



I.

The Global Agriculture and Food Security Program (GAFSP) works to improve the income and food security of poor people in low-income countries through public and private sector investments, as well as technical assistance and advisory services. GAFSP aims t

equality and youth. As a new financing window in the GAFSP Program, BIFT will promote knowledge-sharing across SEs and across GAFSP's different financing tracks, including GAFSP's Grant-based Financing Track and Private Sector Window.

BIFT's final beneficiaries represent segments in the food system that remain underserved by financial markets, including smallholder farmers, producer organizations, and agribusiness MSMEs and startups in IDA-only countries. This support will be provided through investment and related support services delivered via sub-projects or activities under existing national, regional, or global co-financing platforms aligned with the objectives of BIFT outlined in Section III. In order to encourage geographical diversity in BIFT-funded projects the BIFT portfolio of projects aims to have a single country allocation limit of a maximum of 20% of the total available BIFT funding envelope. During the pilot phase, the CU will monitor this single country allocation limit across the BIFT portfolio of projects, report findings to the SC, and with the SC's approval either formally adopt or revise a single country allocation limit across or among each SE's BIFT funded projects.

The following entities can access BIFT funding provided that they are applying the *Enhanced Blended Concessional Finance Principles for DFI Private Sector Operations*: African Development Bank (AfDB), Asian Development Bank (ADB), IDB Invest, International Fund for Agriculture Development (IFAD), and International Finance Corporation (IFC).

BIFT funding can be deployed as (i) concessional instruments tools, including guarantees, insurance, as well as concessional debt or equity; and/or (ii) accompanying grant support, including technical assistance, advisory service, and incentives. BIFT funding can be used to design and implement programmatic approaches to deploying concessional finance tools to de-risk private investments in financial innovations within existing national, regional, or global co-financing platforms implemented by eligible SEs. Up to 20% of the total size of the Proposal can take the form of grants used for advisory services, technical assistance and/or incentives supporting financial innovations within these existing co-financing platforms. Critically, existing co-financing platforms funded under the BIFT would complement existing or planned public investments or policy reforms implemented by governments in IDA-Only countries and supported by eligible SEs with a view to transforming local and regional agri-food systems towards improved resilience. Proposals submitted under the BIFT that demonstrate linkages with existing "Country-led" and/or "Producer Organization-led" activities supported under the FIF's Grant-based financing track would be prioritized.<sup>1</sup>

Donor contributions are held

Eligible SEs

reflecting the funding approval criteria and guiding principles outlined herein;  
(c) Submissions in English and United States dollars.

Upon receipt of an initial

- < Confirm commitment to the DFI Enhanced Blended Concessional Finance Principles by:
  - o



Project preparation, implementation, and supervision/implementation support will be governed by the relevant policies and procedures of the selected SE.

Once SC approval is given to the Final Project Document the SE may seek its internal board approval. The SE is requested to notify the CU of the internal SE Board approval of the project. The CU will share this notification with the SC for their information and reference.

In addition to applicable SE policies and procedures for project preparation, execution and supervision, including financial terms and conditions, the following principles will also apply along with the following guidance:

- ◁ Funds approved for investment activities are to be used strictly for activities where funds are passed on to the recipient, with the role of the SE limited to appraisal and implementation support of activities supported by these funds;
- ◁ The SE should adhere to the DFI Working Group on Concessional Blended Finance enhanced principles (Annex 3)
- ◁ The project design should be in line with the proposal approved by the SC and take into account any comments and recommendations relating to proposal strengths and weaknesses, from the TAC-BIFT and any further guidance contained in the CU's communication;
- ◁ The SE should provide necessary guidance to the project teams to ensure that the requirements set forth in the GAFSP Monitoring and Evaluation (M&E) Plan are reflected in the relevant GAFSP M&E sections of the final Proposal to ensure the overall compliance in reporting results to the SC through the CU, on a six-monthly basis.

Changes to the project (e.g., budget, safeguards, development objective (DO), project design)



The SE is required to designate a Focal Point and report to the SC, on project preparation or implementation progress (including, inter alia, progress on disbursement and progress in outputs/outcomes included in the project's results framework/M&E systems) using the standardized CU-prepared GAFSP reporting template on a semi-annual basis (data as of June 30 and December 31 of each year). The SE reports to the CU about implementation progress, delays or cancellation of the project. The CU keeps the SC informed of any project preparation/ implementation delays and follow-up with SEs.

The CU notifies the SEs in June and December each year of the deadline for submission of the progress update and provides the reporting template. Reporting to the Trustee will be in accordance with the conditions of the Financial Procedures Agreements (FPAs) as applicable. The SE is required to notify the CU, regarding any change of the Focal Point and contact details as soon as possible. The progress reports submitted by the SEs will inform the BIFT Portfolio Update prepared by the CU for the SC. In addition to monitoring implementation progress, the BIFT Portfolio Update serves as a knowledge sharing moment with SC Members as well as other stakeholders invited by the SC as observers.

Unless otherwise agreed by the SC in the final Proposal approval process, tSC

Additional Financing (AF) to existing BIFT projects should be processed following the internal policies and procedures of the SE.

Feedback from the BIFT TAC of the approved AF proposal should be considered and incorporated during preparation of the AF. If there is a need for closing date extension for the original project beyond of already approved by the SC at the time of AF funding approval, such changes would require a separate extension of closing date request. See Section IX of these Guidelines.

The final draft additional financing/restructuring related documents should be shared by the SE with the CU for review of compliance with requirements (as described under VIII above) before being submitted to SC. SC approval is required prior to internal SE approval of the AF.

The SE is requested to share the final AF document with the CU for information upon internal SE approval of the AF. The CU will then share the project documents with the SC for their information and reference.

Additional SE Fees are approved by the SC at the time the additional funds are approved. SEs may submit an FTR to the Trustee to request the transfer of the SE Fee amount in accordance with the process outlined in Section VII of these guidelines. The additional SE Fees should cover the costs for preparation, implementation support and completion reporting for the AF funding, as well as any associated SE fees.

Once the AF is approved by the SE, a FTR, including confirmation of SE approval, may be submitted to the Trustee to request the transfer of the full funding amount.

. Progress and completion reporting for the AF follows the procedures laid out respectively under Sections X and XI of these guidelines. The AF will be included in the regular reporting template of the original project. SEs will be requested to report disaggregated disbursement data for the AF funding and the original

Annex 1: BIFT Initial Proposal Template

(SEE SEPARATE DOCUMENT)

## Annex 2: Proposal Summary Template

Project Proposal Summary Template will provide a factual summary of the main elements of the potential project and will include the following information:

a. Project Name	
b. Project partners	
c. Total project cost	
d. Country location(s) of the project	
e. Brief description of the project	
f. Amount and nature of SE's contribution	

o. Supervising Entity

African Development Bank (AfDB)

Asian Development Bank (ADB)

International Fund for Agricultural Development (IFAD)

### Annex 3: DFI Working Group Principles on Enhanced Blended Concessional Finance

These are the enhanced principles and explanation of the principles as they apply to blended concessional finance from the 2013 DFI paper. The common guidelines provide a framework that allows each institution to formalize the Enhanced Principles within their own processes, varying mandates and operational contexts.

DFI support of the private sector<sup>3</sup> should make a contribution that is beyond what is available, or that is otherwise absent from the market, and should not crowd out the private sector.

DFI support to the private sector should, to the extent possible, contribute to catalyzing market development and the mobilization of private sector resources.

DFI support of the private sector and the impact achieved by each operation should aim to be sustainable. DFI support must therefore be expected to contribute towards the commercial viability of their clients. A given sector will gradually require less concessionality and eventually no support from concessional

DFI assistance to the private sector should be structured to effectively and efficiently address market failures, and minimize the risk of disrupting or unduly distorting markets or crowding out private finance, including new entrants.

DFI private sector operations should seek to promote adherence to high standards of conduct in their clients, including in the areas of Corporate Governance, Environmental Impact, Social Inclusion, Transparency, Integrity, and Disclosure.

---

<sup>3</sup> These principles would also apply to other commercially-oriented enterprises addressed by the non-sovereign operations of the DFIs.