

Global Agriculture and Food Security Program

THEME 5: TOWARDS MORE EFFECTIVE AND SUSTAINABLE
RESOURCE MOBILIZATION

G7 INTERNATIONAL SYMPOSIUM ON FOOD SECURITY AND
NUTRITION, OCTOBER 26, 2016, TOKYO, JAPAN



Program Overview

- Born in L'Aquila as the G8 responded to the food price crisis, GAFSP is a multilateral mechanism, launched by the G-20 governments in 2009, to help the world's **poorest countries reduce poverty and improve rural livelihoods and food security**.
- It is designed to provide the **longer term, sustainable investments** needed to prevent future crises and to **build more resilience** to climate, political, and market shocks in the future - it is not a humanitarian or crisis response program.
- Originally aligned with the MDGs and Paris Declaration, since revised to ensure **alignment with SDGs**, the Paris agreement, and other key development milestones .
- It is **country led**, and stresses **good governance, inclusivity, high-quality projects, and intensive monitoring and evaluation of factual results**.
- Led by an inclusive **Steering Committee** with equal voices from donor and recipient countries, sitting alongside Civil Society, Supervising Entities, and the UNSG's office.

What does GAFSP do?

- GAFSP increases incomes and improves food and nutrition security through **increased investment in agriculture, targeted to the poorest countries**.
- **GAFSP takes a comprehensive and country-led view of agricultural development – focused on five pillars:** Increased agricultural productivity; Linking farmers to markets; Reducing risk and vulnerability; Improving non-farm rural livelihoods; Technical assistance and capacity development.



Funding along the value chain

	Public Sector Window	Private Sector Window
Objective	Provides grant funding directly to sovereign governments in accordance with countries' overall investment strategies	Provides investment (and advisory services) to eligible private sector companies in agribusiness, in conjunction with IFC's investments
Managed by:	World Bank	IFC
Funding:	US\$ 1.2 billion	US\$ 356 million
Donors: 11 total	9- Australia, Canada, the Bill & Melinda Gates Foundation, Germany, Ireland, Korea, Spain, the UK, and the US	5 - Australia, Canada, Japan, the Netherlands, the UK, and the US
Supervising Entities:	ADB; AfDB; FAO; IADB; IFAD; WB; WFP	IFC

Beyond Traditional Agriculture

CLIMATE-SMART AGRICULTURE



Over 65% of public sector projects (48% of funds) support climate adaption and/or mitigation benefits.

Bangladesh is allocating 100% of funds to these efforts.

GENDER



87% of public projects address all 3 elements of gender main-streaming (analysis, gender-informed action, and gender-disaggregated M&E).

Nepal project focuses on women.

NUTRITION



\$140m or 14% of public sector funding is targeted toward nutrition activities. 1/3 of that is direct nutrition intervention.

Uganda project is multisectoral, housed in health ministry.

FRAGILE STATES



GAFSP has allocated over one third of funds to 10 fragile or conflicted-affected states.

Snapshot:

- \$1.02b in grants already allocated to 30 countries
- Average grant size about \$35m - range \$8m-\$50m
- 5m beneficiaries already reached - on track to reach 11.8m
- Every dollar invested by GAFSP generates \$2.5 farm income gain

The Public Sector Window

- Pools donor funding as grant funds to **governments** for long-term development objectives
- Requires **country ownership**, and engagement with civil society and the private sector
- Multiple open calls for proposals with evolving requirements and rating systems
- Projects rated by an independent panel of technical experts based on **transparent guidelines and a ratio of need (40), country readiness to implement (30), and proposal strength (30)**
- Highly competitive - historically only one third of projects have received funding
- Completion of CAADP (or similar process in non-CAADP countries) is required



Snapshot

- \$217m approved for 36 investment projects
- \$6.8m for 35 advisory projects
- Projects leverage in 3.1 x funding on average

Fiscal Year	GAFSP\$ to Total Project Size	GAFSP\$ to IFC\$
FY13	1 : 10.1	1 : 1.8
FY14	1 : 4.5	1 : 1.9
FY15	1 : 5.1	1 : 1.7
FY16	1 : 4.8	1 : 1.2
FY13-16	1 : 5.8	1 : 1.7

5: GAFSP

The Private Sector Window

- Allocated for deals that could not go forward otherwise
- Always open for business
- “Sweetens” the deal
- Provides a variety of financing options to existing and greenfield **firms** including:
 - ✓ short and longer term loans,
 - ✓ guarantees,
 - ✓ first loss cover,
 - ✓ equity capital,
 - ✓ and advisory services....Often at concessional terms.

Project Examples



Rwanda: Increasing productivity; empowering coops; strengthening entire value chain; both windows active - coops connected to AIFL, DSM through Private Sector Window



Mountain Hazelnuts: private sector greenfield investment focused on hazelnut trees planted on fallow land that otherwise has no commercial use for the farmers.



Cameroon: private sector investment that builds on IFAD and IDA projects; Pulling together public and private partners and resources to integrate farmers/co-ops into the value chain



Togo: Government created matching grants scheme to leveraging domestic financing that supports everything from cocoa plantations to entrepreneurs to agri businesses

Innovations

Innovative Financing - GAFSP has a higher appetite for risk and a greater acceptance of learning through failure than other programs. It finances risky private sector interventions that would not otherwise have been realized. That has helped inform IFC experience with blended financing.

Governance Structure - GAFSP Steering Committee has equal voting chairs for recipient countries and donor countries, and works by consensus with active participation from civil society (one global north & two global south chairs), the UNSG special representative, and all Supervising Entities.

New Missing Middle Initiative - targeted support to small-scale farmers as they advance from subsistence farming, to farmer organizations, and eventually full commercial viability.

Civil Society Inclusion – Engagement in the full cycle, including: programmatic direction, proposal design, proposal selection, project design, project implementation, and monitoring & evaluation.



Lessons Learned

Buy in, stakeholder engagement, and transparency are critical to implementation and momentum: gathering stakeholders together to agree upon key objectives and methods for attaining them; assigning clear roles; and increasing ownership and transparency help move the program forward and maintain momentum.

Monitoring & Evaluation – GAFSP revised the M&E plan to agree upon consistent, uniform indicators across regions, sectors, and supervising entities, that are completely aligned with the objectives and SDGs. SDGs serve as umbrella – poverty (SDG1) and food security (SDG2) through ag investments as well as gender (SDG5), water (SDG6), jobs (SDG8), reduced inequalities (SDG10), climate action (SDG13), partnerships (SDG17). Impact evaluation is built in: One third of projects go through **rigorous impact evaluation** to encourage learning by doing.

Learning by doing: From the start, GAFSP has focused on a continuous improvement process. For example, after the First Call for Proposals, it was clear that recipients and Supervising Entities needed to talk in advance, or projects would be delayed. For each Call GAFSP has **identified sticking points and** tried to address them.

