMMARY

THE URGENT NEED FOR GLOBAL ACTION ON SDG2

After decades of decline, global hunger has increased for the third year in a row. There are now over 820 million chronically hungry people in the world.¹ At the same time, the diets of almost half of the world's population do not meet even the most basic nutritional needs. This means that progress on Sustainable Development Goal 2 (SDG2) — to end hunger, achieve food security and improved nutrition and promote sustainable agriculture — is actually going in reverse.

This challenge is made both more urgent and more difficult by climate change. Agriculture is both a major contributor of greenhouse gas (GHG) emissions (up to 25 percent²) and is highly susceptible to its effects, with smallholder farmers being hit first and hardest as extreme weather events increase.

Global hunger is on the rise again after decades of decline



GAFSP'S UNIQUE MODEL

The Global Agriculture and Food Security Program (GAFSP) was created in 2010 by the G20, in response to the 2008 food price crisis, to invest in agriculture worldwide as a way to reduce poverty, hunger, and malnutrition, and support resilient and sustainable agriculture systems in low-income countries. In the face of the dual challenges of climate change and food security, GAFSP's mandate is as relevant today as it was a decade ago.

GAFSP's success is critical for reaching SDG2 while respecting planetary boundaries

GAFSP amplifies the impact of development assistance for sustainable agriculture and food systems with the goal of fighting hunger, malnutrition, and poverty. GAFSP's unique model embodies the core principles of aid effectiveness. It is not a delivery agency but a flexible mechanism that channels well-targeted, additional financing through existing multilateral agencies to where it can be most effective.

GAFSP channels funding through existing multilateral agencies

At a global level, GAFSP pools resources from donors, coordinates efforts, and streamlines processes. GAFSP focuses resources on the strongest projects in the poorest (IDA-only) countries. An open competitive process between potential recipients drives up the quality of country-led proposals — to date, only the top third of all proposals have been selected. Because recipients select the multilateral agency that they want to partner with, GAFSP also fosters healthy competition between the multilateral agencies that deliver its financing. GAFSP's standardized results framework, rigorous evaluation, and knowledge exchange are fully aligned with the SDGs and allow all actors to benchmark, compare performance, and strengthen their delivery.

At a country level, GAFSP supports projects that are aligned with national strategic processes and private sector opportunities. Recipients are required to consult extensively with all domestic stakeholders to ensure broad country ownership; civil society representatives from the GAFSP Steering Committee visit programs to ensure that this engagement is deep and genuine. Food production,

processing, and distribution systems are complicated. GAFSP is able to respond to this complexity with a diverse and flexible set of tools (grants, blended finance, technical assistance, and advisory services) that are customized to meet the needs of recipients. This allows funding of public and private actors along the entire value chain from farm to table. GAFSP crowds in additional investment with US\$2.6 of co-financing leveraged for every US\$1 invested in the public sector, and US\$5.3 of private financing leveraged for every US\$1 invested in the private sector.

One of GAFSP's key innovations is its 'Missing Middle Initiative' (MMI) pilot. The MMI channels funding to the co-operatives, producer organizations, and small and medium enterprises (SMEs) that are too often by-passed by development assistance. The MMI also promotes partnerships between more commercial private sector actors and smaller-scale producer organizations. Throughout this investment case there are testimonies from smallholder farmers using GAFSP funding to transform their livelihoods and communities.

GAFSP'S RESULTS SINCE 2009

GAFSP has channeled US\$1.5 billion to fight hunger, malnutrition, and poverty in more than 40 low-income countries with impressive results:

- **10.4 million smallholder farmers and their families** have benefited from GAFSP-funded projects
- **4.2 million women** have received agricultural support
- **Almost 1 million people** have received nutrition services
- **US\$252 million in improved incomes** has been generated for farmers each year
- **70 percent of approved GAFSP projects** directly address climate change
- **62 percent of projects** are creating economic opportunities through both on- and off- farm jobs
- **97 percent of GAFSP public investment projects** contribute to the development of rural infrastructure
- **On 200,000 hectares** of arable land, new **agricultural** technologies were adopted
- **Over 2,000 kilometers of public roads** were constructed and/or renovated, connecting smallholders with new markets
- **Over 330,000 hectares of productive agricultural land** were provided with new or improved irrigation and drainage services
- **Over 1,300 water user associations** were created to address current and impending water insecurity

HOW REPLENISHMENT OF GAFSP WILL CATALYZE CHANGE

In response to the challenge, the German Government would like to focus global attention on SDG2 and will host an international event on SDG2 in June 2020 that includes the replenishment of GAFSP as a central part. Effective investment in smallholder farmers — especially women — who produce 80 percent of the world's food³ is the linchpin to achieving SDG2. With 10 years to go, investment in agriculture can play a critical role in achieving all 17 SDGs, not least because economic growth in agriculture is two to four times more effective in reducing poverty as growth generated in non-agriculture sectors⁴. The agricultural sector can also play a key role in post-conflict recovery by rapidly absorbing large amounts of labor, rebuilding household economies, and providing access to food.

Building on a decade of experience, replenishment will enable GAFSP to help catalyze a global resurgence on SDG2. GAFSP requires US\$1.5 billion for the five years between 2020 and 2025 to incentivize the system change that is urgently needed.

**We expect this investment
to achieve the following results:**

- Support efforts by at least **30 countries** to build **sustainable and resilient food systems**
- Deliver a **20 percent increase in income** for an **additional 10 million farmers**; with this income increase, GAFSP expects a similar change in food security status of those households
- Deliver a **25 percent increase in yield** for an **additional 10 million farmers**
- Create **1.1 million on- and off-farm jobs**
- Encourage all new projects to include **climate mitigation and adaptation** initiatives

GAFSP calls on the international community to renew its commitment to fight against hunger, malnutrition, and poverty. We ask you to join us in working together to ensure that smallholder farmers, their families, and communities can secure both their future and our own. Together we will succeed.

FEEDING THE PLANET: AN URGENT CHALLENGE IN A TIME OF CLIMATE CRISIS

In the last three years, new evidence has signaled that hunger has resurged as a global challenge on the rise after decades of decline⁵. While some progress has been made in parts of the world, food insecurity remains a life-threatening reality for nearly half the world's population. More than 820 million people are going to bed hungry every day, and two billion people lack access to safe, sufficient, and nutritious food.⁶

Agriculture serves as the backbone of thriving economies, contributes to peace and stability, improves health outcomes, and is the key to addressing the most significant threat of our lifetime — climate change. Climate change will reduce both the amount and quality of yields, as well as threaten livestock and fisheries, as the world's population swells to 10 billion people by 2050. Any solution to ending hunger will require more efficient, sustainable agriculture.

These alarming statistics underscore the immense challenge of achieving the SDGs by 2030. The reversal of progress on SDG2, which commits to ending hunger, ensuring food security and improved nutrition, and promoting sustainable agriculture, is of particular concern. To feed this rapidly growing planet, there must be a dramatic and unified global effort to build farmers' resilience, particularly smallholder farmers, and ensure that agriculture can produce and supply sufficient and nutritious food to feed the entire planet.

Food production, processing, and distribution systems are complex and require thoughtful investment. Such investments must identify the main food producers, the challenges they face, and what they need to produce enough to eat and for the markets, getting fair returns from their farming. An effective investment strategy must also identify interventions that are innovative enough to meet the challenges of both food insecurity and climate change and support the future for people and the planet.

GAFSP uses just such a strategy. Over the last 10 years, GAFSP has provided US\$1.5 billion in financing to promote sustainable agriculture investments around the world, aligning and sequencing much needed public and private sector investments to develop productive agriculture value chains.

US\$1.5bn

in 10 years to promote sustainable agriculture investments across the globe



GAFSP: TEN YEARS OF IMPACT

GAFSP was launched in 2010 by the G20 in response to the 2008–09 food price crisis, with the goal of strengthening food and agricultural systems with an eye on preventing future crises. Today, GAFSP is dedicated to fighting hunger, malnutrition, and poverty in low-income countries by supporting resilient and sustainable agriculture systems that benefit and empower poor and vulnerable smallholder farmers, particularly women and youth. In the face of the dual challenges of climate change and food security, GAFSP's mandate is as relevant today as it was a decade ago.

GAFSP pools development assistance, uses a unified framework, and selectively invests catalytic resources where they are most effective and supportive of countries' priorities and private sector opportunities. To reach the entire agricultural value chain, GAFSP offers a variety of tools including grants, blended finance, technical assistance, and advisory services that can be customized to meet the needs and interests of recipients.

To date, GAFSP has provided US\$1.5 billion in financing for projects that range from US\$2 million to US\$50 million across more than 40 countries. Through a combination of public and private investments, GAFSP projects deliver strategic support that expands the horizon of agricultural financing to increase reach and impact.

41

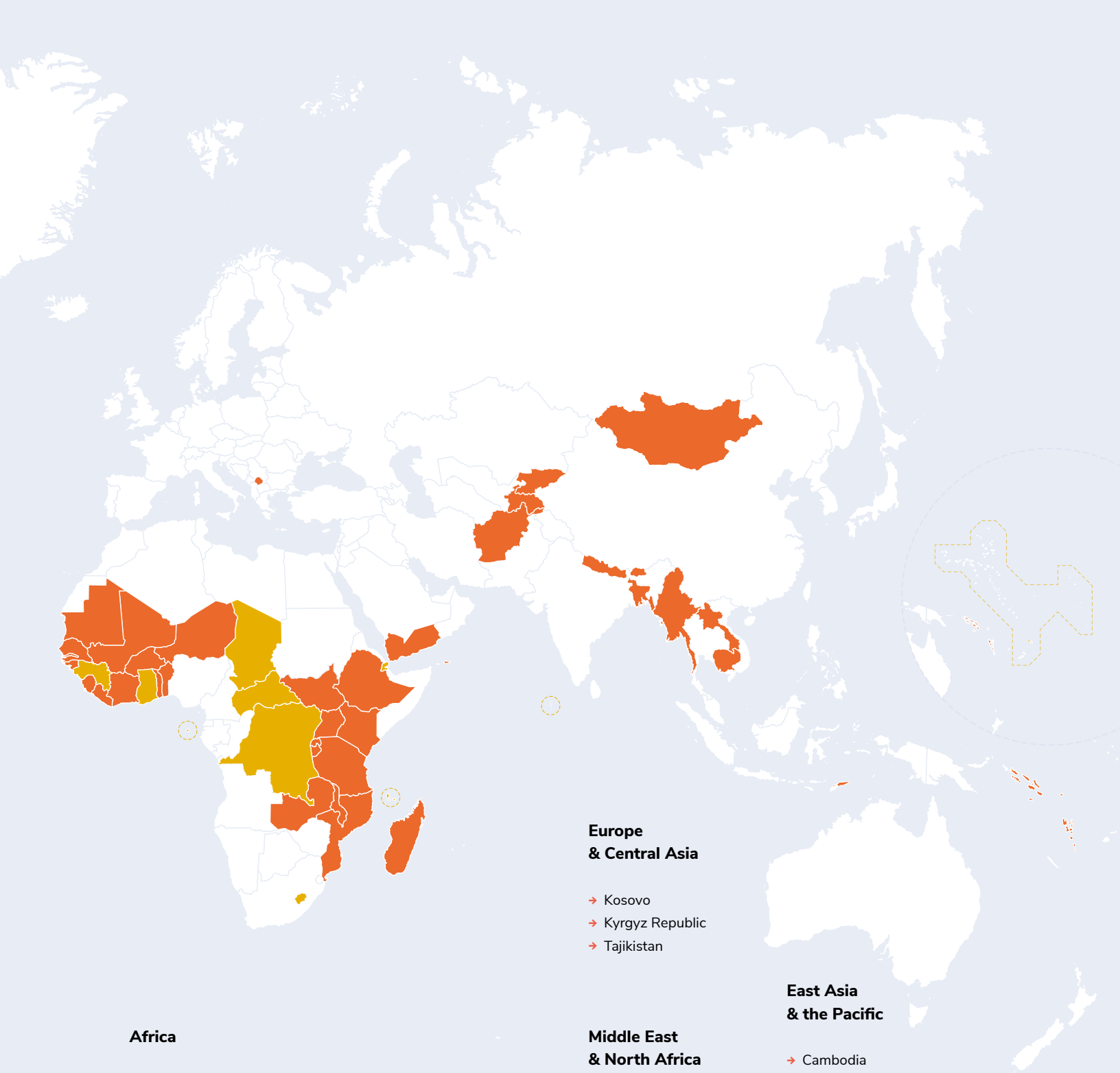
Recipient Countries

58

Eligible Countries

Latin America & the Caribbean

- Guyana
- Haiti
- Honduras
- Nicaragua



Africa

- Benin
- Burkina Faso
- Burundi
- Central African Republic
- Chad
- Comoros
- Côte d'Ivoire
- Djibouti
- Democratic Republic of Congo
- Ethiopia
- Ghana
- Guinea
- Guinea-Bissau
- Kenya
- Lesotho
- Liberia
- Madagascar
- Malawi
- Mali
- Mauritania
- Mozambique
- Niger
- Republic of South Sudan
- Rwanda
- São Tomé & Príncipe
- Senegal
- Sierra Leone
- Tanzania
- The Gambia
- Togo
- Uganda
- Zambia

**Europe
& Central Asia**

- Kosovo
- Kyrgyz Republic
- Tajikistan

**Middle East
& North Africa**

- Republic of Yemen

South Asia

- Afghanistan
- Bangladesh
- Bhutan
- Maldives
- Nepal
- Timor-Leste

**East Asia
& the Pacific**

- Cambodia
- Federated States of Micronesia
- Kiribati
- Lao People's Democratic Republic
- Marshall Islands
- Mongolia
- Myanmar
- Samoa
- Solomon Islands
- Tonga
- Tuvalu
- Vanuatu

DRIVING IMPACT



**10.4 million
smallholder farmers**

and their families have benefited
from GAFSP support



4.2 million women

were provided agricultural support



Almost 1 million people

have benefited from nutrition-related interventions



**US\$252 million
in improved incomes**

was generated for farmers each year



62% of projects

are creating economic opportunities
through both on- and off-farm jobs

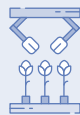


**97% of GAFSP public
investment projects**

have activities that contribute to the
development of rural infrastructure

“GAFSP has been instrumental in helping many African countries — like the 23 countries I represent — address their food security challenges. Today, GAFSP is one of the vehicles to support Africa’s agricultural transformation to create new jobs and bolster private sector involvement.”

— **Jean-Claude Tchatchouang**
Executive Director for Francophone Africa,
World Bank



**On over
200,000 hectares**

of arable land, new agricultural technologies were adopted.



**Over 2,000 kilometers
of public roads**

were constructed and/or renovated,
connecting smallholders with new markets



Over 330,000 hectares

of productive agricultural land were provided with
new or improved irrigation and drainage services



Over 1,300 water user associations

were created to address current and impending water insecurity



**US\$2.6 of co-financing
leveraged for every US\$1**

GAFSP has invested in the public sector



**US\$5.3 of private financing
leveraged for every US\$1**

GAFSP has invested in the private sector

HOW GAFSP IS MAKING A DIFFERENCE

GAFSP channels its investments through established, multilateral agencies that have the necessary expertise and proven sectoral experience to guide projects to success. This includes the African Development Bank (AfDB), Asian Development Bank (ADB), Food and Agriculture Organization (FAO), Inter-American Development Bank (IDB), International Fund for Agricultural Development (IFAD), International Finance Corporation (IFC), World Bank, and World Food Programme (WFP). Through these implementing partners, GAFSP finances technically sound, inclusive projects that target funding to where it is needed most and where it can be used most effectively.

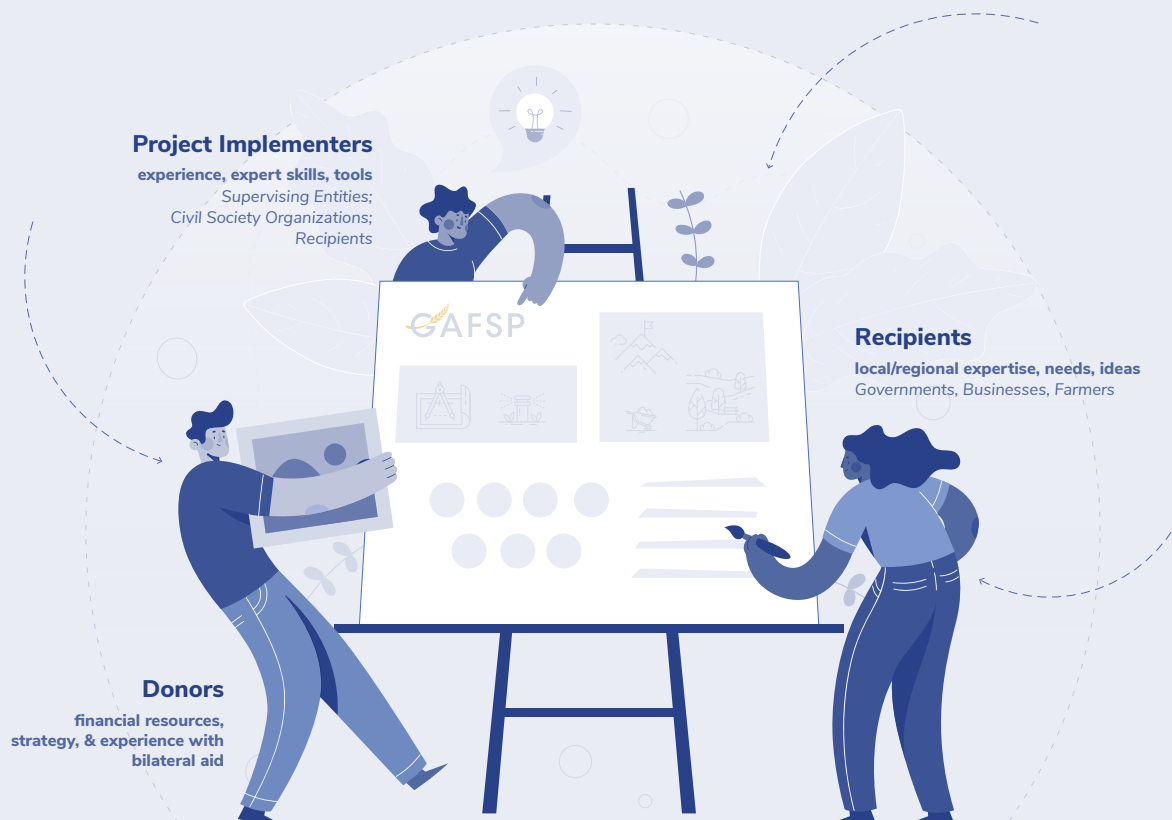
GAFSP funding supports smart projects across the entire agriculture value chain in more than 40 low-income countries to ensure a transformative impact on the economies, communities, and people involved, particularly smallholder farmers. The GAFSP portfolio has reached over 10 million farmers and their families to achieve higher agricultural productivity, increased incomes, and improved food and nutrition security.

DELIVERING THE 2030 AGENDA THROUGH CONCERTED PLANNING AND ACTION AT THE COUNTRY LEVEL

As a response to the changing environment and lessons learned over the past 10 years, GAFSP is updating its model to better blend its public and private sector activities in support of SDG2. The new model increases access for smallholders to the opportunities and benefits that these financing opportunities present. With its new model, GAFSP will deliver greater flexibility than ever before.

>10m
farmers and their families GAFSP has reached

BRINGING TOGETHER KEY ACTORS AND POOLING THEIR SKILLS AND RESOURCES IN PROJECTS



GAFSP'S NEW MODEL WILL:



Improve the harmonization of public and private sector programming and interventions, extending the reach of concessional and blended finance solutions to small and medium enterprises that more readily extend credit to SME farmers than traditional financial institutions.



Provide GAFSP financing channels to farmer organizations to support their businesses and enterprises with support and coordination from GAFSP implementing partners, mainstreaming GAFSP's pilot MMI.



Support a mandatory 'Opportunities Analysis' for each funded project to better assess where the private sector can be engaged, to build markets, and to encourage private sector engagement opportunities.

SUCCESS THROUGH INCLUSION, PARTICIPATION, AND TRANSPARENCY

Inclusive governance and partnerships

GAFSP's inclusivity and participatory governance are unique factors to its success in targeting agricultural investments. GAFSP brings together key stakeholders that work to prioritize programming that drives toward SDG2.

GAFSP's Steering Committee provides a rare forum at which key donors, recipient countries, and civil society representatives of producer organizations all have a seat at the table with the development agencies engaging in financing for agriculture and food security.⁷ All members bring their specific expertise and resources to agree on common priorities and determine how GAFSP funds can best be directed to advance smallholder farming in the poorest countries for greatest impact.

Civil society organizations (CSOs)⁸ have a unique and critical role in GAFSP. On the Steering Committee, they ensure that farmers' voices and interests are actively heard in the design, implementation, and monitoring of each project. In the field, they visit project sites to ensure that stakeholders are engaged in all stages of the project's life cycle. This helps to inform the Steering Committee and ensure GAFSP's accountability to farmer partners.

Equal representation:

Donors and recipients have the same voting weight

GAFSP promotes funding through existing multilateral agencies

Healthy competition to focus partners & improve quality

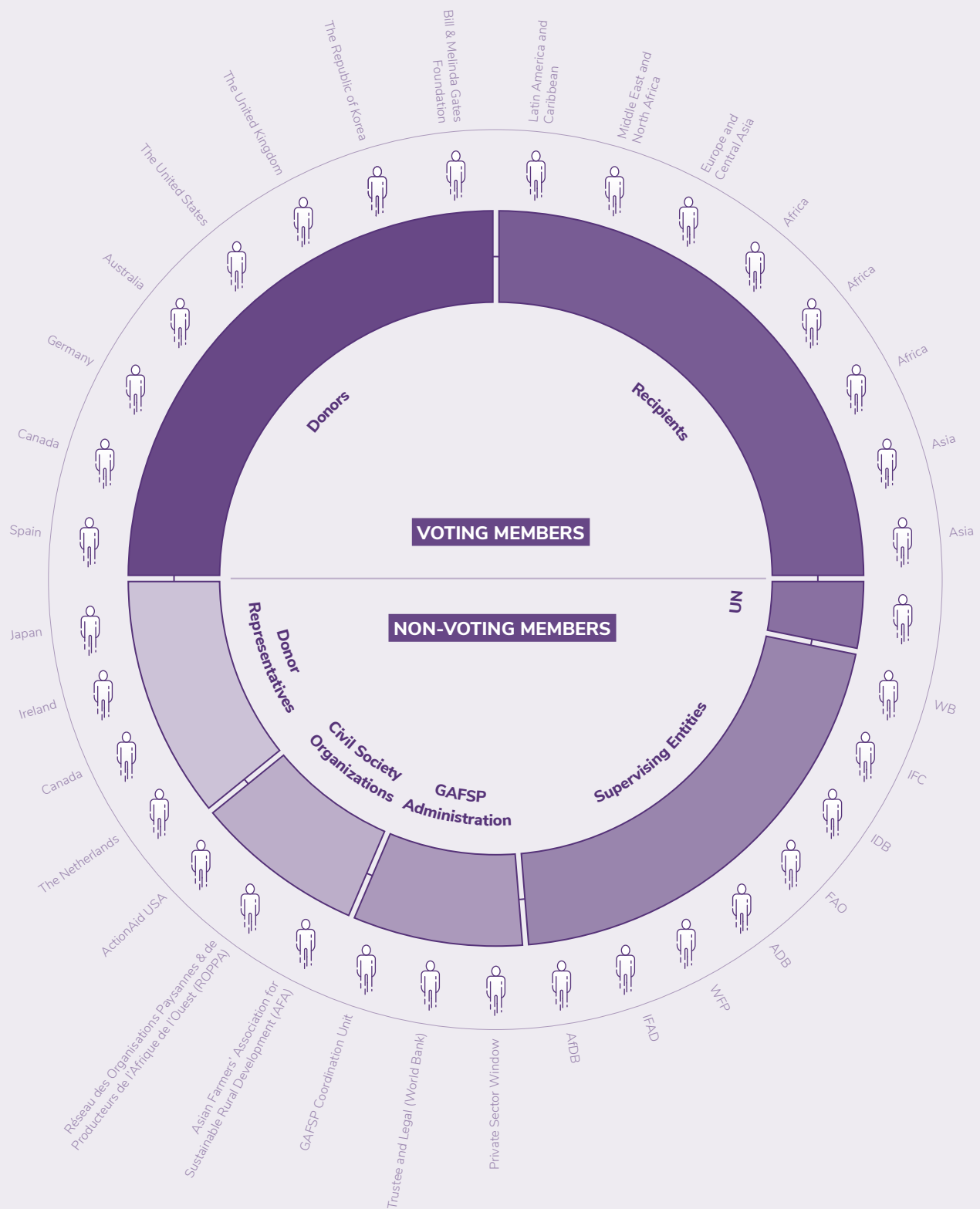
GAFSP allocates funds for public investments based on competitive, open, calls for proposals that have clear, transparent guidelines set forth by the Steering Committee. These guidelines require country ownership, including extensive consultation with stakeholders, constituents, and partners. For grants, the complete proposal packages are reviewed by a panel of independent, technical experts who recommend the best-suited projects to the Steering Committee for funding based on proposal strength, country need, and readiness to implement the project. The competitive nature of the funding ensures that countries work closely with their partners to put forward the best possible agriculture project.

GAFSP fosters competition between existing multilateral agencies

GAFSP channels targeted financing through existing multilateral agencies, complementing and extending their own financing to where it is needed most. Recipient countries select the implementing partner that best suits their needs in terms of experience, capacity, and comparative advantage. This reinforces effective coordination across ministries and between development agencies and allows for positive competition for GAFSP's resources amongst the multilateral agencies.

GAFSP GOVERNANCE STRUCTURE

GAFSP strives for consensus on the Steering Committee, regardless of voting status. All stakeholders' opinions are valued and discussed. There are no closed door meetings.



Technically strong projects that support national goals

GAFSP supports projects that are of high technical quality and aligned with national strategic processes and plans. GAFSP partners with the Comprehensive Africa Agriculture Development Program (CAADP) — Africa's policy framework for agricultural transformation, wealth creation, food security, nutrition, economic growth, and prosperity — which supports countries as they develop and implement strategic, long-term plans, that are shared with neighboring countries, partners, and donor working groups. GAFSP also asks all non-African countries to undergo a 'CAADP-like' process, thereby promoting the continent's good practice. GAFSP incentivizes positive planning behaviors and ensures the quality and efficiency of related expenditures.

GAFSP projects align with national agricultural policies and strategies

Impactful portfolio with global results framework and knowledge sharing

GAFSP's results framework ensures standardized monitoring across all projects and is fully aligned with the SDGs. All projects report on progress towards SDGs 1 and 2, including measuring change with the Food Security Insecurity Scale (FIES). Additionally, one-third of public sector projects carry out rigorous, in-depth impact evaluations using statistically grounded methods.

Throughout the project or investment life span, GAFSP fosters knowledge exchange across agencies and institutions through an annual review of GAFSP's project portfolio and a Knowledge Forum to learn from project experiences.

GAFSP builds knowledge and gains new insights through its comprehensive evaluation and monitoring framework

Mongolia

Investing in Livestock to Raise Productivity and Quality

Livestock-based agriculture has been the backbone of the Mongolian economy. A US\$12.5 million GAFSP-supported project, implemented by the World Bank and FAO, improved rural livelihoods and food security in target areas through investments in enhancing productivity, market access, and diversification in livestock-based production systems. The project helped improve the livelihoods of almost 14,000 people, of whom approximately half were women. Overall, there was a 74 percent increase in income due to increased production in milk, wool, and cashmere, and a nearly nine times increase from select horticulture pilot activities. The project also promoted climate-smart agriculture and offered improved animal husbandry technologies to over 6,000 herders — more than half of them were women. These farmer households increased their consumption of select foods including horse meat, milk, carrot, and sea buckhorn, indicating diet diversification.

At the onset, the project experienced a two-year delay due to several constraints including political instability. Local CSOs and cooperatives stepped in to provide technical services to farmers and assisted in the overall management and monitoring of subprojects on horticulture, fodder, veterinary, and animal breeding. Thanks in part to their involvement, the project closed within the five-year window that was initially envisaged.

The livelihoods of almost 14,000 people in Mongolia have been improved by GAFSP's investment

A CONTINUOUS LEARNING PROCESS: THE LIFE CYCLE OF A GAFSP PUBLIC SECTOR PROJECT



AGRICULTURE: MORE THAN JUST THE SOLUTION TO HUNGER

Not only do hunger and malnutrition cause poor health and impair cognitive development, they undermine economic growth and perpetuate poverty.

Given that more than 80 percent of the world's food is produced by smallholder farming households⁹, effective investment in smallholder farmers is the linchpin to achieving SDG2. Agricultural systems must support these struggling households and build their resilience to changing conditions. At the same time, these food systems must become more efficient, more flexible, and more adaptable to secure incomes and access to safe and nutritious food within planetary boundaries.

The SDGs recognize that food — the way it is grown, produced, traded, transported, processed, stored, and marketed — fundamentally connects people and the planet and creates a path to inclusive economic growth for poor and vulnerable groups, particularly women. Investment in agriculture is critical to achieving all 17 SDGs.

9.2%

of the world population faced severe food insecurity in 2018¹⁰

80%

of the world's food is produced by smallholder farming

HOW AGRICULTURE CONTRIBUTES TO DEVELOPMENT BEYOND SDG2

	SDG1: No Poverty Agriculture drives income		SDG6: Clean Water and Sanitation Agriculture accounts for 70% of land water use
	SDG3: Good Health and Well-being Good health begins with nutrition		SDG8: Decent Work and Economic Growth Agriculture accounts for one-third of global gross domestic product (GDP)
	SDG4: Quality Education Healthy and nutritious food is critical to learning		SDG13: Climate Action 500 million smallholder farming households are vulnerable to climate change
	SDG5: Gender Equality Agriculture provides rural women with additional income and improved food security		SDG17: Partnerships Partnerships help raise the voice of the hungry

Nepal



Investment in Smallholder Agriculture is the Key to Ending Hunger

"Before the project started, our children didn't get enough to eat. Many would die," said farmer Sarita Sarki. In Nepal, many farmers live in remote villages high in the mountains, where the winter season lasts for half the year and the terrain makes it difficult to grow a variety of foods year-round. A US\$26.5 million GAFSP-supported project, implemented by the World Bank, brought improvements in agricultural and livestock development, including the construction of polytunnels for farmers to grow a variety of nutritious vegetables off-season. "We learned how to grow green vegetables in the polytunnel, and that we have to clean our hands before feeding the children."

An increase in crop diversity and livestock productivity led to healthier families and higher incomes. Farmers' incomes increased from selling surplus vegetables, chicks, and baby goats. Many had never earned cash from vegetables besides potatoes before. Overall, the project reached more than 650,000 poor people, of whom approximately 603,000 were women.

"GAFSP grants helped governments to invest more and better in building capacity at all levels and to finance farmer organizations, including through the Missing Middle Initiative. This has greatly contributed to empowering rural institutions and fostering more inclusive rural development."

— Mohamed Manssouri
Director, FAO Investment Center

MMI

Missing Middle Initiative (MMI) Pilot

Through flexibility and continuous learning, GAFSP has rapidly adapted to emerging lessons and priorities. Recognizing a gap in the reach of both its public and private sector investments, and at the request of producer organizations, in 2016 GAFSP launched the MMI pilot to more directly support organized smallholder farmers along the entire value chain.

The MMI provides greater access to finance by the organized smallholder sector and provides funding specifically to producer organizations, agriculture CSOs, and SMEs through GAFSP's implementing partners. The MMI also promotes partnerships between more commercial private sector actors and producer organizations active in agriculture value chains. It responds to the needs of the producer organizations and their partners, as projects are conceived directly by them following a bottom-up approach. To date, GAFSP has invested US\$13.2 million in grants to finance five projects that not only address challenges in access to finance, but also build producer organizations' capacities for market-led partnership. Already learning from the success of this pilot initiative, from 2020, producer organizations themselves will be able to submit proposals for core funding from GAFSP.

IMPACT BEYOND AGRICULTURE

The causes of poverty and food insecurity are complex and vary between countries and regions with no 'one size fits all' solution. GAFSP's flexible model allows countries to customize investments to meet multiple needs and cross-cutting national priorities to have profound impacts beyond the agriculture sector.

"GAFSP is an instrumental financing mechanism that complements countries' own resources to drive an inclusive agricultural transformation that is anchored on evidence-based strategies, plans and programs and is committed to driving stronger systemic capacities and accountable systems that are critical to achieve this transformation."

— Agnes Kalibata
President, Alliance for a Green Revolution in Africa (AGRA)





GAFSP DIRECTLY ADDRESSES THE THREAT OF CLIMATE CHANGE

The shocking evidence on hunger and food insecurity are amplified in the face of the climate emergency that faces our planet. Agriculture is one of the most climate-sensitive sectors as it is both a major contributor of GHG emissions — up to 25 percent — and highly susceptible to its effects. The frequency of extreme weather events such as floods, droughts, and storms has doubled since the 1990s from once every 12 years to once every 2.5 years, which further threatens crops, fisheries, and livestock.¹¹

Climate change directly pushes smallholder farmers deeper into poverty. Given that 80 percent of the world's poor live in rural areas and rely heavily on agriculture for their food security and livelihoods, climate change has a disproportionate effect on smallholder farmers.¹² There are an estimated 500 million smallholder farming households that are being hit first and hardest by the consequences of climate change.¹³

GASFP investments directly address climate change through mitigation and adaptation technologies such as resilient seed varieties, more efficient irrigation, drought resistant mulching, increased intercropping, and other mechanisms. By assisting local smallholder farmers to proactively adapt to impending climate threats, GAFSP staves off and mitigates an increase in hunger and malnutrition for the rural poor.



95%

of GAFSP-eligible countries have included climate-resilient agriculture as a priority sector.



75%

of GAFSP projects have elements that address climate change. During the most recent call for proposals in 2017, 100% of the approved GAFSP projects cover activities that focus on climate adaptation or mitigation.



Four

projects in the GAFSP portfolio already track GHG accounting data and are assessed to sequester in the range of net 26,000 to 205,000 tons of carbon dioxide per annum as carbon sinks.¹⁴ GAFSP is working to analyze the GHG data for the entire portfolio.



Bangladesh



“Based on extensive interviews with smallholder farmers participating in GAFSP projects and with implementing partners, we are increasingly convinced that the Fund is making good on its commitment to support rural communities coping with the climate crisis.”

— Anne Jellema
Interim Secretary General, ActionAid

Climate-Sensitive Agriculture Interventions Can Mitigate Future Famine and Hunger

“Our farm and the paths are completely drowned by the water. It’s very challenging to farm here,” says Renu Bala, a resident of the Pan-jor Bhana village in northern Bangladesh and leader of the Women’s Milk Cooperative. Renu Bala is one of more than 5,500 farmers and government staff who have received training on how to manage and respond to the effects of climate change, while also learning how to boost agricultural yields and productivity.

The US\$50 million GAFSP-supported project, implemented by the World Bank and FAO, helped increase the agricultural productivity of selected crops, livestock, and fisheries in economically depressed areas that are vulnerable to the effects of climate change. The project contributed to improved climate resilience through the promotion of new technologies and agronomic practices, as well as the adoption of crop varieties and production packages better suited for evolving climatic and environmental conditions. Smallholders have switched to agronomic practices that can reduce water use by a quarter and cut GHG emissions in half. The project also promoted drought-, heat-, and saline-tolerant varieties of wheat and rice for farm areas facing drought and flash floods. Overall, the project benefited more than 250,000 farmers and has resulted in a significant 15 percent increase in income for crop farmers and a nearly 40 percent increase for those in the fishing industry over a three-year period.



Togo

Supporting Rural Development in Togo

In Togo, agriculture accounts for about 41 percent of GDP and employs two-thirds of the population. However, the country relies on imports to make up for its food deficit as the main export crops, such as cotton, coffee, and cocoa, have deteriorated and yields have been consistently low. An assessment by WFP showed that coping strategies included adults reducing their daily food intake in favor of children, downgrading the nutritional quality of the main meal, eating seeds stocked for the next season, and selling livestock.

A US\$20 million GAFSP-supported project, implemented by IFAD, contributed to improving food security and incomes of smallholder farmers through the development of the rice, maize, and cassava value chains. Project activities focused on increasing production and productivity, as well as improving processing and marketing of crops. It also mainstreamed climate change adaptation into its interventions through collaboration with the Global Environment Facility (GEF). It implemented key activities to promote climate-smart agriculture, such as the installation of automatic weather stations and reforestation. Overall, the project reached over 300,000 people, of whom about half were women. The project saw a decrease in the rate of households experiencing food insecurity over several months from 84 percent of households in 2012 to 62 percent in 2016. Over the same period, the share of chronically malnourished children also decreased from 38 percent to almost 25 percent.

GAFSP INTERVENTIONS TARGET THOSE THREATENED BY FRAGILITY, CONFLICT, AND VIOLENCE

It is estimated that close to half of the world's extreme poor will live in countries affected by fragility, conflict, and violence (FCV) by 2030.¹⁵ In addition to climate variability, conflict and violence are among the key drivers of the rise in hunger and food insecurity. The agricultural sector plays a key role in post-conflict recovery by rapidly absorbing large amounts of labor, rebuilding household economies, and providing access to food.

Responding to global evidence on drivers of food insecurity, in 2019 GAFSP launched a one-time Call for Proposals to target FCV countries. In addition, GAFSP made available limited funding to support FCV countries wishing to receive additional assistance in their proposal preparation process. In December 2019, GAFSP's Steering Committee is expected to allocate an additional US\$100 million to support food and agricultural systems in FCV countries. Projects, which will be under preparation in 2020, are expected to reduce risk and vulnerability and increase the impact of agricultural interventions through an emphasis on cross-cutting themes such as nutrition, climate resilience, and rural youth employment.

To date, GAFSP has supported more than 40 public and private sector investments worth close to US\$400 million in 15 FCV countries including Madagascar, Liberia, Sierra Leone, the Solomon Islands, and the Republic of Yemen.

US\$100m

to be granted to FCV countries by GAFSP in December 2019

46%

of the world's extreme poor will live in FCV countries by 2030¹⁶

Afghanistan



Feeding Afghanistan's Export Raisin Market

Afghanistan's raisin farmers used to supply snacks for people around the world, but years of conflict and political instability contributed to a decline in production volumes and quality, and farmers lost market share as well as income. However, with US\$3 million from IFC and GAFSP's provision of a first-loss guarantee of up to US\$1.25 million, a local company will help Afghanistan reclaim its status as a world-class raisin producer and exporter. The family-owned Rikweda Fruit Processing Company is building a state-of-the-art processing plant in Kabul province. It is expected to nearly double the country's raisin processing capacity and help 3,000 small-scale raisin farmers improve yields and incomes. The new raisin processing plant will create a total of 50 full time jobs, of which 35 will likely be held by women. Once the facility is at full production, the project will also prevent the emission of up to 3,000 tons of carbon dioxide equivalent per year as the adoption of commercial-grade processing standards will reduce losses of grapes.

This is IFC and GAFSP's first investment in the agribusiness sector of Afghanistan, which is among the world's poorest countries and one that depends heavily on foreign aid. These efforts are critical as there are almost no alternate financing options available for the Rikweda Fruit Processing Company.



Republic of Yemen

Investment in Agriculture Speeds Post-Conflict Recovery

In the Republic of Yemen, approximately 60 percent of the population (an estimated 17 million people) are food insecure, making this the largest food security emergency in the world. A US\$36 million GAFSP-supported project, supported by the World Bank and implemented by FAO, is increasing the adoption and use of productivity-enhancing crop and livestock practices by smallholder farmers in areas that are at risk of famine. Through this project, farmers like Fatima Abdo Farahat were given hens, a chicken housing kit, chicken feed, and training on poultry breeding and nutrition education so that they can provide meat and eggs for their families to eat and earn income by selling at the market.

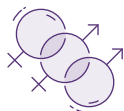
While the Republic of Yemen was allocated funds before it became an active conflict zone, once the country's status situation changed, GAFSP worked with partners on the ground to adjust the implementation of the project to directly address the impact of FCV. This is the only GAFSP project in an active conflict zone, and it will position the Republic of Yemen for growth when the conflict ends by contributing to crop and livestock productivity.



GAFSP INVESTS IN WOMEN

Women are key players in the smallholder agricultural sector around the world. Sixty to eighty percent of economically active women work in agriculture in Africa, making it the largest employer of women.¹⁷ However, persistent cultural, legal, and economic inequalities continue to ensure that women's agricultural productivity is less than that of men. Across all regions, women are more at risk of being food insecure.¹⁸ In fact, according to FAO, if women globally had equal access to farm inputs, resources, and information, they could increase yields on their farms by 20 to 30 percent, thereby raising incomes and reducing the number of people facing hunger by up to 17 percent.¹⁹

GAFSP investment directly targets the underserved sector of women smallholder farmers through diligent planning, gender mainstreaming, and the continuous monitoring of gender-disaggregated achievements and outputs at the project level.



90%

of GAFSP public sector projects directly invest in gender mainstreaming.



>4.1m

women and girls, which represent 40% of overall project participants, have directly benefited from GAFSP investment.



>50%

of smallholder farmers served by GAFSP in The Gambia, Kyrgyz Republic, Liberia, Malawi, Mali, Niger, Sierra Leone, Tanzania, Togo, and Zambia are women.



Senegal



Investing in Women is Investing in Communities

As dawn breaks, Veronique, a banana farmer in the Senegalese village of Saal, is already walking to the plantation for work. With agriculture contributing to about 15 percent of Senegal's GDP, Veronique is not alone in relying on rural farming for her livelihood. However, over the years, the region's productivity has been increasingly affected by social, economic, and environmental challenges such as the increased costs of inputs, irregular and unpredictable rainfall, and inadequate land policies.

In collaboration with FAO and other local civil society partners, a GAFSP-supported MMI project is strengthening rural women's livelihoods in eastern Senegal. The project opens up new financing options to smallholder women by helping them claim land, establish relationships with other value chain actors, and access new markets. The project also empowers over 3,000 women and young people to push for better representation and bargaining power as part of two local producer organizations, APROVAG and YNW. Today, APROVAG processes between 6 and 10 percent of the bananas that they harvest. In three years, APROVAG hopes to increase production capacity by 1,000 to 2,000 tons per year and process at least 80 percent of their own bananas. These results will be life-changing for farmers like Veronique, who will benefit significantly from higher yields and income.



Liberia

Supporting Women in the Wake of the Ebola Crisis

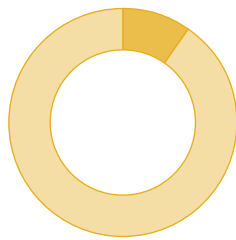
In Liberia, close to three-quarters of the population depends on agriculture for their livelihoods, with women producing over 60 percent of agricultural products and constituting the majority of smallholder producers and the labor force. A US\$46.5 million GAFSP project, implemented by AfDB, enhanced the income of smallholder farmers, particularly women and youth, through sustainable land expansion and land improvement, increased market access, and strengthened institutional capacities.

While the Ebola outbreak delayed project implementation, over 135,000 people have benefited from the project, more than half of whom are women. The project promotes the use of improved technologies for rice, cassava, and vegetables, such as climate-change-resilient rice varieties and fertilizers — to date, 14 improved climate-resistant rice varieties have been promoted in collaboration with local partners. The project supported farm production of vegetables, lowland and upland rice, and cassava in close to 7,000 households. Seed rice, cassava stems, and fertilizer have been distributed to farmers across the country via an e-wallet system. It also developed the first farmer e-database, which will serve to set up hundreds of sites throughout the country to function as a one-stop shop for services such as farmer registration, e-extension services, input distribution, and off-taking.

IMPROVING FOOD AND NUTRITION SECURITY

Hunger is on the rise in almost all regions globally, with low-income countries in Africa and Asia continuing to bear the greatest share of malnutrition. Undernutrition in children accounts for approximately 45 percent of all child deaths and contributes to the stunting of 149 million children under five.²⁰ Additionally, obesity is on the rise, contributing to four million deaths globally.²¹ Agriculture has an important role to play in improving nutrition by increasing access to healthy and nutritious food and ensuring dietary diversity through farming activities.

DISTRIBUTION OF UNDERNOURISHMENT IN THE WORLD (IN MILLIONS)²² in 2018



821.6m

Undernourished

7 632.8m

World Population



Rwanda



Yielding a Pathway Out of Poverty for Farmers

In Rwanda, the agriculture sector employs 80 percent of the population and provides most of the country's food needs. A US\$50 million GAFSP-supported project, implemented by the World Bank, increased the productivity and commercialization of hillside agriculture, benefitting more than 280,000 farmers, of whom half were women. The project improved the composition of peoples' diets by carrying out nutrition awareness trainings and constructing almost 50,000 kitchen gardens. By mid-2016, about 83 percent of households targeted by this project were consuming an acceptable diet, including food from various food groups.

"[Before the project], there wasn't enough to eat, there wasn't enough money – there was just poverty in the region," said Samuel Gatembeyi, a farmer and the Secretary of the Site Committee for the project from the Gatsibo district of Rwanda. "With the money that I made working during the project, I was able to pay to send my children to secondary school, and now I'm also going to be able to increase my production because my soil is now much better quality. And if I'm able to continue to increase my production, we'll never have hunger in my family again."

Although funds from GAFSP were fully utilized by December 2015, the Government of Rwanda is still implementing the project with its own funds, as well as those from other development partners, to sustain the achieved outcomes and continue its efforts to improve the livelihood of farmers.

Measuring Progress

GAFSP is piloting global indicators at project level

Since 2017, all GAFSP investment projects have used the Food Insecurity Experience Scale (FIES), developed by FAO, to track changes in food insecurity among GAFSP communities. FIES is a relatively new metric and has been adopted as an indicator for SDG2 on the global level with countries using it to track changes in food security prevalence at the national level. GAFSP is among the first initiatives globally to use this tool at the project level. GAFSP has performed rigorous analysis to derive indicative FIES targets at the program level to ensure that changes in food security of participating households and communities can be measured. Based on national survey data, initial analysis has revealed that a 20 percent income gain could imply a 17 percent reduction in the prevalence of people experiencing severe food insecurity.

GAFSP validated this target in FCV contexts using specific evidence from a GAFSP-financed project in Liberia, which targets some of the poorest and most food insecure localities. Early results suggest that if the income of project participants in Liberia is increased by 20 percent, the prevalence of food insecurity would decrease by 8 percent in those households identified as severely food insecure. Should these findings be confirmed in other settings, the micro-level data could suggest that at least a 60 percent income gain is needed to help shift the poor and poorest in FCV settings close to a state of food security.

GAFSP REPLENISHMENT — MEETING THE GROWING DEMAND

The challenge of underperforming agricultural development must be confronted head on. With little over a decade remaining to achieve the SDGs, the international community must respond urgently and take concrete action. Without urgent action, climate impacts could push an additional 100 million people into poverty by 2030.²³

Building on a decade of experience, replenishment will enable GAFSP to help catalyze a global resurgence on SDG2. A fully funded GAFSP requires US\$1.5 billion for the five years between 2020 and 2025 to incentivize the system change that is urgently needed. This would enable GAFSP to launch predictable calls for proposals throughout this period and fund the strongest based on quality, readiness, and impact.

Achieving this level of funding requires strong commitments from existing donors (Australia, the Bill and Melinda Gates Foundation, Canada, Germany, Ireland, Japan, the Republic of Korea, Spain, the Netherlands, the United Kingdom, and the United States). GAFSP is also seeking additional funding from new donor governments, foundations, and the private sector.

GAFSP's latest Call for Proposals for countries affected by fragility, conflict, and violence underlines the high demand for GAFSP's support as well as its ability to adapt to new priorities and needs. All 24 countries that were eligible for this Call invested time, money, and political will into preparing project proposals, but current funding is only available for the top quarter of proposals.

Replenishment will enable GAFSP to incentivize systemic change and accelerate progress to end hunger and malnutrition, reduce poverty, achieve food security, and contribute to food systems being more resilient to the changing climate.

Evidence is overwhelmingly clear on the urgent need to ensure that farmers can responsibly and resiliently produce adequate, nutritious food to support a sustainable food future. GAFSP is committed to do its part in supporting them and other actors in the food system to seize the many opportunities for positive change.

100m

people to be pushed
into poverty by 2030
without action



WITH NEW SUPPORT GAFSP WILL:



Support efforts by at least
**30 countries to build sustainable
and resilient food systems**



Provide financing and capacity
development to the private sector
in at least 30 countries



Include farmers organizations and civil society
in the mainstream of decision making for
agricultural development



Incentivize countries to prioritize national spending on
agriculture and actively collaborate with different sectors
(such as environment, education, health) toward unified goals



Empower recipients
to select partners and
address local priorities



Provide complementary, targeted funding
to be used strategically outside of current
development envelopes and cycles



Incentivize partnership, competition,
and innovation toward a better-
functioning food system

THIS INVESTMENT WILL ACHIEVE THE FOLLOWING RESULTS:



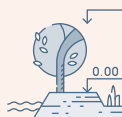
Deliver a 20% increase in income for an additional 10 million farmers; with this income increase, GAFSP expects a similar change in the food security status of those households



Deliver a 25% increase in yield for an additional 10 million farmers



Create 1.1 million on- and off-farm jobs



Encourage 100% of new projects to include climate mitigation and adaptation initiatives

GAFSP calls on the international community to renew its commitment to fight against hunger, malnutrition, and poverty to ensure critical agricultural investment goes to smallholder farmers and their families. All partners must increase financial support and prioritization of the sector:



Donors providing US\$1.5 billion over 5 years



Eligible developing country governments allocating 10% of government expenditures to the agriculture sector (as per the Malabo declaration)



Private sector partners increasing their contributions and developing sustainable business lines in higher risk countries and sectors

GAFSP Coordination Unit
1818 H Street, NW
Washington, DC 20433 USA

✉ gafsp-info@gafspfund.org
💻 www.gafspfund.org
🐦 twitter.com/GAFSPfund

More GAFSP Publications

Annual Reports

- 2018 — [bit.ly/gafsp2018]
- 2017 — [bit.ly/gafsp2017]
- 2016 — [bit.ly/gafsp2016]
- 2015 — [bit.ly/gafsp2015]

Changing Lives —

Private Sector Publications

- Edition 5 — [bit.ly/changinglives5]
- Edition 4 — [bit.ly/changinglives4]
- Edition 3 — [bit.ly/changinglives3]
- Edition 2 — [bit.ly/changinglives2]
- Edition 1 — [bit.ly/changinglives1]

Thematic Briefs

- SDGs — [bit.ly/gafsp_SDGs]
- Climate — [bit.ly/gafsp_climate]
- Nutrition — [bit.ly/gafsp_nutrition]
- Gender — [bit.ly/gafsp_gender]

The Global Agriculture and Food Security Program (GAFSP) is a multilateral mechanism to assist in the implementation of pledges made by the G8++ at the L'Aquila Summit in July 2009 and set up in response to a request from the G20 in Pittsburgh in September 2009. It addresses the underfunding of agriculture and food security strategic investment plans already being developed by countries in consultation with donors and other stakeholders at the country level. GAFSP helps farmers to achieve substantial income gains, to be food-secure, and ultimately to share in the gains of local growth and development by investing in a wide range of opportunities across five key components:

- raising agricultural productivity;
- linking farmers to markets;
- improving non-farm rural livelihoods;
- reducing risk and vulnerability;
- and providing technical assistance, institution building, and capacity development.

GAFSP is a funding mechanism that channels funds to stakeholders in different ways, adapted to their need: to countries through their governments, and to private sector enterprises and agribusiness through innovative financing packages. GAFSP is also testing ways to channel funds more directly to farmer organizations, through its Missing Middle Initiative. The decision-making body of GAFSP is its Steering Committee, which includes an equal number of donor countries (Australia, Canada, the Bill & Melinda Gates Foundation, Germany, Ireland, Japan, the Netherlands, the Republic of Korea, Spain, the United Kingdom, and the United States) and recipient representatives. Other stakeholders on the Committee include GAFSP's supervising entities (ADB, AfDB, FAO, IFAD, IFC, IDB, World Bank, and WFP), civil society organizations, and the Special Representative of the United Nations Secretary General.

PHOTO CREDITS | Cover — [Christophe Mawunou / World Bank] | **TOC** — [Kimberly Parent / GAFSP] | **pi/ii** — [Kimberly Parent / GAFSP] | **piiii/iv** — [Dominic Chavez / World Bank] | **p4** — [Anuja Kar / GAFSP] | **p14** — [Kimberly Parent / GAFSP] [Anuja Kar / GAFSP] | **p16** — [Scott Wallace / World Bank] | **p18** — [Kimberly Parent / GAFSP] | **p20** — [Abbas Farzami / World Bank] [Ishaq Anis / World Bank] [Tomas Sennett / World Bank] | **p22** — [Dominic Chavez / World Bank] [Tammy Mehdi / GAFSP] [Curt Carnemark / World Bank] | **p24** — [Kimberly Parent / GAFSP] [A'Melody Lee / World Bank] | **p26** — [Chhor Sokunthea / World Bank]

ENDNOTES | 1 — FAO. 2019. The State of Food Security and Nutrition in the World: Safeguarding Against Economic Slowdowns and Downturns. [<http://www.fao.org/3/ca5162en/ca5162en.pdf>] | **2** — World Resources Institute. 2019. Creating a Sustainable Food Future. [<https://wrr-food.wri.org/>] | **3** — FAO. 2014. The State of Food and Agriculture 2014. | **4** — World Bank. 2015. Ending Poverty and Hunger by 2030: An Agenda for the Global Food System. | **5** — FAO. 2019. The State of Food Security and Nutrition in the World: Safeguarding Against Economic Slowdowns and Downturns. [<http://www.fao.org/3/ca5162en/ca5162en.pdf>] | **6** — FAO. 2019. The State of Food Security and Nutrition in the World: Safeguarding Against Economic Slowdowns and Downturns. [<http://www.fao.org/3/ca5162en/ca5162en.pdf>] | **7** — Réseau des Organisations Paysannes et de Producteurs Agricoles de l'Afrique de l'Ouest (ROPPA), Asian Farmers Association (AFA), and ActionAid. | **8** — Réseau des Organisations Paysannes et de Producteurs Agricoles de l'Afrique de l'Ouest (ROPPA), Asian Farmers Association (AFA), and ActionAid. | **9** — FAO. 2014. The State of Food and Agriculture 2014. | **10** — FAO. 2019. The State of Food Security and Nutrition in the World: Safeguarding Against Economic Slowdowns and Downturns. [<http://www.fao.org/3/ca5162en/ca5162en.pdf>] | **11** — UN. 2018. UN Warns Climate Change Is Driving Global Hunger. [<https://unfccc.int/news/un-warns-climate-change-is-driving-global-hunger/>] | **12** — IBRD/World Bank. 2017. Future of the Food. Shaping the Food System to Deliver Jobs. [<https://openknowledge.worldbank.org/handle/10986/26506>] | **13** — FAO. 2018. The State of Food Security and Nutrition in the World: Building Climate Resilience for Food Security and Nutrition. [<http://www.fao.org/3/9553EN/9553en.pdf>] | **14** — GHG accounting data is presently available only for a limited number of projects (Bhutan, Nepal, Rwanda and Timor-Leste); the entire portfolio is currently under review. | **15** — World Bank. 2019. Fragility, Violence & Conflict. [<https://www.worldbank.org/en/topic/fragilityconflictviolence/overview>] | **16** — World Bank. 2019. Fragility, Violence & Conflict. [<https://www.worldbank.org/en/topic/fragilityconflictviolence/overview>] | **17** — FAO. 2019. SOFI Report. [<http://www.fao.org/3/ca5162en/ca5162en.pdf>] | **18** — FAO. 2019. The State of Food Security and Nutrition in the World: Safeguarding Against Economic Slowdowns and Downturns. [<http://www.fao.org/3/ca5162en/ca5162en.pdf>] | **19** — FAO. 2019. The State of Food Security and Nutrition in the World: Safeguarding Against Economic Slowdowns and Downturns. [<http://www.fao.org/3/ca5162en/ca5162en.pdf>] | **20** — FAO. 2019. The State of Food Security and Nutrition in the World: Safeguarding Against Economic Slowdowns and Downturns. [<http://www.fao.org/3/ca5162en/ca5162en.pdf>] | **21** — FAO. 2019. The State of Food Security and Nutrition in the World: Safeguarding Against Economic Slowdowns and Downturns. [<http://www.fao.org/3/ca5162en/ca5162en.pdf>] | **22** — FAO. 2018. The State of Food Security and Nutrition in the World: Building Climate Resilience for Food Security and Nutrition. [<http://www.fao.org/3/9553EN/9553en.pdf>] | **23** — World Bank. 2015. Rapid, Climate-Informed Development Needed to Keep Climate Change from Pushing More than 100 Million People into Poverty by 2030. [<https://www.worldbank.org/en/news/feature/2015/11/08/rapid-climate-informed-development-needed-to-keep-climate-change-from-pushing-more-than-100-million-people-into-poverty-by-2030>]



GAFSP Coordination Unit
1818 H Street, NW
Washington, DC 20433 USA
✉ gafsp-info@gafspfund.org
💻 gafspfund.org
📱 /GAFSPfund