



Global Agriculture and Food Security Program

March 13, 2013

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Executive Summary

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This report provides an update on the Global Agriculture and Food Security Program (GAFSP) from July 2012 to July 2013. During that time, GAFSP focused on active fundraising, continued progress on implementation for public and private sector projects, and launching the second Call for Proposals under the Private Sector Window. The following are some overall progress highlights for GAFSP during this period:

- GAFSP's successfully carried out a pledging session in Tokyo on the margins of the World Bank/IMF Annual Meetings in October 2012. In response to a U.S. pledge challenge that was issued at a G8 meeting at Camp David in May 2012¹, the Gates Foundation, Japan, and the Republic of Korea each pledged an additional USD 30 million to the fund – bringing the total to USD 1.35 billion pledged from ten donors, of which USD 971.6 million was pledged to the Public Sector Window, USD 308.7 to the Private Sector Window, and USD 68.5 million remains unallocated.
- The GAFSP Public Sector Window funds 25 projects in

- Productivity on rain fed plots increased to USD 1,313/ha for one season (surpassing the year two target of USD 1,000/ha for two seasons).
- More than 85 percent of adults using formal financial institutions (surpassing the project end target of 36 percent for female and 40 percent for male from a baseline of 18 percent for female and 22 percent for male).
- Share of commercialized products from target areas reached 68 percent (surpassing the project end target of 60 percent from a baseline of 35 percent).

Sierra Leone:

- Began irrigation rehabilitation on 500 hectares of inland valleys swamps to increase national rice production.
- 180 farmer based organizations trained in business

GAFSP Private Sector Window implementation activities continued and gained momentum during the second half of 2012. During the reporting period, the Private Sector Window continued with disbursement and implementation of its first investment to the PRAN Group and committed two additional investments: Root Capital and the Global Warehouse Finance Program.

The PRAN Group (Bangladesh): Supporting Agriculture Production

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Introduction

1. The Global Agriculture and Food Security Program (GAFSP) addresses the need for more and better public and private investment in agriculture and related sectors to improve the income and food security of poor and vulnerable people in low-income countries. GAFSP is a transformational approach in development assistance targeted to helping countries make lasting improvements in their food security through sustainable investment in their agricultural and related sectors. It focuses on five key

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awarded GAFSP financing has been 48 percent compared to 40 percent for all eligible countries; and the average share of the population that is undernourished in countries awarded GAFSP financing has been 30 percent compared to 24 percent for all eligible countries.

Table 1. GAFSP financing awarded to countries

Country	Supervising Entities	Award amount (USD million)
Bangladesh	WB & FAO	50.0
Burundi	IFAD	30.0
Cambodia	ADB	39.1
Ethiopia	WB & FAO	51.5

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12. During the reporting period, the number of projects with effective disbursement doubled from five to ten for a total disbursement figure of USD 51 million (up from USD 26 million in June 30, 2012). A project by project summary of status update was p

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will yield impact on nutritional outcomes, such as providing supplements, rural health services, growth monitoring of pregnant women and children, or conditional cash or food transfer services. Specific examples include:

- In Burundi, the GAFSP project aims: to promote crop intensification and diversification in high nutrient food groups such as dairy milk, fruits, and nuts (citrus fruit, banana, avocado, passion fruit and macadamia nut); to introduce market gardening including nutritionally high-value crops such as soya and fruits; and introduce home economics training. The project will also provide health staff capacity-building in nutrition education and nutrition status monitoring of mothers and children under the age of 5. This will be tied to a multisectoral training in family planning and hygiene.
- In Cambodia, the EFAP project is promoting crop diversification; home gardening training to self-help groups, farmer organizations and households; food use, nutrition and basic health care training and extension; and pro-poor and pro-women agriculture technologies.
- In Haiti, the RESEPAG II project supports integration of a nutrition module in the training curriculum of agricultural extension agents; facilitation of the production of nutrient dense foods through use of biofortified seeds and zinc based fertilizers; provision of capacity building in food harvesting and storage techniques (e.g. to reduce aflatoxin); and improvement of food processing techniques through technical assistance such as fortification and food quality control including laboratory capacity to analyze micronutrient contents.

Box 46: Nutrition and food security in Nepal

The objective of the project is to enhance food and nutritional security of vulnerable communities in selected locations of Nepal. This will be done through traditional agricultural activities that have been "tweaked" to be nutrition sensitive and will be accompanied by basic nutrition interventions coordinated with the Ministry of Health.

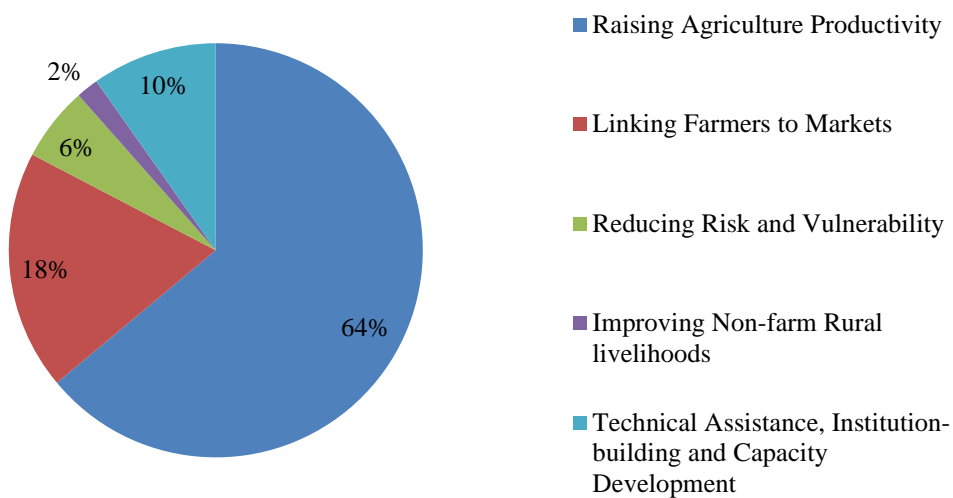
The nutrition sensitive agriculture interventions include: technology development and adaptation of minor but nutritionally significant crops such as buckwheat, blackgram, soybean, olive, walnut, lentil; technology development for improved breeds of poultry for backyard poultry in mountain areas; support to kitchen gardens as part of rural livelihood enhancement; promotion of women-friendly labor saving technologies such as treadle pumps to liberate time for self and care; integrating nutrition off

- In the Kyrgyz Republic, the project will scale-up nutrition interventions such as establishing a social protection system to provide vulnerable groups with minimum guaranteed income to access food; encourage a balanced nutrition and food culture; strengthen prenatal and maternity medical facilities; and improve the quality of food and the role of village health committees to carry out campaigns to improve food quality for women and children.

22. **Box 47: Climate change and food security** can increase farm productivity and incomes, make production more resilient to climate change, and contribute to climate change mitigation. It is possible to have higher

yields, more carbon in the soil and greater resilie

Figure 4: GAFSP Country Strategy Framework



Note: This figure is based on information from documents for the 18 GAFSP countries. The project design documents were used for those projects that have completed preparation, and the proposals submitted by the countries were used for those projects that are still under preparation.

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experienced team based in Dhaka) was selected to co

Private Sector Window

38. The GAFSP Private Sector Window addresses the need for more private sector investment in agriculture and related sectors to improve the income and food security of poor and vulnerable people in low-income countries. GAFSP Private Sector Window funding is helping IFC channel investment into higher risk projects with potential for high development impact. GAFSP Private Sector Window seeks projects that raise agricultural productivity, link farmers to markets, reduce risks and vulnerabilities, and promote rural incomes.

39. One of the differentiating features of GAFSP Private Sector funding is its catalytic role in

42. The Secretariat of GAFSP Private Sector Window expects that committed undisbursed amounts for PRAN Group and Root Capital will be disbursed during the first half of 2013. Due to the short-term nature and in some cases unfunded characteristics of the financing instruments provided under GWFP, the

under the program where IFC would be unable to support on its own due to the higher risk profile of these transactions. This includes transactions with more challenging crops, difficult business environments, or transactions with local banks in GAFSP-eligible countries.

53. By drawing in private investment, GWFP helps overcome market barriers and provides a demonstration effect for other financiers to increase lending in the poorest countries through warehouse-financing mechanisms. It is estimated that the GAFSP support will lead to over USD 135 million annually in new financing to farmers in low-income countries. Key African markets for new GWFP business include Burkina Faso, Ethiopia, Ghana, Guinea Bissau, Kenya, Malawi, Senegal, Tanzania and Uganda.

Private Sector Window of GAFSP

54. As of January 2013, the Private Sector Window of GAFSP has more than USD 80 million in GAFSP investments under consideration. This includes projects at different stages of the investment cycle, such as initial review, internal approval process, or pending commitment with client; it does not include potential projects originated from the Second Call for Proposals, pending final review. Due to the intrinsic challenges from pipeline building with private sector projects, these figures may change over time depending on client factors, market conditions, or other external variables.

55. As can be seen in Figure 6 almost 80 percent of the pipeline under consideration consists of projects based in Africa, in line with the strategic priorities defined at the GAFSP Private Sector Window Annual Plan for FY13. The remaining portion is evenly distributed between Asia and Latin America and the Caribbean. Approximately 28 percent of the projects under consideration correspond to financing to farmers through programmatic projects, 21 percent to financing to farmers through financial institutions and 21 percent to primary production (Figure 7). In terms of size, existing pipeline is evenly distributed

Second Public Call for Proposals under this Window

56. On October 29, 2012 the Secretariat of the Private Sector Window launched the Second Public Call for Proposals under this Window. The launching event took place at the Africa Works Conference in

within the agribusiness value chain, including rural financing and funds (10 percent), agricultural inputs (9 percent) and meat and poultry production and processing (8 percent). In terms of project size, approximately 16 percent of the proposals correspond to projects of USD 50 million or more, 16 percent to projects of USD 20 to USD 50 million, 19 percent to projects of USD 5 to USD 10 million and 39 percent to projects between USD 5 and USD 10 million.

