Global Agriculture and Food Security Program (GAFSP)

Executive Minutes

GAFSP Steering Committee Meeting

January 16-17, 2019

Berlin, Germany

GAFSP Steering Committee Chair

Mr. Stefan Schmitz

Federal Ministry for Economic Cooperation and Development (BMZ), Germany

GAFSP Private Sector Window Donor Committee Chair

Ms. Iris Krebber

Department for International Development (DFID), United Kingdom

Accepted for the Steering Committee	Accepted for the Private Sector Window Donor Committee
STEFAN SCHMITZ	IRIS KREBBER
SIGNED SS	**SIGNED IK**
Stefan Schmitz	Iris Krebber
Chair, GAFSP Steering Committee Chair	Chair, Private Sector Window Donor Committee

WELCOME, INTRODUCTION OF NEW PARTICIPANTS, AND ADOPTION OF AGENDA

1. A meeting of the Global Agriculture and Food Security Program (GAFSP) Steering Committee (SC) was convened in Berlin, Germany, on January 16-17, 2019. A list of meeting participants is provided in Annex 1.

2. The co-chairs welcomed new participants to the SC meeting. The Director of the SDG2 Advocacy Hub attended the meeting as an invited observer for Sessions 1-3. The meeting was also attended by representatives of the joint venture, London based Future Advocacy with Berlin based seebohm.berlin (henceforth "Future Advocacy"), recruited to support the SC in its resource mobilization (RM) efforts. The draft agenda circulated in advance of the meeting was reviewed and adopted (Annex 2).

3. The World Bank Executive Director for Francophone Africa delivered a joint statement on behalf of the SC Regional Representatives (Annex 3). The statement emphasized their support for the proposed restructuring of the Financial Intermediary Fund (FIF) and the proposed additional operational changes proposed, welcomed the recruitment of Future Advocacy to support the RM effort, and provided suggestions on the RM strategy.

4. The Civil Society Organization (CSO) representative from Asian Farmers Association (AFA) delivered a joint statement on behalf of the CSO representatives (Annex 4). The statement emphasized the importance of the UN declarations on the Rights of Peasants and Other People Working in Rural Areas and on the International Decade on Family Farming 2019-2028; pointed to GAFSP as a unique, innovative funding facility to support the implementation of the Decade and to promote civil society rights at country levels; and linked CSO efforts to support the GAFSP replenishment with their hope for greater empowerment of – and more funds to be directed to – smallholder farmers and producer organizations.

GAFSP TRUST FUND (PUBLIC SECTOR WINDOW) FINANCIAL UPDATE

5. The Trustee presented a financial update on the FIF, which is currently the Trust Fund for the Public Sector Window (Annex 5). A total of USD64.8 million is available to support new funding decisions, while USD equivalent 49.3 million are pending as contributions receivable from Germany, over the years through 2022. The Coordination Unit (CU) clarified that the unused balances from the 13 closed projects as of end-December 2018 (approximately USD15 million) may also be reallocated towards funding the 2019 Call for Proposals (henceforth "2019 Call"), subject to the Supervising Entities holding those funds returning them promptly to the FIF.

6. The Private Sector Window Secretariat provided a financial update stating that about USD100 million is available in liquidity for Private Sector Window Investment Services, and USD15-20 million for Private Sector Window Advisory Services (AS). The available funding should be sufficient to finance Private Sector Window investments and AS for this and next fiscal year.

7. The UK reported that its contribution of GBP40 million (which was expressed as indicative funding support at the April 2018 SC meeting) has been approved by DFID ministers and the UK Treasury, and the corresponding promissory notes are expected to be available to the Trustee by the end of February 2019. Of the total, up to GBP10 million is intended to be directed for AS, through the Private Sector Window managed by IFC, and to be used specifically in support of grants awarded to countries in the upcoming Call under the Public Sector Window. As per guidance by DFID ministers, the UK is targeting to operate under provision of a maximum 10 percent share of GAFSP's total contributions, to challenge other donors to contribute.

8. With the inclusion of the above-mentioned additional funds as reported by the UK and the CU, the amount that could be available for allocation under the 2019 Call is approximately USD110 million.

2019 CALL FOR PROPOSALS

9. The CU presented the key changes that had already been agreed by the SC to be reflected in the 2019 Call: (i) continuing the established practice of emphasizing cross-cutting priority areas, with no thematic Call; (ii) limiting eligibility to the 24 (IDA-only) fragile and conflict affected states, using the World Bank's FY19 Harmonized List of Fragile Situations (HLFS); (iii) considering and introducing explicit requirements related to increased public-private linkages; (iv) exploring options for linkages with the Private Sector Window's AS; and (v) confirming this 2019 Call would have no requirements for co-financing. It was confirmed that the restriction to IDA-only fragile and conflict affected countries in the 2019 Call would not be binding on future calls. Future Calls for Proposals are expected to revert to GAFSP's usual practice of extending eligibility to all IDA-only countries not in non-accrual status, as stated in the GAFSP Framework Document.

10. SC members reconfirmed that the 2019 Call would be targeted to countries considered to be in situations of fragility, conflict and violence (FCV), within the IDA-only country pool. Members discussed: (i) the diversity of FCV countries and their ability to respond to stringent proposal requirements; (ii) the reference from which to obtain the list of countries, noting that the proposed list (HLFS) did not recognize broader fragility concerns relating to climate and food security; (iii) the desirability of allowing multi-country proposals, considering their potential to be more efficient for small island states; (iv) the advisability of allowing funding of completion of National Agriculture Investment Plans (NAIPs) through GAFSP project financing; and (v) ways to strengthen the language in the Call documentation concerning (a) the level of participation of women and farmers' organizations throughout the process and (b) the elements related to public and private sector roles and opportunities.

Decisions

- The SC approved the 2019 Call with the changes noted below, subject to its virtual approval of the revised documents to be produced by the CU.
    - **Country need**: to remove the need score from the proposal assessment under this specific Call, maintaining the two other criteria (country readiness, proposal readiness) with a 40:60 weighting.
    - **Country readiness**: to adjust the requirements with respect to current NAIP readiness to allow for those countries without current national agriculture and food security strategies and associated NAIPs to instead provide a clear roadmap for completion of their next strategy and NAIP, addressing both the process and timeline and indicative focus and content areas.
    - **Proposal readiness**: to request that submissions include additional information about fragility and how the proposed projects are intended to address it, and that this be reflected in the Technical Advisory Committee (TAC) assessment. The final documents will more clearly capture the sequencing of the 'opportunities analysis', which is to be carried out by country applicants as part of proposal preparation, and, for approved country grants, followed up via engagement with the Private Sector Window's AS team as part of project preparation.
    - **Edits to language**: to better address GAFSP's SDG2 and smallholder focus; to ensure attention to stakeholder participation, particularly farmer and producer organizations (FO/POs), and to women's inclusion; to reframe stakeholder representation, in particular referring to "farmer

partners" and "project participants" instead of beneficiaries; and explicitly recognizing that FOs/POs are private sector actors.

- **List of fragile countries:** to use the World Bank's FY19 HLFS to target the eligible IDA-only, FCV countries; and to allow multi-country submissions.
- **Support to 2019 Call preparation:** to make limited proposal preparation assistance available through the existing technical assistance (TA) supervising entities (SEs) for the 2019 Call, without automatically creating a precedent for future Calls.

Actions

- The CU will prepare a proposed operational option and an indicative timeline for delivery of proposal preparation assistance in association with the 2019 Call. These will be submitted for SC review and approval as soon as possible.
- The CU will update the Country Guidelines, proposal template and Letter of Announcement to reflect the changes agreed above and circulate for SC approval by email.

LESSONS LEARNT FROM THE INITIAL PHASE OF MMI PROJECT IMPLEMENTATION

11. The CU presented, for SC information, recommendations and lessons learned from the initial experience of MMI from project preparation through launch, based on a review commissioned by the CU. Primary among these are that POs and SEs bring their respective strengths to the MMI process, however there is a mismatch in information and expectations between them. Clarification of the roles and responsibilities of POs, SEs, and other stakeholders in the MMI projects was recommended. The CSO representatives underscored the importance of their direct participation in the design and execution of future such reviews. They also recommended creating a small working group of the relevant SE and CSO representatives to address challenges in MMI projects on a case-by-case basis as they arise (Annex 6).

12. The CSO representatives highlighted the importance of partnership between POs and SEs in designing the MMI projects and ensuring the POs' lead role in project implementation. An SE representative, while noting support for the MMI, emphasized focusing on the design elements and reminded participants of the large body of experience accumulated over the years, such as with productive alliances.

13. The CSOs also drew attention to broader points that affect producers' ability to effectively lead and implement such projects, such as the critical importance of good governance at the national as well as at the project level. They suggested establishing links between MMI targets and national objectives, encouraged consideration of an MMI Call simultaneously with the upcoming 2019 Call, and reiterated their interest in engaging with Private Sector Window projects.

14. SC members noted the rich global experience of relevant community and producer-led projects and programs, including in the Latin American and South Asian regions, and the importance of this to help inform the mainstreaming of the producer-led track under GAFSP 2.0, as well as the ongoing MMI.

OPERATIONAL RESTRUCTURING OF GAFSP

15. Following the April 2018 SC meeting, a working group comprising representation from across the SC developed specific operational and governance details of the endorsed scenario. That scenario envisaged a single window with unallocated funds under a World Bank-hosted FIF, from which the SC may make allocations for both public sector and private sector financing, including for PO-led projects. The existing GAFSP Private Sector Window, with IFC as its implementing entity and reporting to the

Private Sector Window Donor Committee, would continue operating in parallel and remain open for new contributions from existing or new donors.

Working Group's Design Recommendations

16. On behalf of the working group, the CU and the UK summarized its objectives and process followed and presented its final recommendations for SC discussion and approval. The working group recommended that the FIF operate on a proposal basis, with the SC making all allocation decisions based on submitted proposals, with suggested Tracks organized as follows:

    a) **Track 1A: offering public-led financing in support of private sector development**, which retains a similar profile to current project proposal submissions under the Public Sector Window, but requires mandatory 'opportunities analysis' that outlines the rationale for public investment and identifies potential areas for complementary private-sector led activity (which could draw from related work such as the NAIPs, to the extent they contain such material, and analyses carried out by SEs), and provides for accompanying TA/AS oriented towards exploring and building private sector engagement opportunities;
    b) **Track 1B: offering financing to the farmer-led private sector** which is modeled on the MMI pilot experience and protects the capacity of POs to generate GAFSP project proposals for financing with coordination and support from SEs;
    c) **Track 2: offering business-led private sector financing**, supported via multi-year envelope proposals with plans to be approved annually by the SC, to be managed by SEs and offer concessional/blended financing targeted to small and medium enterprises (SMEs), including through 'innovative intermediation' arrangements and targeted towards smaller scale SME finance needs.

17. The CU clarified that the SEs eligible under Track 2 are GAFSP's investment SEs with private sector arms or divisions, and whose own policies and procedures would apply in administration of any approved funds, on a programmatic basis. The working group recommended that those SEs also be signatories to the DFI Blended Finance Principles to be eligible to apply. A Private Sector Window donor requested that going forward, the existing GAFSP Private Sector Window be presented as an integral part of GAFSP alongside the restructured FIF. The Trustee clarified that the FIF can accept donor contributions only as grants. Several operational details were clarified for both Tracks as follows:

    - **Track 1**:
        - the SC may decide to issue Calls focused on 1A or 1B, or to cover both options;
        - for 1A, one country may submit only one proposal in a given Call, whereas under 1B there is no restriction on the number of submissions from POs in the same country;
    - **Track 2**:
        - detailed assessment criteria and process for the submitted 'facility' proposals remain to be elaborated and agreed by the SC, as part of subsequent operational guidelines;
        - disclosure and transparency requirements will differ from those under Track 1, given the focus on financing to private sector recipients;
        - for Track 2, IFC may submit a proposal, and would be regarded as equivalent to other eligible private investment SEs;
    - **Both tracks:**
        - as operational guidelines are fleshed out for GAFSP 2.0, these will build further on the OWG's prior work to capture synergies and complementarity between the offered Tracks.

Decision

- The SC approved the working group's design recommendations with the presentational adjustments and clarifications as described above.

Action

- The CU will prepare a revised Recommendations Note with the adjustments agreed by the SC and adding the current Private Sector Window into the program illustration, reflecting a holistic presentation of GAFSP going forward, better highlighting the synergies across the operational mechanisms and outlining the indicative proposal process for Track 2. The final note will provide guidance on next steps and subsequent preparation of operational guidelines for GAFSP 2.0, to be reviewed and agreed at the next SC meeting.

Proposal Preparation Grants

18. The SC broadly agreed that competition remains important in applying for GAFSP funds, but that there is also a need for a more level playing field, to ensure that resources reach those lower capacity countries in need. In reviewing the delivery options presented for GAFSP to make available proposal preparation grants under Track 1, members cautioned against adopting any model that placed SEs in the position of preparing proposals and subsequently appraising the approved projects, and agreed to drop from further consideration the option that proposed investment SEs as potential providers of proposal preparation support. Country ownership, value for money, and speed were agreed as critical principles to guide selection of any preferred modality.

Decision

- The SC agreed, in principle, that proposal preparation grants would be made available under Track 1 of GAFSP 2.0.

Action

- The CU will prepare refined delivery options for SC review and agreement, guided by the principles stated above.

Co-financing

19. The SC welcomed the Working Note on Co-financing/Leverage for GAFSP as a useful technical first step to explore how GAFSP may define co-financing and leverage going forward under GAFSP 2.0, acknowledging this Note focused solely on the use of funds and not the sources. It was further recalled that while the earlier note on non-traditional and innovative financing offered broad suggestions on leveraging, it had been written prior to the agreement on restructuring. Discussion covered: (i) the desirability of GAFSP having an agreed leverage model, including working definitions of all terms, and in association with the replenishment; (ii) exploring leveraging from sources such as climate funds; (iii) confirming that the approach captures domestic resource mobilization, including investments by farmers themselves; and (iv) ensuring the boundaries of the financing are clearly defined for purposes of SE safeguards application. The Private Sector Window Secretariat clarified that all projects accessing concessional support from the Private Sector Window are currently required to follow a co-financing ratio of at least 1:1 vis-à-vis funding from IFC's own balance sheet. This ensures alignment of interests between the Supervising Entity and GAFSP, and it was recommended that Track 2 adopt this principle.

Decision

- The SC requested the CU to continue this analytical task, and encouraged interested SC colleagues, including at least one donor, to participate in an informal advisory group.

Action

- The CU will follow up to seek participation by interested SC members in the informal advisory group.

GAFSP REPLENISHMENT IN 2020

20. The Chair stressed the importance of replenishment to fully realize the SC's ambitions for GAFSP around its operational restructuring and the vision for 2030. He introduced the newly-recruited fundraising joint venture Future Advocacy, which has been retained to support the SC through to the 2020 replenishment, and emphasized the SC's own crucial role in that process.

21. A representative of Future Advocacy updated the SC on RM efforts since the last SC meeting. These had been carried out by prior consultants and SC members, including GAFSP CSOs. The highlights included outreach to new potential donors and to German CSOs. He also presented a draft RM Action Plan that showed the different stages and milestones in the process.

22. The SC then worked to populate the action plan around the following themes: Advocacy and Pledging, Communication, Events, Champions, Information Sharing, and Trips, Case Studies and Stories. Based on this input by SC members, Future Advocacy will further elaborate the draft into a more comprehensive plan of advocacy, communications, and events to guide the SC's efforts. The SC developed a rich list of events and opportunities, actions and initiatives. SC members further discussed the following topics:

    - **Date of and approach to the replenishment event in 2020**: Germany indicated its intention to pursue political representation at the highest level for the replenishment event. The effectiveness of engaging recipient Heads of State and other high-profile individuals was evoked. Such an event would be articulated around SDG2 working with other partners as needed, with GAFSP's replenishment situated within that broader context. Germany stated its preference to hold the event in early 2020, with the date to be decided based on several factors; Future Advocacy would provide input to that process.
    - **GAFSP's visual and narrative story**: There was agreement that sharpening, targeting, and revising GAFSP's messages is useful. It was also agreed that new messaging initiatives would build on GAFSP results to date and already-agreed elements, including the Theory of Change and Value Proposition.
    - **Information sharing**: With SC members all active in communications, the SC agreed to exchange information more, including to galvanize the reach of events/trips/social media already taking place. The possibility of a platform through which to exchange information was broached.
    - **GAFSP rebranding**: A member proposal to take a decision on a name change was deferred, pending analysis by Future Advocacy of the options and subsequent consideration by the SC. Recognizing the time constraints prior to replenishment, and the cost and legal implications – especially for the Private Sector Window – of a full rebranding, the option of retaining the existing brand name with sharpened tag line and logo was discussed.

Decision

- The draft Action Plan was agreed, as a living document; it will serve as the framework to guide the SC's work on advocacy and communications leading up to the replenishment event in 2020.

Actions

- The SC will establish an 'Advocacy and Resource Mobilization Task Force' that will include interested SC members, to steer Future Advocacy in their activities.
- Future Advocacy will prepare a brief analysis of options and pros and cons regarding GAFSP's rebranding by February 1, 2019.

ANY OTHER BUSINESS AND CLOSURE

23. The CU provided a set of principles around which the choice of timing and location of the next SC meeting could be made. The Chair announced that a final decision on the timing and location of the next SC meeting will be agreed at a later date. It is anticipated to take place prior to the end of the calendar year 2019, in association with allocations to be made under the 2019 Call, and to build up to the replenishment event in early 2020.

24. The meeting concluded with thanks from the Chairs to all participants, organizers, contributors, and BMZ as hosts of the SC meeting.

Annex-1

List of Meeting Participants (alphabetical order, by stakeholder group)

	Last Name	First Name	Organization
1	Schmitz	Stefan	SC Chair, Germany
2	Krebber	Iris	SC Co-Chair, United Kingdom
Donors			
3	Gill	Timothy	Australia
4	Bahalim	Ammad	Bill & Melinda Gates Foundation
5	Watkins	Neil	Bill & Melinda Gates Foundation
6	Potter	Stephen	Canada
7	Jung	Fritz	Germany
8	Shimano	Toshiyuki	Japan, Private Sector Window donor
9	van de Logt	Paul	The Netherlands, Private Sector Window donor
10	Aarts	Anouk	The Netherlands, Private Sector Window donor
11	Mendez de Andes	Javier Jose Fernandez	Spain
12	Zapatero	Maria Abad	Spain
13	Johnson	Karen	United Kingdom
Regional Representatives			
14	Keizire	Boaz	Representing Regional Representative Agnes Kalibata, Africa
15	Ehui	Mamou	Regional Representative, Africa
16	Pokharel	Champak	Regional Representative, Asia
17	Tuaimei'api	Kilisitina	Regional Representative, Asia
18	Imashov	Chorobek	Regional Representative, ECA
29	Alcerro	Jorge Ramon Hernandez	Regional Representative, LAC
20	Ghaffar	Jeehan Nawaf Abdul Malik	Regional Representative, MENA
21	Tchatchouang	Jean Claude	World Bank Executive Director for Francophone Africa
Supervising Entities			
22	Agboma	Patrick	African Development Bank
23	Dadzie	Rebecca	African Development Bank
24	Siddiq	Akmal	Asian Development Bank
25	Manssouri	Mohamed	Food and Agriculture Organization
26	Veillerette	Benoist	Food and Agriculture Organization
27	Bettink	Willem	International Fund for Agricultural Development
28	Brown	Donal	International Fund for Agricultural Development

29	Razdan	Pamposh	International Finance Corporation
30	Rosembuj	Flavia	International Finance Corporation
31	Spicer	Martin	International Finance Corporation
32	Toe	Chris	World Food Programme
33	Scura	Louise	The World Bank
CSOs			
34	Clarke	Marie	ActionAid, USA
35	Penunia	Esther	Asian Farmers Association (AFA)
36	Akoha	Sessi Rostaing	ROPPA
37	Bagna	Djibo	ROPPA
38	Coulibaly	Ibrahima	ROPPA
GAFSP Coordination Unit			
39	Dyer	Nichola	Coordination Unit
40	Hayward	Natasha	Coordination Unit
41	Mehdi	Tammy	Coordination Unit
42	Mostafa	Iftikhar	Coordination Unit
43	Ramachandran	Venkatakrishnan	Coordination Unit
44	Salman	Diana	Coordination Unit
45	Tortella Canellas	Virginia	Coordination Unit
GAFSP Private Sector Window Secretariat - IFC			
46	Chaudhary	Bheeshm	Private Sector Window Secretariat
47	Shah	Niraj	Private Sector Window Secretariat
Trustee			
48	Kurasawa	Shinichiro	Trustee
49	Pardo	Maria Lourdes	Legal
Invited Observers			
50	Newnham	Paul	SDG2 Advocacy Hub
51	Buston	Olly	Future Advocacy
52	Seebohm	Sergius	Future Advocacy (Seebohm.Berlin)
53	Strukelj	Nika	Future Advocacy

Annex 2

AGENDA

Steering Committee Meeting
January 16 - 17, 2019
Berlin, Germany

Wednesday, January 16, 2019 (DAY 1)

Venue: Federal Ministry for Economic Cooperation and Development
Conference Room, Ground Floor
Stresemannstr 94, Berlin

8:00am – 8:30am	**Arrival and Registration**
8:30am – 10:00am *[Session 1 open to invited observers]*	**1. Welcome, introduction of new participants, and adoption of agenda** *Steering Committee Chair, Stefan Schmitz* *Donor Committee Chair, Iris Krebber* • GAFSP Achievements 2010 – 2018 - *Stefan Schmitz* • Remarks – *Iris Krebber* • Remarks – *Jean Claude Tchatchuang, on behalf of the Regional Representatives* • Remarks – *Esther Penunia, CSO Representative* <u>Documentation:</u> - Meeting Agenda
10:00am – 10:30am	**Coffee/Tea Break**

10:30am – 10:45am	**2. GAFSP Trust Fund (Public Sector Window) Financial Update** Objective: To provide an update on the financials of the GAFSP Trust Fund (Public Sector Window) Presentation: - Update on the GAFSP Trust Fund (Public Sector Window) Financials --- *Shinichiro Kurasawa* For Information
10:45am – 12:45pm	**3. 2019 Call for Proposals** Objectives: To agree on final documentation, including the Country Guidelines, new Proposal template, Call for Proposals announcement letter, and launch timeline/date for the 2019 Public Sector Window Call for Proposals Presentations: - Key principles of the Call for Proposals and related updates to the Country Guidelines and Call documents - *Natasha Hayward* Documentation: - Country Guidelines – updated draft for 2019 Call - Proposal Template – new for 2019 Call - Call for Proposals Letter of Announcement - Suggestions made by Technical Advisory Committee (TAC) **DECISION POINTS:** - Agree on Call for Proposals - (a) the Country Guidelines; (b) Proposal Template; (c) Letter of Announcement; and (d) timing/date for launch of the 2019 Call for Proposals
12:45pm – 2:00pm	**Lunch (11th Floor)** *Supported by* Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung

2:00pm – 2:45pm	**4. Lessons learnt from the initial phase of implementation of the MMI projects** Objectives: To share lessons from the initial phase of implementation of the MMI projects. Presentations: - Status update - *Iftikhar Mostafa* - Lessons from MMI project launch workshops and visits – *Djibo Bagna* Documentation: - The MMI Projects To Date: Observations, Recommendations and Lessons For Information
2:45pm – 4:15pm	**5. Operational Restructuring of GAFSP** Objectives: To review and agree on the recommendations of the GAFSP Operational Working Group (OWG), as follow up to decisions taken at the April 2018 SC meeting. Presentations: - OWG objectives and process as well as proposal preparation grant options and co-financing/leverage - *Natasha Hayward* - OWG Design Recommendations: GAFSP 2.0 – *Karen Johnson* Documentation: - OWG Design Recommendations for GAFSP Operational Restructuring - OWG Additional Note on proposal preparation grant options - Summary of Consultations - Working Note on Co-financing/Leverage for GAFSP
4:15pm – 4:45pm	**Coffee/Tea**

4:45pm – 6:15pm	**6. Operational Restructuring of GAFSP (contd.)** - Continue discussion on Operational Restructuring of GAFSP **DECISION POINTS:** - Agree on (a) the GAFSP Operational Design Recommendations; (b) proposal preparation grant options; (c) the next working steps on Co-financing/Leverage for GAFSP

Thursday, January 17, 2019 (DAY 2)

Venue: Federal Ministry for Economic Cooperation and Development
Conference Room, Ground Floor

8:00am – 8:30am	**Arrival and Registration**
8:30am – 10:00am	**7. GAFSP Replenishment** Objective: To agree on the pathway for the Replenishment Event Presentation: - Update on actions taken on resource mobilization - *Future Advocacy* Breakout sessions: - Create elements (concrete and actionable) of the SC Action Plan leading to the GAFSP replenishment event - *Future Advocacy* Documentation: - Work Plan of Future Advocacy - GAFSP Resource Mobilization Action Plan - Indicative Inventory of SC Members' Contributions to the Action Plan for the GAFSP Replenishment Event - Summary of Actions Taken by former Head, Resource Mobilization - Note on Non-Traditional Financing
10:00am – 10:30am	**Coffee/Tea**
10:30am – 12:00pm	**8. GAFSP Replenishment (contd.)** Discussion: - Small groups report back to the plenary session on SC actions and contributions to be incorporated into Action Plan for the GAFSP Replenishment Event
12:00pm – 1:30pm	**Lunch (11th Floor)** *Supported by* Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung
1:30pm – 3:00pm	**9. GAFSP Replenishment: Next Steps for SC Members**

	Objective: To agree on SC members' contributions to Action Plan for the GAFSP Replenishment Event Discussion: - Inventory of SC members' contributions to Action Plan for the GAFSP Replenishment Event – Future Advocacy **DECISION POINT:** - Agree the SC Action Plan leading to the Replenishment Event
3:00pm – 3:30pm	**Coffee/Tea**
3:30pm – 4:30pm	**10. Any other business, summary of decisions and closure** **DECISION POINTS:** - Venue and timing of next meeting

Annex 3

GAFSP Steering Committee Meeting

Berlin, Germany: Regional Representatives joint statement

Date: January 16-17, 2019

As regional representatives we appreciate the role and contribution of GAFSP to agriculture and food security in IDA eligible countries of the world. GAFSP is an important tool for achieving the SDGs. GAFSP's ability to innovate is one of its key features and the Missing Middle Initiative is one of these innovations that provide supports to small farmers, especially women and youth. We therefore support the ongoing reforms aimed at making GAFSP more able to respond to the increasing demands for food security in the world. We are pleased with the progress made so far and welcome the upcoming discussions on the remaining critical aspects of the reforms, including governance, strategy on resource mobilization, and the operationalization of the financing model. We look forward to a productive discussion on these issues.

We want to emphases the following points:

On GAFSP Operational Mechanism and Governance Scenario; we are very encouraged by the convergence of views among all stakeholders-donors, regional representatives and CSOs on scenario 1B. From our perspective, scenario 1B is the best scenario; because it clearly has the potential to maximize the programmatic value-addition across both windows and beyond what GAFSP is currently delivering. If GAFSP wants to achieve greater success in IDA countries, building synergy is paramount and therefore a scenario that will retain a holistic approach to addressing challenges of agriculture and food systems is important. Given that the capacity to prepare proposals should not be an impediment to access funds from GAFSP, therefore we welcome the planned proposal preparation grant.

The scenario is also consistent with the 2015 Addis Ababa Action Agenda of the UN, which emphasizes the need to look beyond the public sector to catalyze resources of investment needed to achieve the SDGs. And of course, agriculture transformation, with the help of the private sector, would be key to achieving the SDGs and creating jobs. We see GAFSP as one of the important instruments that are delivering this objective, and therefore, its needs to be strengthened.

Despite the potential under this scenario, it will be important to clarify how private sector potential would be fully unleashed. We welcome the leveraging of resources and we urge GAFSP to leverage more resources.

We welcome the introduction of an advisory service as a new allocation to incentivize collaboration of the two windows and think it is an excellent start that we fully support. We would suggest that there be an evaluation to measure its real impact. However, irrespective of the crucial role that the private sector is expected to play in the framework of the reform, the needs of agricultural development are enormous, around $35 billion per year, and the success of this model stands on a robust contribution from donors.

On Resource Mobilization Strategy. By 2030, and according to SDG2, we must end hunger, achieve food security and improve nutrition and promote sustainable agriculture; and we understand that GAFSP is targeting $1.5 billion to support countries between (2020-2024) in the resolve in achieving the SDGs especially in hotspot zones. GAFSP is planning to mobilize resources from IDA and private sector resources and from donors. We therefore welcome the recruitment of Future Advocacy, a resource mobilization

consortium formed between Future Advocacy, based in London, and seebohm.berlin, based in Berlin. We understand that these partners have track records of doing similar assignments in the past, and we hope that they will do better. We wish them a good luck and we look forward to exceeding expectations.

We call on Future Advocacy, to consider other options of resource mobilization beyond traditional partners. Therefore, we expect clear goals and targets to meet them. Increasing cooperation with MDBs can strengthen synergies between GAFSP's public and private sector interventions and scale of projects- For example, AfDB, IDB, ADB and other partners through their respective approaches could provide an opportunity to catalyze private sector investment through various mechanisms including risk assessment; the use of private equity funds; and blended financing. Therefore, additional MDBs joining in as GAFSP Private Sector Window could broaden its reach through the higher volume of eligible proposals.

In conclusion, we commend the Coordination Unit for their effort. We appreciate the role and impact that GAFSP, as well as its contribution to the SDGs. We look forward to a strong replenishment.

Annex 4

Opening Remarks - Esther Penunia in behalf of the three CSO representatives in GAFSP SC

In behalf of the three CSO representatives who are here, ROPPA for CSO Africa, Action Aid USA for Northern NGOs and AFA for Asia, with combined membership of 102M, but collectively representing 250million family farmers, we greet you Guten Morgen and Frohes Neus Jhar!

We start the year with high notes, high hopes and high expectations.

Last month, the UN adopted a very significant international instrument for us: the Declaration on the Rights of Peasants and Other People Working in Rural Areas and enjoining "all intergovernmental organizations, including all international and financial organizations, to contribute to the full realization of this Declaration, including through the mobilization of inter alia, development assistance and cooperation".

This year also starts he implementation of another significant UN Declaration: the UN International Decade on Family Farming 2019-2028, encouraging all UN member states to develop, improve and implement public policies on family farming and share their experiences and best practices of family farming. With the Declaration on the Rights of Peasants, all governments and development institutions can be guided on the policies that should be enacted and programs that should be implemented during this Decade to raise the profile of family farmers and eradicate hunger and poverty amongst our constituencies.

In both these declarations, is the CSO community, led by family farming/producer/peasant organizations, who defined, advocated, lobbied and worked with partners from the broader CSOs, governments and IGO, for these to be declared. And because it is us who led these processes, this international instruments responded to the conditions and the needs of our constituencies, and we are owning these processes, we are taking ourselves accountable and thus exert full efforts to work with other partners to make these come true, be achievable.

Where does the Global Agriculture and Food Security or GAFSP come in? We are in GAFSP because we see GAFSP as a unique, innovative funding facility to support the implementation of the decade and to promote our rights, at country levels, where our members are. Here at the Steering Committee, we are members, we are partners, we deliberate with you with candor as we try to bring in the real situation of our members/farmers in the field, or how the projects are being implemented at the country level, how they are reaching the farmers who need the GAFSP money most, how the implementation can be improved.

And we have high hopes with the reformed GAFSP or GAFSP 2.0, especially with the mainstreaming of the Missing Middle Initiative which we started to pilot last year. With the MMI, we see it as the biggest contribution of the CSOs in the GAFSP discussions to date, thus we have the sense of accountability for it to succeed, with the single most important indicator of yes --- has it reached the farmers, and yes, has it empowered the farmers and their organizations? Personally, I very much like the theme of our SC meeting, because my organization's tagline is "empowering small-scale men and women farmers in Asia".

And thus we have high expectations for this reformed GAFSP or GAFSP 2.0, and as we deliberate and come to decisions in the next two days on the details of GAFSP 2.0, and on how we can truly empower smallholder farmers, we would like to highlight the following recommendations based on our experience this past year:

1. As we make efforts to replenish the GAFSP funds, we look forward to seeing that more and more of GAFSP funds go directly to farmers/producer organizations, as we have seen MMI to be very effective in gathering the inertia of farmers not as recipients or beneficiaries but as partners and participants in the agri development processes.

2. We work with existing apex organizations of family farmers at country and sub local levels, making them lead in the design, and manage the implementation of GAFSP projects, especially the Track 1B (PO led). Where there in none existing yet, we work to help catalyze its formation. To make these happen, we expect a clearer set of rules and guidelines on the responsibility of each stakeholder partner in the GAFSP project. And we expect that more efforts will be made to have CSOs become partners in design, implementation, monitoring and evaluation of GAFSP funded projects, simulating what we have here at the international Steering Committee level, where governments, SEs and CSOs sit together and decide together.

3. As GAFSP 2.0 talks much about investing in private sector, we highlight again that farmers are the biggest private investors in food, agriculture and nutrition, and GAFSP support to private sector should be primarily to those farmers/producer organizations who have the capacity and the potentials to engage in businesses, that demonstrate equitable sharing of responsibilities , resources and benefits , such as farmers' agriculture cooperatives .

We look forward to a robust discussion the next two days, and we hope that after two days , we can report back to our constituencies that GAFSP is getting better in empowering the smallholder family farmers and their organizations, and that we will have more potentials to have direct funding from GAFSP and lead in the management of projects, that we have a significant role to play in partnership with other stakeholders in GAFSP to make GAFSP truly empower smallholder family farmers.

Thank you very much for your attention.

Annex 5

WORLD BANK GROUP

Global Agriculture and Food Security Program Trust Fund

(Public Sector Window)

Financial Status Update

as of December 31, 2018 (tentative)

Joint Steering Committee and Donor Committee Meeting

January 16-17, 2019

Berlin, Germany

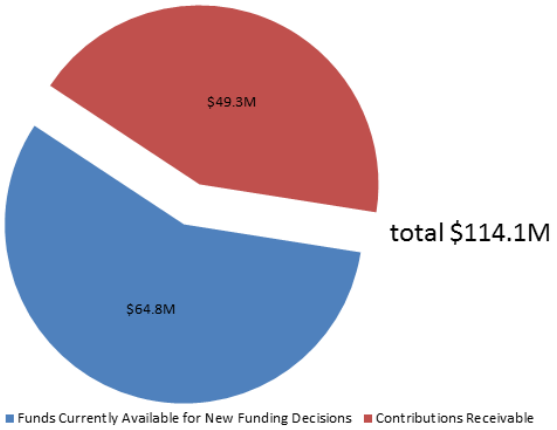
1 FUNDING AVAILABILITY

2 CONTRIBUTIONS

3 INVESTMENT INCOME

4 FUNDING DECISIONS

Potential Funding Availability

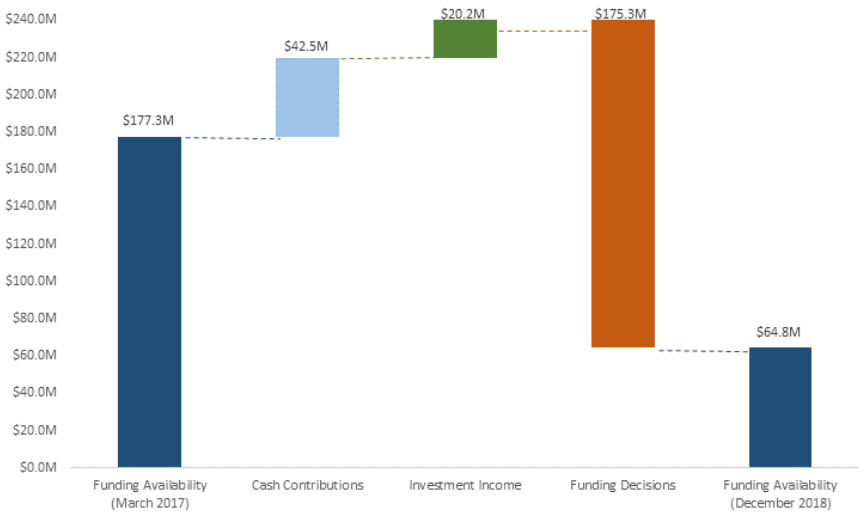


- ✓ USD 64.8 million are available to support new funding decisions
- ✓ USD equivalent 49.3 million is the amount of contributions receivable from Germany over 2019-2022
  - ❖ The actual US$ amount is subject to change based on the future EUR/USD exchange rate.

Status of Funding Availability *(US$ millions)*

	March 26, 2017	December 31, 2018
Cumulative Resources Received:	**1,292.9**	**1,355.7**
Contribution Receipts	*1,278.0*	*1,320.5*
Investment Income	*14.9*	*35.1*
Cumulative Funding Decisions:	**1,115.6**	**1,290.9**
Projects	*1,034.5*	*1,194.4*
Fees for Supervising Entities	*51.0*	*56.6*
Coordination Unit and Trustee Budget	*17.8*	*23.8*
Monitoring and Evaluation Budget	*12.4*	*16.2*
FUNDS AVAILABLE FOR SC DECISIONS	**177.3**	**64.8**

Change in Funding Availability Since March 2017

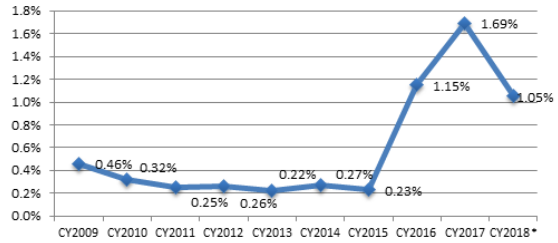


Contribution Receipts (*US$ millions*)

Contributors	*December 31, 2018* Total Contribution Receipts	Contributions Receivable
Australia	98.4	
Canada	201.5	
Gates Foundation	70.0	
Germany	80.3	49.3
Ireland	2.0	
Korea	83.9	
Spain	94.2	
United Kingdom	62.2	
United States	628.1	
TOTAL	**1,320.5**	**49.3**

- ✓ In May 2018, Germany contributed the 2nd (EUR1.5M, equivalent to US$1.8M) tranche under the December 2016 contribution agreement and 2nd (EUR2.6M, equivalent to US$3.1M) tranche under the November 2017 contribution agreement.
- ✓ In December 2018, Germany contributed the EUR25M, equivalent to US$28.5M under the November 2018 contribution agreement.
- ✓ Under the December 2016 contribution agreement: remaining tranches are scheduled to be paid in 2019 (EUR6.3M), 2020 (EUR5.3M), 2021 (EUR5.0M), and under the November 2017 contribution agreement, in 2019 (EUR4.2M), 2020(EUR3.9M), 2021 (EUR8.8M), 2022 (EUR9.5M).

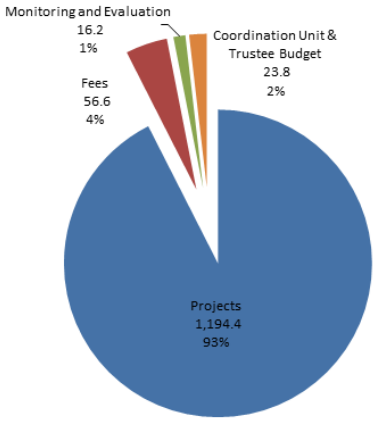
Investment Returns



* Investment returns in CY2018 is not-annualized and up to end September.

- ✓ Following the Joint Steering Committee and Donor Committee meeting in January 2016, the Trust Fund investments have been included in the Pool's longer-term model portfolios.
- ✓ Preservation of capital is the primary investment objective. The Trust Funds investment portfolios are managed conservatively with the assets invested across high grade fixed income and money market instruments.
- ✓ The Trust Fund investment portfolio earned approximately US$ 35.1 million in investment income since inception. The portfolio return during calendar year 2018 was approximately USD 10.6 million, and was driven primarily by investments in longer term tranches.

Funding Decisions



	March 26, 2017	December 31, 2018	Change
Cumulative Funding Decisions:	**1,115.6**	**1,290.9**	**175.3**
Projects	*1,034.5*	*1,194.4*	*159.9*
Fees for Supervising Entities	*51.0*	*56.6*	*5.6*
Coordination Unit and Trustee Budget	*17.8*	*23.8*	*6.0*
Monitoring and Evaluation Budget	*12.4*	*16.2*	*3.8*

Annex 6

Missing Middle Reflections from Civil Society

Origins of the Missing Middle Initiative (MMI)

The Global Agriculture and Food Security Program (GAFSP) was created in the aftermath of the 2008 Food Crisis. The prevailing wisdom at the time was that public investment in agriculture had declined significantly. A greater share of agriculture investment was coming from big, corporate agribusiness and foreign direct investment that was consuming vast amounts of land for industrial agriculture production of fuel crops and food for export. In addition, climate impacts were wreaking havoc on major commodity producers and an unbridled commodities market was exasperating all of these dynamics resulting in food price spikes and the corresponding food riots. In reaction, the wealthiest nations of the world decided that there was a need for a global fund on agriculture that would increase **public** investment in agriculture, **targeting smallholder farmers**, with the expressed purpose of **achieving food security**. The GAFSP was born, with an innovative structure that included country-driven plans and Civil Society (CSO) and Farmer Organizations (FO) at the table with donors, recipient countries and international development agencies all at the same table.

The early reports on the impact of GAFSP investments, however, indicated that we were missing the women smallholder farmers initially envisioned in the construction of the fund. Consultants helped to clarify the typology of farmer we sought to reach and the CSO representatives made a case for opening a pilot stream of resources that would fund concepts built by farmers organizations with the capacity to disperse the resources more directly to smallholders. The decision was taken that farmer-originated concepts that were approved would be funded via the supervising entity chosen by the farmer organization. What makes this stream of resources innovative is the agency and leadership of farmer organizations themselves, in a context where the driving forces of agricultural investment are primarily governments, corporate agribusiness and international development agencies.

Goals of the MMI

- Reach the agreed typology of smallholder farmer. She is above subsistence farming, not dependent on food aid, but not yet growing or scaling up her production or reaching larger local markets.
- Enable a pathway for new and innovative ideas by farmers to rise to the surface and be tested. So much of agricultural development around the world is informed by agriculture models practiced in industrialized countries and by the policies and practices of the big development agencies. Rarely, on the global stage, do we have the opportunity to hear what ideas originate from small farmers themselves.
- Shift the power and agency from governments and supervising entities to farmer organizations. Innovation can be stifled by agencies entrenched in their ways of working – the idea of shifting the power was both to further the goal of promoting creativity, harness knowledge of the farmers and to ensure that a greater percentage of the resources were being channeled to the target constituency.

Where are we vis-à-vis the realization of the MMI goals?

Most of the MMI programs are in early stages of implementation. The document in front of the Steering Committee (SC) is a report first developed last August with interviews happening even earlier in the year, so much has happened since that time. What is useful about this document is that it looks at the design and early process of the MMI program. All indications thus far are that we will actually reach the target typology of smallholder farmer. How innovative these projects will be is still under question. In some cases the farmers were deeply involved in project design, but in others, the Supervising Entities (SE) did a bulk of that work. The level of SE engagement in not only technical advice but deeper supervision or direct implementation will also influence how much the projects look like the day-to-day projects of the SE or something new.

There have been tugs and pulls about power from all sides. In some cases the government of the implementing country has opposed the leadership of the primary Farmer's Organization, claiming they are "too political" and in other cases it is the SE at the local level that seems to misunderstand that GAFSP seeks to change business as usual with this finance stream. The good news is that these tensions demonstrate that the projects are in fact doing something different and new.

Recommendations Going Forward

- We craft a short document that is approved by the SC that lays out the purpose of the MMI. This document will clarify the roles and responsibilities of each actor, to help address any mis-communications between the vision of the SC and the actors on the ground.
- That we create a small working group of the relevant SE and CSO representatives that can address challenges as they arise on a case-by-case basis.