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AFRICAN DEVELOPMENT BANK GROUP

**PROJECT APPRAISAL REPORT
EMERGENCY AGRICULTURAL PRODUCTION SUPPORT PROJECT IN THE COMOROS
(AEFPF-Comoros)**

UNION OF THE COMOROS

Public Disclosure Authorized

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CURRENCY EQUIVALENTS

Exchange rate as of 20 July 2022

Currency Unit 1	Equivalent
UA 1	EUR 1.28
UA 1	KMF 628.89

FISCAL YEAR

1 January - 31 December

WEIGHTS AND MEASURES

1 metric tonne	2,204.62 pounds (lbs)
1 kilogramme (kg)	2.20462 lbs
1 metre (m)	3.28 feet (ft.)
1 millimetre (mm)	0.03937 inch (in)
1 kilometre (km)	0.62 miles (mi)
1 hectare (ha)	2.471 acres (ac)

¹ Add any additional foreign exchange or local currencies relevant to the project and their currency equivalents.

ABBREVIATIONS AND ACRONYMS

AEFPF	African Emergency Food Production Facility
AfDB	African Development Bank
AGI	Africa Gender Index
ANACIM	National Agency of Civil Aviation and Meteorology
AWPB	Annual Work Plans and Budgets
BIC	<i>Banque pour l'Industrie et le Commerce</i> (Bank of Industry and Commerce)
CC	Climate change
CPS	Country Procurement System
CPS	Climate Protection System
CRDE	Rural Economic Development Centres
CRFA	Country Resilience and Fragility Assessment
CSP	Country Strategy Paper
DAP	Diammonium Phosphate
DNSAE	National Directorate of Agricultural and Livestock Strategies
EA	Executing Agency
EIRR	Economic Internal Rate of Return
ERR	Economic Rate of Return
ESCON	Environmental and Social Compliance Note
ESS	Environmental and Social Safeguards
EU	European Union
EXIMBANK	Export-Import Bank
FAO	United Nations Food and Agriculture Organization
FO	Farmers' Organisation
FRR	Financial Rate of Return
GAP	Gender Action Plan
GBV	Gender-Based Violence
GDP	Gross Domestic Product
GHG	Greenhouse Gas
IFAD	International Fund for Agricultural Development
INRAPE	National Institute for Research in Agriculture, Fisheries and the Environment
INSEED	National Institute of Statistics and Economic and Demographic Studies
IsDB	Islamic Development Bank
KMF	Comorian Franc
M/W	Men/Women
MAPETA	Ministry of Agriculture, Fisheries, Environment, Tourism and Handicrafts
MECK	<i>Mutuelle d'Epargne et de Cr�dit ya Komor</i> (Mutual Savings and Credit Society of Comoros)

MP	Pest Management Plan
NDC	Nationally Determined Contribution
NPK	Nitrogen, phosphorus, and potassium
NPV	Net Present Value
PAR	Project Appraisal Report
PCN	Project Concept Note
PMU	Project Management Unit
PND	National Development Plan
PNIA	National Agricultural Investment Plan
PP	Procurement Plan
PRCIA-2	Institutional Capacity Building Project (Phase 2)
SDGs	Sustainable Development Goals
STD	Sexually Transmitted Diseases
TAAT	Technologies for African Agricultural Transformation
TFPs	Technical and Financial Partners
TSF	Transition Support Facility
UA	Unit of Account
UNDP	United Nations Development Programme
UoC	Union of the Comoros
USD	United States Dollar
WB	World Bank
WFP	World Food Programme

PROJECT INFORMATION SHEET

CLIENT INFORMATION

Project Name:	Emergency Agricultural Production Support Project (AEFPF-Comoros)
Sector(s):	Agriculture and rural development
Borrower/Beneficiary:	Union of the Comoros
Project instrument (s):	TSF Grant - Pillar I (Unallocated Reserves)
Executing Agency:	Ministry of Agriculture, Fisheries, Environment, Tourism and Handicrafts (MAPETA)

NATIONAL AND STRATEGIC CONTEXT

Country Strategy Paper period:	2021-2025
Country Strategy Paper priorities supported by the project:	The single pillar chosen in the CSP is the development of quality and sustainable basic infrastructure in the energy and transport sectors. However, given the magnitude of the global food crisis, this project is designed as part of the emergency facility to support the Comorian Government in the area of food security.
Government programme (PRSP, NDP or equivalent) :	<ol style="list-style-type: none"> 1. Emerging Comoros Plan 2030, Strategic Pillar 4 "modernised agriculture to ensure food security." 2. National Agricultural Investment Policy 2021-2025. The following strategic priorities: <ul style="list-style-type: none"> • Priority 1: Improve the institutional framework and strengthen public action to support the transformation of the sector • Priority 2: Strengthen the contribution of the food, market gardening, fruit and livestock sectors to food and nutritional security.
Project classification:	<p>Relevant High 5 priority area(s):</p> <ul style="list-style-type: none"> • Feed Africa - increasing agricultural productivity • Improve the quality of life for the people of Africa - improving nutrition and health <p>Sustainable Development Goals (SDGs)</p> <ul style="list-style-type: none"> • <i>SDG 1</i> (End poverty), <i>SDG 2</i> (End hunger), <i>SDG 5</i> (Achieve gender equality), <i>MDG 13</i> (Combat climate change) <p>Selectivity of priorities</p> <ul style="list-style-type: none"> • Increased food production and productivity, and improved service delivery to farmers.
Country Performance and Institutional Assessment:	3.3
Projects at risk in the country portfolio:	0% as of 15 August 2022

PROJECT CATEGORISATION

Environmental and social risk categorisation	The project has been categorised as Category 2. The environmental categorisation was validated by SNSC on 16 August 2022.
Does the project involve involuntary resettlement?	No
Climate safeguards categorisation:	Category 2

Fragility lens assessment:	Yes
Gender marker system categorisation:	Category GEN II

KEY ADF/AfDB FUNDING INFORMATION

Interest rate:	N/A
Service charge:	N/A
Commitment fee:	N/A
Tenor:	N/A
Grace period:	November 2022 - December 2024

Source	Amount		Financing Instrument
	UA	Other Currency	
Transition Support Facility (TSF)	4,500,000.00	-	TSF Grant - Pillar I
Government counterpart contribution:	240,420.00	-	Contribution in kind
Total project cost :	4,740,420.00	-	

DEVELOPMENT OBJECTIVE AND COMPONENTS

Project Development Objective:	Increase local food production and build the resilience of food systems to mitigate short- and medium-term risks due to the war in Ukraine.
Project Components	Component 1: Support the intensification of agricultural and poultry production (estimated budget of UA 2.443 million or 51.5% of project cost)
	Component 2: Institution and capacity building for agricultural intensification (estimated budget of UA 1.759 million or 37.1% of project cost)
	Component 3: Project management, monitoring and coordination (estimated budget of UA 0.538 million or 11.4% of project cost)

PROJECT PROCESSING SCHEDULE TO BOARD APPROVAL

Project Conception Note approval:	Not applicable.
Appraisal mission:	12-16 July 2022
Planned Board presentation	10 October 2022
Effectiveness:	November 2022
Project implementation period:	December 2022- December 2024
Planned mid-term review:	N/A
Project closing date:	31 December 2024

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1 INTRODUCTION

1.1. Management submits the following report and recommendation concerning a proposal to award the Republic of the Union of Comoros a grant of UA 4.5 million to finance the Emergency Agricultural Production Support Project (AEFPF-Comoros). The project is the outcome of a request by the Comorian Government forwarded on 15 June 2022 and is intended to support the Government's efforts to mitigate the impact of global shocks on the national economy exacerbated by the war in Ukraine and to build resilience. It is designed as part of the African Emergency Food Production Facility (AEFPF), approved by the Bank's Board of Directors on 20 May 2022.

2 COUNTRY CONTEXT

2.1. Economic, Agricultural and Social Context

2.1.1 Macroeconomic and fiscal impact analysis: The war in Ukraine has exacerbated the fragility of the macroeconomic situation of the Comoros, which was already weakened by the socio-economic impact of the COVID-19 pandemic. Since the Comoros imports about 75% of its food, the most visible transmission channel of the war to its economy is through soaring energy and food prices, which will further increase inflation and widen the country's external deficit. The current account balance is expected to show a deficit estimated at 8% of gross domestic product (GDP) in 2022, compared with a pre-war forecast of 7.5%. In addition, the war is worsening the disruption of global supply chains that had already taken its toll on the country during the COVID-19 pandemic, posing a further threat to the availability of imported goods in the local market. This situation has also caused a surge in the inflation rate, estimated at 4.7% in 2022, compared with a pre-war forecast of 2.2%. The adverse effects of the war have impacted economic activities, with economic growth slowing down to an estimated 2.5% in 2022, compared with a pre-war forecast of 2.8%. In addition, the general price hikes, coupled with the government's subsidy on some basic commodities, including flour, will drive up public spending, while the economic slowdown is expected to reduce government revenues. The pressure on public finances will increase and the fiscal balance will further widen to 5.1% of GDP in 2022, compared with a pre-war forecast of 4.6%.

Table 1: Macroeconomic indicators of the Comoros with scenarios of the impact of the war in Ukraine in 2022

	2018	2019	2020	2021	2022
Economic growth	3.8	2.0	0.2	2.1	2.5 (2.8)
Inflation	1.7	3.7	0.9	1.4	4.7 (2.2)
Budget balance as % of GDP	-0.4	-3.0	-0.8	-2.3	-5.1 (-4.6)
Current account balance as % of GDP	-2.9	-3.4	-2.0	-3.0	-8.0 (-7.5)

Source: Bank's Statistics Department, April 2022. () Scenario before the war in Ukraine (February 2022).

2.1.2 Agricultural, food and nutritional security impact analysis: Agriculture in the broadest sense is the country's main economic activity. It accounts for nearly 46% of GDP, employs 57% of the working population and provides almost all export earnings (90%)². Despite the preponderance of agriculture in its economy, the country is experiencing a growing shortage of local food products. More than 40% of the Comorian population lives below the poverty line. In addition, vulnerability to natural disasters further aggravates the risks to food supply and availability. Before the Russian-Ukrainian crisis, 22.4% of the population was severely food insecure, and 22% moderately so (INSEED, 2020). Currently, about 33% of the population is in absolute food poverty (FAO, 2022). About 31% of children are stunted and 25% are underweight.

The Union of the Comoros imports nearly 75% of its food needs in terms of volume, and food imports accounted for about 44% of imports and 29% of GDP in 2015. The country spends KMF 25 billion (about EUR 50 million) each year on agricultural imports. Poultry and animal feed account for 16% of agricultural imports, representing an annual expenditure of over EUR 8 million. It imports 20,000 tonnes of broiler chicken and over 950,000 table eggs respectively. Foodstuffs such as rice, wheat and beef are also major import commodities. Limited local productivity, due to insufficient use of agricultural inputs such as fertilisers and improved seeds, and high growth in urban demand coupled with the lack of domestic food processing remain a major challenge.

² FAO, 2020

2.1.3 Social impact analysis: Approximately 40% of Comorians live below the poverty line, and almost a quarter of the population is in a situation of extreme poverty³ and is unable to meet its minimum nutritional requirements of 2,200 kilocalories (kcal) per person per day. Poverty is unevenly distributed across the country and is more widespread in rural areas and outside the island of Ngazidja. The high rate of malnutrition and the geographical isolation of the three islands of the Comorian archipelago where access by air and sea is extremely limited, confirm the need to increase local food production.

3 RATIONALE AND KEY DESIGN COMPONENTS

3.1. The African Emergency Food Production Facility (AEFPF) aims to support the Comorian Government in implementing the national agricultural investment plan which is intended to develop a competitive, sustainable and climate change-resilient agricultural sector, thereby contributing to economic growth and food security. Thus, the AEFPF will increase local food production in the targeted sectors and reduce imports, which will allow the population to access agricultural products and improve their living conditions. The project is in line with the two pillars of the AEFPF: (i) Providing certified, climate-resilient seed varieties, fertilisers, and extension services, and supporting post-harvest management and market development; and (ii) Promoting policy dialogue and the implementation of policy reforms to address structural factors that prevent modern inputs from reaching farmers in the short and medium term. The project dovetails perfectly with the cross-cutting themes of gender and women's empowerment, resilience, and climate change, all of which are in line with the call to action of the United Nations Sustainable Development Goals (SDGs) and will contribute to the achievement of the SDG that seeks to eradicate hunger and poverty by 2030. The AEFPF-Comoros project will also ease the macroeconomic situation of Comoros, among other things, due to an expected decrease in the country's imports of foodstuffs, notably chicks, eggs, and chickens.

3.2. Linkage with the Bank's strategy and the authorities' emergency and food crisis response strategy. The project is consistent with the Bank's policies and strategies. Although the single pillar chosen for the Country Strategy Paper (CSP) is the development of quality and sustainable basic infrastructure in the energy and transport sectors, the project will contribute to the main objective of the CSP which is to reduce fragility and build resilience to promote structural transformation and emergence. The establishment of resilient production systems and institution building in the agricultural sector are key factors for supporting the development of livestock and agribusiness value chains. It is also in line with the Bank's Ten-Year Strategy (2013-2022) which lays emphasis on inclusive growth and pays special attention to food security. It will contribute to the achievement of two High 5s, namely Feed Africa and Improve the quality of life for the people of Africa. Also, it is consistent with the objectives of the Technologies for African Agricultural Transformation (TAAT) Programme which aims to deploy agricultural technologies to boost agricultural productivity and output in targeted value chains. The project is also aligned with the Bank's Gender Strategy 2021-2025 (Pillars 1 and 2), and the Bank's new Strategy for Addressing Fragility and Building Resilience in Africa 2022-2026, notably Priority I – Strengthen institutional capacity – with a focus on core economic and financial governance functions; Priority II - Build resilient societies - by helping to reduce isolation and gender inequalities, promoting economic diversification and strengthening access to basic services; and Priority III - Catalyse private Investment - by helping to create favourable conditions for private investment and job creation and supporting the strengthening of value chains and skills. Lastly, the project is in line with the Bank's Climate and Green Growth Strategic Framework: Projecting Africa's Strategy 2021–2030, notably Pillar 1 (which aims to boost climate resilience and adaptation to climate change and reduce fragility) and Pillar 2 (which aims to promote low-carbon development and mitigation).

Nationally, the project is aligned with the country's vision and strategy to make the Union of the Comoros (UoC) an emerging country by 2030. One of the priorities of the Comorian Government under its Emerging Comoros Plan is to promote "modernised agriculture for food security." The project is also consistent with the objectives of the National Agricultural Investment Plan (PNIA) through its two pillars: (i) Improving the institutional framework and strengthening public action to promote and support the transformation of the agricultural sector; and (ii) Strengthening the contribution of domestic value chains to food and nutritional security.

3.3. Rationale for Bank's involvement. Building on the Bank's successful experience in crisis response and previous operations, the AEFPF will help the UoC to address the challenges that have been identified in connection with agricultural and poultry intensification. The rationale for the Bank's involvement in the proposed project is underpinned by: (a) the Bank's solid experience and expertise in boosting agricultural productivity and production in many African member countries; (b) the Bank's experience in implementing agricultural and rural development projects and related institutional capacity building in the region; (c) strong commitment to and ownership of the project by the Comorian authorities; and (d) the government's specific request for Bank support to this project.

³ World Bank, Poverty Assessment in the Union of Comoros, 2017

3.4. Collaboration and coordination with partners. During the project appraisal, the Bank held discussions with various development partners (UNDP, IFAD, FAO, World Bank, IsDB, BIC, MECK, and EXIMBANK) involved in the agricultural sector on possible collaboration. Areas of collaboration with FAO, UNDP and the WB have been identified, relating particularly to their ongoing initiatives in support of Rural Economic Development Centres (CRDEs). The World Bank is currently appraising a USD 40-million project that will also support infrastructure throughout the country, including rural roads, and complement the AEFPPF-Comoros project.

4 PROJECT DESCRIPTION

4.1. Project development objective. The project's objective is to increase local food production and build the resilience of food systems to mitigate short- and medium-term risks due to the war in Ukraine. Specifically, it aims to: (i) intensify maize, potato and sweet potato production using certified seeds of climate change-resilient varieties; (ii) address priority needs for the revival of poultry production to increase the availability and accessibility of eggs and white meat; and (iii) create favourable conditions for production and for the productivity of the targeted value chains. The value chains targeted by the project are maize, potato, sweet potato, and poultry⁴.

4.2. Project components. The project is structured around the following three components: (i) Intensification of agricultural and poultry production; (ii) Institution and capacity building for agricultural intensification; and (iii) Project management, monitoring, and coordination. Gender, fragility and resilience, and climate change issues are mainstreamed across all components.

Table 2: Project components and activities

No.	Component Title	Cost (UA million)	Component Description
1	Intensification of agricultural and poultry production	2.443	<p><u>Sub-component 1.1: Support increased local production in the maize, potato and sweet potato sectors</u></p> <ul style="list-style-type: none"> • Procurement and distribution of certified and climate-resilient seeds (270 tonnes and 300,000 vines) for maize, sweet potato, and potato; • Procurement and distribution of fertilisers (75 tonnes of DAP, 75 tonnes of NPK and 75 tonnes of Urea) and plant protection products; • Procurement of farming tools and treatment equipment; • Support for mechanisation (4 tractors and 20 power tillers); • Support for small-scale irrigation intended for seed multiplication. <p><u>Sub-component 1.2: Support the revival of poultry production</u></p> <ul style="list-style-type: none"> • Procurement of four model hatcheries + solar kit; • Establishment of four model parent stock farms; • Procurement of poultry veterinary products; • Procurement of poultry farming equipment; • Setting up of the 16 brooding and broiler houses; • Procurement of feed for the breeding of parent stock. • Support for the purchase of 160,000-day-old chicks (broilers and layers); • Procurement of veterinary laboratory equipment; and • Surveillance of poultry diseases, including poultry zoonosis.
2	Institution and capacity building for agricultural intensification	1.759	<p><u>Sub-component 2.1: Support agricultural input accessibility frameworks (policies, regulations, and implementation guidelines)</u></p> <ul style="list-style-type: none"> • Drafting and validation of agricultural legislation; • Drafting of a law on agricultural inputs (seeds and fertilizers); • Development of a policy on imported food quality control; • Development of an agricultural input subsidy framework (policy, regulations, and guidelines);

⁴ The selection of these value chains was based on several criteria: (i) Value chains that are promoted by the Emergency production Facility (maize) and by the country (potato and sweet potato); (ii) Potential to reduce imports (poultry); (iii) Potential to contribute to food security in the country (all).

No.	Component Title	Cost (UA million)	Component Description
			<ul style="list-style-type: none"> • Support for seed and fertilizer framework certification, including protocols, guidelines, and regulations; • Development and implementation of the Pest Management Plan; and • Environmental audit <p><u>Sub-component 2.2: Build the capacity of producers and production support institutions</u></p> <ul style="list-style-type: none"> • Technical capacity building for 10,780 producers on the production, processing and conservation of maize, potatoes and sweet potatoes in collaboration with TAAT; • Capacity building of 3,220 poultry farmers on poultry breeding and management; • Technical support to INRAPE on the establishment of seed multiplication centres and support to maize, potato and sweet potato seed producers; • Operationalisation of a soil analysis laboratory (equipment + training); • Technical assistance to the TAAT agricultural technology programme (development of catalogues + training of trainers + demonstrations); • Specific gender-related activities; • Capacity building for producers on climate-smart technologies; • Support to extension and producer support services through the rural economic development centre (CRDE); • Feasibility study - rice value chain development; and • Institutional support for the National Directorate of Agricultural and Livestock Strategies <p><u>Sub-component 2.3: Support market and finance access.</u></p> <ul style="list-style-type: none"> • Establishment of a guarantee fund for agricultural input producers and animal feed importers; • Training and support for seed multipliers and feed importers in business plan development; • Capacity building for agro pastoralists on market access; • Procurement of post-harvest equipment; and • Support for agricultural fairs and market linkage.
3	Project Management, Monitoring and Coordination	0.538	<ul style="list-style-type: none"> • Plan, manage and implement project activities, including monitoring, progress reports, mission expenses, etc. • Staff costs; • Conduct annual audits; • Procurement and configuration of accounting and TOM Monitoring software; • Development of the project's procedures manual; • Conduct the project impact assessment; and • Other operating costs.
Total		4.740	

4.3. Project cost and financing arrangements. The total cost of the project is estimated at UA 4.740 million (equivalent to KMF 2.981 billion), of which UA 4.50 million (excluding taxes) will be financed from the Transition Support Facility (TSF - Pillar I/Unallocated Reserves) in the form of a grant. This cost includes provisions for physical contingencies and price escalation, which are estimated at 2.0% and 2.5%, respectively, on average. The provision for price escalation is estimated based on the current and projected levels of local currency and foreign exchange cost inflation rates, averaging 4% and 2% per annum, respectively. The provision for physical contingencies is estimated at 10%. The contribution of the national party is estimated at UA 240,420 or KMF 151.2 million, covering the cost of personnel including 10 agronomists who will be responsible for extension activities and the supervision of project beneficiaries. The amount also covers CRDE operating expenses (water, electricity, and other support staff). Details are provided in the technical annex to the project appraisal report.

4.4. Financial and Economic Analysis

The financial internal rate of return (FIRR) is estimated at 20.1% for a net present value (NPV) of KMF 6.23 billion (or EUR 12.7 million). Sensitivity tests carried out based on simulations of successive decreases in prices or agricultural yields of 25% to 30% show that the IRR falls more slowly than prices and yields, with a break-even value that is set at a price reduction of over 25.1%.

Table 3: Key economic and financial data

NPV (baseline scenario)	KMF 6.23 billion
IRR (baseline scenario)	20.1 %
ERR (baseline scenario)	23.2%

The economic rate of return is estimated at 23.2% for a net present value (NPV) of KMF 8.32 billion (or EUR 16.9 million). Other economic benefits of the project include: (i) lower foreign exchange cost due to the substantial reduction of the import bill for maize, potatoes, sweet potatoes, broilers, and eggs in the country's trade balance; (ii) improved accessibility to extension services; and (iii) additional income for service providers (importers of seeds, inputs, cabs, etc.). At the household level, the project benefits will include access to good quality food in sufficient quantity, improved nutrition for vulnerable groups (children, women of childbearing age and the elderly), which translates into lower medical bills, and greater household resilience to food insecurity and the effects of climate change.

4.5. Beneficiaries of the project target area. The direct beneficiaries of the project are estimated at more than 14,000 households or about 70,000 people living in the country's three islands (Grande-Comores, Anjouan and Moheli) with 10 rural economic development centres (CRDEs) and 400 farmers' organisations (FOs) of which 55% are women's organisations. The indirect beneficiaries include a large proportion of the Comorian people who will benefit from the improvement in the availability and quality of agricultural and poultry production. The project will support the different categories of actors, including seed multipliers, agro breeders involved in the four selected sectors, as well as feed and agricultural input importers.

4.6. Policy dialogue. The measures adopted under this project will form the basis for dialogue with the Comorian authorities on mitigating the impact of the war in Ukraine and building resilience. The development of the various input accessibility frameworks (agricultural input law, agricultural input subsidy programme framework, pest management plan, seed certification support, etc.) is expected to result in: (i) the continued implementation of specific measures to increase national agricultural productivity, improve food accessibility, availability, quality and safety; (ii) the strengthening of social measures in favour of the country's most vulnerable segments through the implementation of the agricultural input subsidy programme; and (iii) the continued implementation of structural reforms to build a resilient economic sector through private sector development. The Bank will also support the development of a quality control policy for imported food to preserve the health and food security of the Comorian population.

4.7. Promotion of gender equality and women's empowerment. The project plans to support the farmers' organisations (FOs) registered with rural economic development centres (CRDEs), 55% of which will be women's organisations, which will by extension support 14,000 households. The project will thus contribute significantly, through one of its outcomes, to promoting gender equity and women's empowerment, and is therefore **proposed for classification in Category 2**, per the Bank's Gender Marker System. Women make up 63% of the agricultural sector in the Comoros (INSEED/AfDB, 2018). This workforce is predominantly rural, low-skilled, ageing, and vulnerable to climatic and economic shocks such as the Russian-Ukrainian crisis. Hence, the Government lays emphasis on "Rural Women", in recognition of the fact that a good majority of women need to be supported.

The gender component of the project will focus on nutrition education and food health, while promoting the consumption of locally produced food such as maize, which is losing its popularity, even though it is very profitable and can partially substitute imports. Hence, through its various outcomes and outputs, the project will enhance women's skills, as well as employment and access to finance in the agricultural sector. Detailed analysis and a budgeted gender action plan are included in technical Annex 3-2 of this Project Appraisal Report (PAR).

4.8. Impact on the Environment and Climate Change

4.8.1. Environmental and social safeguards

Categorisation: The project is classified as Category 2 based on the Bank's Integrated Safeguards System (ISS) and Decree No. 01-52 of 19 April 2001 on environmental impact assessments, Article 2 of which stipulates that an environmental assessment must be carried out for projects that may have an impact on the environment. Agricultural projects are listed in the annex to the decree as projects with environmental impacts. This categorisation is because the project will provide farmers with fertilisers and pesticides, which are agricultural chemicals that contribute to the degradation of the environment. The moderate scale of environmental and social risks, and the existence of a fairly efficient legal and institutional framework for the management of plant protection chemicals in the Comoros are further justifications for this categorisation. In line with the provision of the Bank's ISS relating to short-term emergency relief operations, which include AEFPPF-supported operations, no E&S safeguards instrument will be prepared and disclosed before the presentation of the project to the Board of Directors. However, during the implementation phase, a pest management plan (PMP) will have to be prepared by the borrower, reviewed by the Bank, approved, and published by the borrower and then published by the Bank before the implementation of activities that entail risks (distribution and use of synthetic chemical inputs). The PMP will be implemented by all stakeholders to prevent and manage environmental risks related to the use of agrochemicals, and to promote sustainable agricultural practices.

Stakeholder consultation: The institutional stakeholders involved in the management of the environment and plant protection products are the main actors consulted. These are the Directorate-General of the Environment and the actors of the National Research Institute for Agriculture, Fisheries, and the Environment (INRAPE), with the rural economic development centres as the operational arm. These actors should be involved in implementing and monitoring the pest management plan (PMP).

Cost of implementation of E&S measures: An estimated cost of EU 50,816 is allocated for the development and implementation of the PMP, as well as for its implementation compliance audit to be carried out at the end of the project and before the fielding of the completion mission.

Institutional arrangement: A project coordination team will be established as part of the project implementation. An environmental and social safeguards specialist with a strong capacity in implementing the pest management plan will be recruited into this team.

E&S compliance: Quarterly E&S implementation reports, as well as annual E&S performance audit reports, will be shared with the Bank and stakeholders. The economic and social compliance note (ESCON) shall confirm the project's compliance with the Bank's environmental and social requirements prior to approval. These requirements are reflected in the Financing Agreement.

4.8.2. Climate change and green growth: As part of the country's international commitments on climate change to reduce its greenhouse gas (GHG) emissions, contained in its Nationally Determined Contribution (NDC) paper, the Comoros is aware of its obligation to take hard-hitting GHG mitigation action to achieve this objective despite the lack of capacity, as well as to adopt strategies for adapting to the adverse effects of climate change. The agricultural sector is one of the priority sectors targeted, and the Comoros aims to eventually reach a target of 100% of farmers using techniques and varieties adapted to the evolving climate change (adaptation component) and promote conservation agriculture (mitigation component). The present project is in line with these ambitions, in that it plans to use organic fertilisers and improved cropping techniques in at least 30% of the target area. This will have several benefits: limiting the risk of run-off and soil erosion, enriching the soil with organic matter (canopy roots and possible application of digestate), increasing carbon storage in the soil, and limiting and controlling crop diseases. It is also planned to use livestock manure for organic fertilisation. Irrigation will be used only on a small scale. Areas at high risk of flooding will not be affected by the project. However, these sites will be located in the low, medium and high altitudes. The project also targets degraded areas, where the forest cover disappeared a long time ago. It has no plan to clear new forest areas. The project is classified as **Category 2 per the Bank's Climate Safeguards System**. The project plans to recruit a climate change specialist into the project team. Also, monitoring indicators are envisaged for the climate change and green growth aspects. These indicators will allow for real-time measurement of the project's contribution to the fulfilment of the country's NDC commitments.

4.8.3. Resilience-building opportunities: The Union of the Comoros is confronted with various climatic hazards linked to its position as an island in the Indian Ocean, leaving the country severely exposed to food insecurity owing to the scarcity of arable land, the rugged topography of cultivable land, traditional and family farming practice, acute shortage of agricultural and poultry inputs, water erosion, and the ageing of the current farming population. As a result of these natural and structural weaknesses, the Union of the Comoros is 75% dependent on imported foodstuffs, which the vast majority of its citizens consume regularly. This predominance of essential goods and necessities imported to the Comoros to remedy the shortage of basic commodities underpins the breakdown in the social contract between the government and the people, and threatens the country's political, economic and social stability, while deeply undermining social cohesion. The project is sensitive to fragility and its design draws on existing agricultural and poultry practices as well as local agricultural potential to boost the resilience of agricultural and food production, which has come to a standstill due to the low value placed on agricultural activity by a large proportion of the population and particularly the young people, as well as to the lack of agricultural inputs needed to increase production and productivity. The hybrid solution, combining the urgency of meeting agricultural demand and gradually building institutional capacities for resilient seed multiplication and the establishment of national hatcheries, is an entry point for laying the groundwork for agricultural resilience and food security. The project's detailed fragility and resilience assessment note is provided in the Annex VI of this PAR.

5 IMPLEMENTATION

5.1. Institutional and implementation arrangements: The Comorian Government will be the beneficiary of the grant and it is envisaged that the Ministry of Agriculture, Fisheries, Environment, Tourism and Handicrafts (MAPETA) will be responsible for the project management and coordination. A multi-sector project steering committee (PSC) will also be set up to ensure the framing and orientation of the project implementation. As part of the coordination of project activities, MAPETA will be supported by a full-time Project Management Unit (PMU), attached to the National Directorate of Agricultural and Livestock Strategies (DNSAE). The project's administrative, financial and accounting procedures manual will need to be developed to guide the project. The PMU will comprise (i) a project coordinator; (ii) an internal monitoring and evaluation specialist; (iii) a procurement specialist; (iv) an agronomist; (v) a gender expert; (vi) a climate change and environmental safeguards specialist; (vii) an accountant; and (viii) agricultural development officers (one per island). The PMU will be based in Grande-Comores. In each island, there will be a development officer and CRDE staff responsible for implementing and coordinating day-to-day activities. The PMU staff will work with them regularly to ensure the smooth running of activities. The use of expertise from the AfDB-funded Institutional Capacity Building Project (PRCI-2), which ended on 31 December 2021, was also decided. Thus, the PRCI-2 accountant and the procurement specialist will be reappointed to this project. This proposal is justified by the fact that: (a) these two positions carry significant weight in the project; (b) the expertise acquired by these staff members in terms of the Bank's rules and procedures; and moreover (c) given the urgency and the limited timeframe of the project, preference needs be given to activities that would allow for a quicker and more efficient start-up. For all other positions, recruitment will be based on a call for applications and after the Bank's advice. The terms of reference for each position have been prepared and are provided in the technical annex to this PAR. The Bank will provide technical advice through regular supervision missions and implementation support, in collaboration with the Technologies for African Agricultural Transformation (TAAT) Programme.

5.2. Financial management and disbursement. The Project Management Unit (PMU) will perform all administrative and financial management tasks of the project, such as budget management, internal oversight, accounting, quarterly and annual financial reporting, disbursements from the Bank and counterpart funding, and the annual external audit of the project. Given the emergency to which this facility is intended to respond, the PMU will be strengthened by recruiting an experienced accountant whose performance was deemed satisfactory during the implementation of governance projects in the country. This accountant will be exclusively responsible for the facility's accounting, budgetary and financial management. The official appointment of the accountant will be a condition precedent to the first disbursement for the project. In principle, the project will not require decentralised management. The financial management rules and procedures will be reiterated by a Bank expert to the members of the PMU before the effective start of the project. The project's budget, as set out in the Annual Work Plan and Budget (AWPB), will be adopted, and validated by the Bank and the Steering Committee before the start of the facility to be enforceable during its implementation phase. To ensure compliance with this provision, the project will need to define a clear budget schedule. For internal oversight purposes, an accounting and financial procedures manual or project implementation manual should be developed, reflecting the specific characteristics of the new project as well as the Bank's specific financial management procedures (disbursement, financial reporting, budgeting, auditing, etc.). Lastly, concerning financial reporting, in addition to the production of annual audited financial statements, the PMU will be responsible for producing half-yearly financial reports which it will transmit to the Bank within 30 days of the end of the half-year. The format and content of these reports may be specified when negotiating the facility.

The facility could use three of the four traditional disbursement methods authorised by the Bank. Thus, given the contingencies linked to the emergency aid plan which will require advance procurement action, the reimbursement method will be used to reimburse any cost borne upfront by the Government party and approved by the facility prior to the latter's effectiveness. The procurement of goods (seeds, chicks, fertilisers and agrochemical products, etc.) and services (supervision of farmers and breeders, etc.) will be covered by the direct payment method whereby payments will be made to the providers and suppliers concerned. In addition, the special account method will cover the operating cost of the project. The management of the project's special account will be backed by the regular production of monthly quarterly reconciliation statements of the account for submission to the Bank.

Regarding the external audit, the Bank has decided on two annual audits depending on the duration of the project. An independent expert will be recruited for this purpose, whose terms of reference will be subject to prior validation by the Bank. The audit report for each fiscal year or the closing year must reach the Bank within 6 months of the closing date.

5.3. Procurement - *Procurement of goods, works and services*. Procurement of goods (including non-consulting services), works and consulting services, financed by the Bank alone or jointly under the project, will be carried out in line with the "Procurement Policy for Bank Group-Funded Operations", October 2015 edition, and with the provisions set out in the Financing Agreement. The assessment of risks at country, sector, and project levels, as well as those relating to the procurement capacity of the Executing Agency (EA) has been carried out and the results used to guide the decision on the choice of the Bank's procurement system for given activities or a set of similar activities under the project. The procurement arrangements, including the procurement risk and capacity assessment (PRCA), are provided in detail in Technical Annex 4-5 of the project.

Advance contracting (AC): Since the PMU will need to be established, the Government has expressed the wish that advance contracting be used to speed up staff recruitment and thus facilitate the rapid implementation of the project. In this regard, the Government has requested the Bank to authorize the use of the AC process for this recruitment. The review is underway, and the Bank will inform the Government of its decision.

5.4. Monitoring and evaluation (M&E). The project will be monitored using key performance indicators covering inputs, outputs and outcomes as reflected in the results framework and Annex III. The overall responsibility for M&E will lie with the Executing Agency, which will set up an appropriate M&E system and monitor all activities and prepare periodic reports. These reports will describe implementation progress, fiduciary and procurement status, stakeholder participation with a special focus on the Ministry of Environment, Agriculture and Livestock, beneficiary participation, and the risks and mitigation measures. The Project Management Unit (PMU) will prepare semi-annual progress reports which will include interim financial reports. The Bank, through the East Africa Regional Development and Business Delivery Office, will closely monitor the programme implementation and conduct at least two (in-country or virtual) supervision missions per year, including financial management and procurement assessment reviews. In addition, the Bank will prepare a completion report at the end of the project. The TOM monitoring system will be developed at the beginning of project implementation to include relevant indicators, disaggregated by gender and age, and define monitoring procedures. The project will finance additional M&E needs including (i) support to the Directorate of Agricultural and Livestock Strategies (DSAE) and CRDEs for the monitoring of activities; (ii) configuration of accounting software and adoption of the TOM monitoring system to enable the PMU to strictly monitor planned project activities.

5.5. Sustainability. Experience and best practices have shown that strong community-based organisations are the backbone of all activities aimed at ensuring sustainable and reliable production and marketing. Since the project will use farmers' organisations (FOs) as an entry point and support them with specific skills, it will be actively involved in strengthening grassroots institutions to encourage their ownership for efficient and profitable production. Given that farmers' organisations are the foundation of the project, they will be provided with improved seeds and know-how to expand their production knowledge and increase their income. Another key aspect of the project is the focus on knowledge building and policy support. The project will also develop a framework for subsidising agricultural inputs and supporting the national seed production chain to foster its development. Stakeholder consultations undertaken at appraisal confirmed the commitment of the Comorian Government and farmers' organisations. The project ownership will be maintained through the steering committee composed of specialised technical directorates that are committed to ensuring long-term agricultural development in the country and contributing to the country's inclusive growth.

5.6. Risks and mitigation measures. The risks and mitigation measures of the programme are presented in Annex IV below.

6 LEGAL INSTRUMENTS AND AUTHORITY

6.1. Legal Instrument. The legal framework of the project will be a TSF Grant Agreement signed between the African Development Bank and the African Development Fund (collectively called the "Fund") acting as administrators of the Transition Support Facility (TSF), on the one hand, and the Republic of the Comoros (the "Recipient"), on the other hand.

6.2. Conditions Associated with Bank's Intervention and the TSF Grant

6.2.1 Conditions precedent to effectiveness: The effectiveness of the TSF Grant Protocol shall be subject to its signature by the parties.

6.2.2. Conditions precedent to first disbursement of the grant: The Fund's obligation to make the first disbursement of the grant shall be subject to the effectiveness of the TSF Grant Protocol, in line with the provisions of paragraph 5.1.7 above, and to the submission of evidence of the fulfilment by the Recipient, to the satisfaction of the Fund, of the following conditions:

- (i) Provide the Fund with evidence of the setting up of a PMU attached to the National Directorate of Agricultural and Livestock Strategies (DNSAE) and the recruitment of a coordinator, a procurement specialist and an accountant, whose qualifications should be submitted to the Fund in advance for approval (5.1.1); and
- (ii) Provide the Fund with evidence of the setting up of a multi-sector steering committee and the appointment of its members.

6.2.3. Other conditions: The Recipient undertakes to fulfil the following conditions to the satisfaction of the Fund:

- (i) Provide evidence of the recruitment of other members of the PMU, namely: a monitoring and evaluation specialist, an agronomist, a development officer, a gender expert, and an environmental protection and climate change specialist, whose qualifications and experience will have been previously submitted to the Fund for approval (cf. 5.1.2) no later than six (6) months after the first disbursement;
- (ii) Provide the report on the development of the Pest Management Plan (PMP) no later than six (6) months after the first disbursement;
- (iii) Provide the project's administrative, financial, and accounting procedures manual no later than six (6) months after the first disbursement;
- (iv) Provide the Fund and stakeholders with quarterly E&S implementation reports and annual E&S performance audit reports; and
- (v) Include in its budget, no later than six (6) months after the signing of the Agreement or at any other later date acceptable to the Fund, the amount envisaged as its contribution ("counterpart funding") to the project and ensure that the staff (ten CRDE agronomists) responsible for extension activities and the supervision of project beneficiaries are co-opted on time.

6.2.4. Compliance with Bank policies

☒ This project complies with all applicable Bank policies.

The project will be implemented under the African Emergency Food Facility approved by the Board of Directors in May 2022.

7 RECOMMENDATION

7.1. Management recommends that the Boards of Directors approve the award of a TSF grant in an amount not exceeding the equivalent of UA 4,500,000 (four million five hundred thousand units of account) to the Republic of the Comoros under the African Emergency Food Production Facility (AEFPF), for the purposes and subject to the conditions stipulated in this report.

ANNEX I: RESULTS FRAMEWORK

RESULTS FRAMEWORK FOR THE FOOD CRISIS RESPONSE AND EMERGENCY SUPPORT OPERATION

A. PROJECT INFORMATION

PROJECT NAME AND SAP CODE: EMERGENCY AGRICULTURAL PRODUCTION SUPPORT PROJECT (AEFPF-COMOROS) P-KM-A00-002

COUNTRY: UNION OF THE COMOROS

PROJECT OBJECTIVE: Increase local food production and build the resilience of food systems to mitigate short- and medium-term risks due to the war in Ukraine.

PROJECT'S ALIGNMENT WITH THE COUNTRY AND THE AEFPP

(a) Country ambition: EMERGING COMOROS PLAN 2030 & PNIA 2021-2025

(b) AEFPP Pillars (i) Providing inputs and extension services to male and female farmers and supporting harvest management and market development; (ii) Proving financing to input producers; and (iii) Promoting input accessibility policies.

(c) Alignment indicators: Number of malnourished people (in millions), Proportion of population living below the poverty line (%)

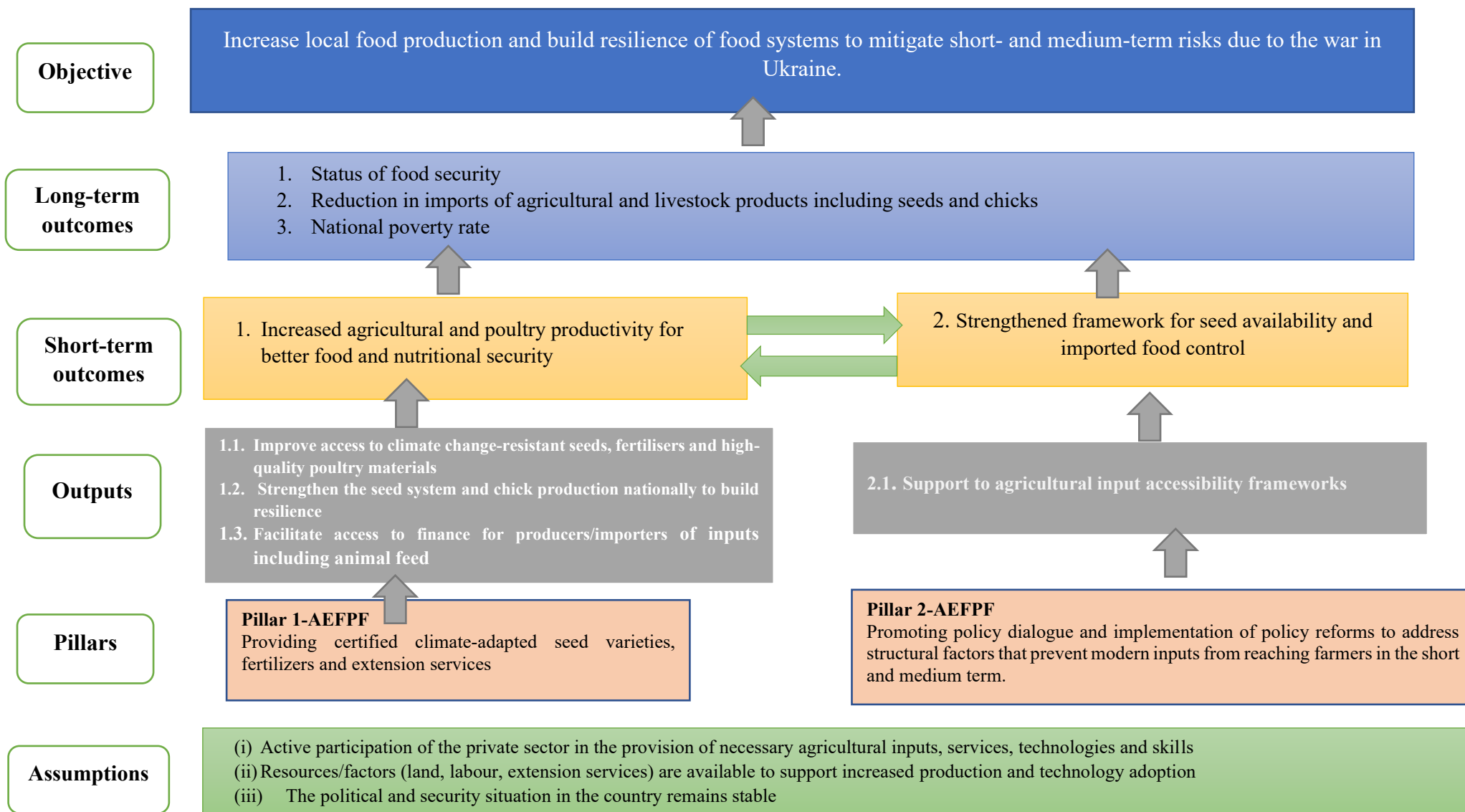
B. RESULTS MATRIX

DESCRIPTION OF RESULTS CHAIN AND INDICATOR	UNIT	BASELINE [2022]	COMPLETION TARGET [2024]	MEANS OF VERIFICATION	REPORTING FREQUENCY
OUTCOME STATEMENT 1: INCREASED PRODUCTIVITY					
Outcome indicator 1.1: Target crop yields	Tonnes/ha	Maize: 2.1 Potatoes: 7.5 Sweet potatoes: 6.279	Maize: 4.2 Potatoes: 11.25 Sweet potatoes: 9.42	<ul style="list-style-type: none"> Crop season reports Periodic progress reports 	Annual
Outcome indicator 1.2: Average seasonal income increases per farmer	KMF/ha/ Crop season KMF/ Crop season	Maize: 1,050,000 Potatoes: 4,500,000 Sweet potatoes: 3,767,400 Broiler chicken: 2,500,000 Quantity of eggs: 2,900,000	Maize: 2,100,000 Potatoes: 6,750,000 Sweet potatoes: 5,652,000 Broiler chicken: 3,750,000 Quantity of eggs: 4,350,000	<ul style="list-style-type: none"> Crop season reports Periodic progress reports 	Annual
Outcome indicator 1.3: Quantity of imported agricultural products	KMF/Sector/year	Maize: 357,000,000 Potatoes: 468,000,000 Sweet potatoes: no data Broiler chicken: 64,032,500	Maize: 250,000,000 Potatoes: 200,000,000 Sweet potatoes: 16,953,000,000 Broiler chicken: 35,000,000	<ul style="list-style-type: none"> Reports from the Institute of Statistics 	Annual

		Quantity of eggs: 2,668,530,000	Quantity of eggs: 1,334,265,000		
I OUTCOME STATEMENT 2: INCREASED PRODUCTION					
Outcome indicator 2.1: Production of targeted sectors	Tonnes	Maize: 5,800 Potatoes: 1,700 Sweet potatoes: 18,837 Broiler chicken: 73 Eggs: 1,921	Maize: 11,600 Potatoes: 2,550 Sweet potatoes: 28,255 Broiler chicken: 109.78 Quantity of eggs: 2,882	<ul style="list-style-type: none"> • Crop season reports • Periodic progress reports 	Annual
Outcome indicator 2.2: Beneficiary farmers	Number of households	0	14,000 (55% of whom are women)	<ul style="list-style-type: none"> • Crop season reports • Periodic progress reports 	Annual
COMPONENT 1: INTENSIFICATION OF AGRICULTURAL AND POULTRY PRODUCTION					
I OUTPUT STATEMENT 1.1: INCREASED ACCESS TO CERTIFIED SEEDS, FERTILIZER AND CHICKS					
Output Indicator 1.1.1: Increased seed and fertiliser consumption	Tons	0	270 tonnes (seeds) plus 250,000 vines & 225 tonnes (fertiliser)	<ul style="list-style-type: none"> • Crop season reports • Periodic progress reports 	Semi-annual
Output Indicator 1.1.2: Area planted using new agricultural technologies increased, 55% of which is farmed by women	Number of hectares	5,350	7,489 (of which >4,120 cultivated by women)	<ul style="list-style-type: none"> • Crop season reports • Periodic progress reports 	Semi-annual
Output Indicator 1.1.3: Quantity of seed supplied increased	Tonnes	0	2000 (seed) plus 250,000 vines	<ul style="list-style-type: none"> • Crop season reports • Periodic progress reports 	Semi-annual
Output Indicator 1.1.4: Quantity of chicks supplied increased, with women's FOs receiving >55%	Number of chicks	68,100	160,000 chicks (>77,000 to women's poultry FOs)	<ul style="list-style-type: none"> • Periodic progress reports 	Semi-annual
Output Indicator 1.1.5: Climate monitoring reports produced and made available to producers	Number of climate monitoring reports	0	4	<ul style="list-style-type: none"> • Periodic progress reports 	Annual
Indicator 1.1.6: Producers aware of climate trends	Number	0	5,000	<ul style="list-style-type: none"> • Periodic progress reports 	Annual

COMPONENT 2: INSTITUTION AND CAPACITY BUILDING FOR AGRICULTURAL INTENSIFICATION					
OUTPUT STATEMENT 2.1: CAPACITY BUILDING FOR MEN AND WOMEN IN AGRICULTURAL AND LIVESTOCK BEST PRACTICES					
Output Indicator 2.1.1: Trained farmers (65% of them women)	Number	0	600 (including 390 women)	<ul style="list-style-type: none"> • Crop season reports • Periodic progress reports 	Semi-annual
Output Indicator 2.1.2: Gender-sensitive technologies promoted (production, post-harvest) among farmers' organisations (FOs)	Number	0	12 (of which at least 6 are adapted and meet the needs of women farmers)	<ul style="list-style-type: none"> • Crop season reports • Periodic progress reports 	Semi-annual
Output Indicator 2.1.3: Climate-smart technologies promoted	Number	0	4	<ul style="list-style-type: none"> • Crop season reports • Periodic progress reports 	Semi-annual
OUTPUT STATEMENT 2.2: REGULATORY FRAMEWORKS FOR AGRICULTURE AND FOOD (PROTOCOLS, REGULATIONS, AND IMPLEMENTATION GUIDELINES) DEVELOPED AND STRENGTHENED					
Output indicator 2.2.1: Policies/ laws supported by the project	Number	0	5	<ul style="list-style-type: none"> • Periodic progress reports 	Annual
OUTPUT STATEMENT 2.3: RESILIENCE MECHANISMS SUPPORTED					
Output indicator 2.3.1: Funding provided for the purchase of inputs	Amount (EUR)	0	500,000	<ul style="list-style-type: none"> • Periodic progress reports 	Annual
Output indicator 2.3.2: Agricultural input and animal feed producers and importers receiving funding	Number	0	15 (including 6 women)	<ul style="list-style-type: none"> • Periodic progress reports 	Annual

ANNEX II: THEORY OF CHANGE



ANNEX III: RESULTS MONITORING PLAN

A.	B. Alignment Indicator						
Indicator		Definition/Description		Source	Baseline and Targets (if possible)		
Number of malnourished people (millions)		Reduction in the number of malnourished people		Project impact report	Baseline (2022): Target (2024) : ADT		
Proportion of the population living below the poverty line (%)		Reduction in the number of people living below the poverty line (%)		Project impact report	Baseline (2022): 40%; Target (2024): ADT		
C.	D. Outcome and Output Indicators (<i>Performance Indicators</i>)						
Indicator	Definition/Description	Collection method	Responsibility for collection	Reporting frequency	Results planning		
					Baseline (2022)	2023	Completion (2024)
Impact Indicators							
Yields of target crops	Increased agricultural productivity due to increased access to resilient and high-yielding agricultural inputs (tonnes/ha)	Household surveys and interviews - crop seasons	MAPETA, DSAE, CRDE, FO, PMU	Annual	Maize: 2.1 Potatoes: 7.5 Sweet potatoes: 6.27	Maize: 3.5 Potatoes: 9.25 Sweet potatoes: 8.00	Maize: 4.2 Potatoes: 11.25 Sweet potatoes: 9.42
Average seasonal income per farmer	Increase in average income per producer (KMF/ha/season)	Household surveys and interviews - crop seasons	MAPETA, DSAE, CRDE, FO, PMU	Annual	Maize: 1,050,000 Potatoes: 4,500,000 Sweet potatoes: 3,767,400 Broiler chicken: 2,500,000 Quantity of eggs: 2,900,000	Maize: 1,600,000 Potatoes: 5,600,000 Sweet potatoes: 4,600,000 Broiler chicken: 3,200,000 Quantity of eggs: 3,600,000	Maize: 2,100,000 Potatoes: 6,750,000 Sweet potatoes: 5,652,000 Broiler chicken: 3,750,000 Quantity of eggs: 4,350,000
					Maize: 357,000,000 Potatoes: 468,000,000	Maize: 300,000,000 Potatoes: 350,000,000 Sweet potatoes: 20,000,000,000	Maize: 250,000,000 Potatoes: 200,000,000 Sweet potatoes: 16,953,000, 000

Quantity of agricultural products imported	Amount of imports decreased due to increased local production (KMF/year)	Literature review (Institute of Statistics reports)	INSEED	Annual	Sweet potatoes - ADT Broiler chicken: 64,032,500 Quantity of eggs: 2,668,530,000	Broiler chicken: 45,0000,000 Quantity of eggs: 2,000,000,000	Broiler chicken: 35,000,000 Quantity of eggs: 1,334,265,000
Production of the targeted sectors	Total production achieved with project support (Tonnes)	Household surveys and interviews - crop seasons	MAPETA, DSAE, CRDE, FO, PMU	Annual	Maize: 5,800 Potatoes: 1,700 Sweet potatoes: 18,837 Broiler 73 Eggs: 1,921	Maize: 8,000 Potatoes: 2,100 Sweet potatoes: 23,255 Broiler chicken: 85 Quantity of eggs: 2,400	Maize: 11,600 Potatoes: 2,550 Sweet potatoes: 28,255 Broiler chicken: 110 Quantity of eggs: 2,882
Beneficiary farmers (households)	Number of beneficiaries supported by the project	Household surveys and interviews -	MAPETA, DSAE, CRDE, FO, PMU	Annual	0	7,000 (55% of whom are women)	14,000 (55% of whom are women)
Product Indicators							
Seed and fertiliser consumption	Quantity of agricultural inputs (seeds and fertilisers) purchased under this project (tonnes)	Household surveys and interviews	MAPETA, DSAE, CRDE, FO, PMU	Semi-annual	0	140 tonnes (seeds) plus 100,000 vines & 120,tonnes (fertiliser)	270 tonnes (seeds) plus 250,000 vines & 225 tonnes (fertiliser)
Area planted with new agricultural technologies, of which 60% is operated by women	Area cultivated using modern agricultural techniques ⁵ in support of the project (hectares)	Household surveys and interviews	MAPETA, DSAE, CRDE, FO, PMU	Semi-annual	0	6,000 (3,000 will be operated by women)	7,489 (4,120 will be operated by women)
Quantity of resilient seed delivered	Quantity of seed distributed as a result of national seed system capacity building and multiplier support (tonnes)	Household surveys and interviews	MAPETA, DSAE, CRDE, FO, PMU	Semi-annual	0	1,000 tonnes (seed) plus 125,000 vines	2,000 tonnes (seed) plus 250,000 vines
Quantity of chicks delivered	Number of day-old chicks purchased by the project	Household surveys and interviews	MAPETA, DSAE, CRDE, FO, PMU	Annual	0	80,000	160,000

⁵ Use of agricultural inputs (selected seeds, fertilizers, extension services)

Climate monitoring reports produced and made available to producers	Number of climate monitoring reports produced under this project	Periodic progress reports	DSAE, PMU	Annual	0	2	4
Producers made aware of climate trends	Number of producers made aware of climate trends	Household surveys and interviews	DSAE, PMU	Annual	0	2,000 (including 1,100 women)	5,000 (including 2,750 women)
Trained farmers, 60% of whom are women	Number of farmers trained	Household surveys and interviews	MAPETA, DSAE, CRDE, FO, PMU	Semi-annual	0	300 (including 180 women)	600 (including 360 women)
Technologies promoted (Production, post-harvest) among women/men (W/M)	Number of technologies promoted (production, post-harvest) among W/M	Household surveys and interviews	MAPETA, DSAE, CRDE, FO, PMU	Annual	0	6	12
Climate-smart technologies promoted	Number of climate-smart technologies promoted	Household surveys and interviews	MAPETA, DSAE, CRDE, FO, PMU	Annual	0	3	6
Frameworks/ policies/ laws supported by the project	Number of frameworks/policies/laws developed under this project	Periodic progress reports	MAPETA, PMU	Annual	0	2	5
Funding provided for the purchase of inputs/feed	Amount from the guarantee fund made available to seed multipliers and importers of inputs and feed (EUR)	Interviews with MFIs	MAPETA, PMU	Annual	0	200,000	500,000
Producers and importers of agricultural inputs and feeds receiving funding	Number of input and feed producers/importers accessing finance	Interviews with MFIs	MAPETA, PMU	Annual	0	8 (including 3 women)	15 (including 6 women)

ANNEX IV: RISK MATRIX

RISK CATEGORY	RISK DESCRIPTION	RATING	MITIGATION MEASURES	RISK PILOT (responsible for risk monitoring)
ENVIRONMENTAL AND SOCIAL RISKS	Agro-climatic shocks such as droughts and floods	<i>Moderate</i>	Intensifying agriculture through the use of climate change-resistant seeds will mitigate this risk posed to the production systems	<i>Country/ Beneficiaries</i>
	Poor management and use of fertilisers and pesticides	<i>Moderate</i>	The project will finance the development, monitoring and implementation of the Pest Management Plan (PMP). The TAAT programme will also provide technical assistance for the promotion and adoption of agricultural best practices, including integrated pest and disease management.	<i>Government/ Project Management Unit</i>
FIDUCIARY ASPECTS	Non-compliance with the Bank's fiduciary guidelines leading project implementation to delays	<i>Moderate</i>	The Bank will continue to provide fiduciary clinics to ensure capacity building. In addition, the Bank will provide technical support on fiduciary guidelines during the project launch mission.	<i>Country/Bank</i>
	Delay in opening the account or opening the special account in a non-recognised bank	<i>High</i>	Include the opening of the Special Account at the Central Bank as a condition for first disbursement.	<i>Comorian Government</i>
OPERATIONAL ASPECTS	Overall project implementation delay	<i>Moderate</i>	The recruitment of PMU staff is part of the anticipated procurement and the terms of reference have already been developed.	<i>Comorian Government</i>
	Farmers' resistance to paying for inputs	<i>Low</i>	Mobilisation of beneficiaries and raising their awareness on the importance of using agricultural inputs. Establishing an input subsidy programme will also enhance the sustainability of input accessibility.	<i>Government/ Project Management Unit</i>

ANNEX V: ENVIRONMENTAL AND SOCIAL COMPLIANCE NOTE (ESCON)

ENVIRONMENTAL AND SOCIAL COMPLIANCE NOTE (ESCON)

AFRICAN DEVELOPEMENT BANK GROUP

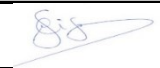



A. Basic information⁶		
Project name: Emergency Agricultural Production Support Project		SAP code of the project: P-KM-A00-002
Country: Comoros	Lending Instrument ⁷ : DI <input checked="" type="checkbox"/> FI <input type="checkbox"/> BS <input type="checkbox"/> CL <input type="checkbox"/> GU <input type="checkbox"/> RPA <input type="checkbox"/> EF <input type="checkbox"/> RBS <input type="checkbox"/>	
Project Sector: Agriculture		Task Team Leader: Chantal UMUHIRE
Appraisal date: 12-16 July 2022		Estimated approval date: 10 October 2022
Environmental Safeguards Officer: Joselyne Lisbeth GODONOU		
Social Safeguards Officer: XXXXXXXXXX		
Environmental and Social Category: 2	Date of categorisation: 21 July 2022	Operation type: SO <input checked="" type="checkbox"/> NSO <input type="checkbox"/> PBO <input type="checkbox"/>
Is this project processed under rapid responses to crises and emergencies?		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Is this project processed under a waiver to the Integrated Safeguards System?		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
B. Disclosure and Compliance Monitoring		
B.1. Mandatory Disclosure		
Environmental and Social Assessment/Audit/System/Other (specify: Pest Management Plan)		
Was/Were the document(s) disclosed prior to appraisal?	Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input checked="" type="checkbox"/>	
Date of "in-country" disclosure by the borrower/client	[Date]	
Date of receipt by the Bank of the authorisation to disclose	[Date]	
Date of disclosure by the Bank	[Date]	
Resettlement Policy Framework/Action Plan/Other (specify:)		
Was/Were the document(s) disclosed prior to appraisal?	Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input checked="" type="checkbox"/>	
Date of "in-country" disclosure by the borrower/client	[Date]	
Date of receipt by the Bank of the authorisation to disclose	[Date]	
Date of disclosure by the Bank	[Date]	
Vulnerable Peoples Plan/Framework/Others (specify:)		
Was/Were the document(s) disclosed prior to appraisal?	Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input checked="" type="checkbox"/>	
Date of "in-country" disclosure by the borrower/client	[Date]	
Date of receipt by the Bank of the authorisation to disclose	[Date]	
Date of disclosure by the Bank	[Date]	
If in-country disclosure of the above documents is not expected, as per the country's legislation, please explain why: In accordance with the provisions of the Note on the Facility, as approved by the Board of Directors of the Bank, the preparation and disclosure of the Pest Management Plan (PMP) is postponed until after Board approval. It will be prepared and published before the implementation of the relevant activities.		
B.2 Compliance monitoring indicators		
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA <input type="checkbox"/>	
Have costs related to environmental and social measures, including for the running of the grievance redress mechanism, been included in the project cost?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA <input type="checkbox"/>	
Is the total amount for the full implementation for the Resettlement of affected people, as integrated in the project costs, effectively mobilized and secured?	Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input checked="" type="checkbox"/>	
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA <input type="checkbox"/>	
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA <input type="checkbox"/>	
C. Clearance		

⁶ Note: This ESCON shall be appended to project appraisal reports/documents before Senior Management and/or Board approvals.

⁷ ID=Direct Investment; FI=Financial Intermediary; BS=Budget Support; CL=Corporate Loan; GU=Guarantee; RPA=Risk Purchase Agreement; EF=Equity Financing; RBF= Results-Based Financing

Is the project compliant with the Bank's environmental and social safeguard requirements, and to be submitted to the Board? Yes ☒ No ☐

<i>Prepared by:</i>	<i>Name</i>	<i>Signature</i>	<i>Date</i>
Environmental Safeguards Officer:	Joselyne Lisbeth GODONOU		22/07/2022
Social Safeguards Officer:	XXXXXXX		
Task Team Leader:	Chantal UMUHIRE		22/07/2022
<i>Submitted by:</i>			
Sector Director	Pascal SANGINGA, Interim of Martin FREGENE		05/08/2022
<i>Cleared by:</i>			
Director SNSC:	Amman-Sani ISSA		16/08/2022

ANNEX VI: PROJECT FRAGILITY AND RESILIENCE ASSESSMENT NOTE

I. Introduction

The Comoros can be considered a nation in transition because it combines all the characteristic indicators of a fragile state. The country is under various pressures, ranging from the economic to the demographic, triggered first by the slowdown in international trade and tourism following the global public health crisis due to the Covid-19 pandemic, then by the population's growing demand for goods and services that remains unsatisfied due to the lack of state responses, and finally by the poor governance of the parastatals involved in food imports. This situation not only puts the credibility of the country's institution to the test but also creates a governance deadlock, leaving the governed in a state of total uncertainty that dims the prospects for a better tomorrow. Furthermore, ecological, environmental and health vulnerabilities exacerbate the inability of the Government and the communities to produce food and address other issues related to material subsistence; including the proliferation of lawless and marginal communities threatened by the vagaries of the weather, inter-island distrust and state neglect; not to mention the country's susceptibility to international terrorist and criminal networks.

II. Overview of the resilience and fragility of the Comoros Islands

The profile that emerges from analysing data collected in 2020 to assess the resilience and fragility of the Comoros is that of a resilient country with a high capacity to defend its borders and maintain a moderate degree of law and order, but which is subject to intense pressure because the impunity enjoyed by senior members of the state apparatus has eroded citizens' trust in the institutions responsible for restoring social justice. In addition, the country profile also notes that the Comoros lacks the capacity to strengthen its judicial institutions, which are essential for fighting crime and ensuring public stability. On the other hand, the number of cross-border crimes is on the decline, offering the country an opportunity to increase tourist flows despite the Covid-19 pandemic. In addition, the weight of polarisation based on group identity (depending on the island), as well as the marginalisation of women and young people on each island, weakens civil society organisations and makes inter- and intra-community exchanges difficult due to the lack of an appropriate road network required to ease the movement of persons and goods.

III. Aspects of fragility targeted by the project

The scope and character of fragility vary according to the project intervention areas and the activities planned for each beneficiary region. While some localities in the project area are thriving on agricultural assets, others in the same areas are finding it hard to move beyond subsistence farming. Thus, the drivers of fragility in the project area are (1) climate variability and change; (2) poverty and food insecurity; (3) agricultural sector performance; (4) reliance on food imports for food security; (5) poor food quality control system; and (6) exposure to natural hazards such as droughts, cyclones and floods. The choice of factors is motivated in part by their link to violence and crime, which in their extreme forms, are considered key outcomes or manifestations of fragility. The selected six (6) drivers of fragility are described below in greater detail.

(a) Climate variability and change: The phenomenon of climate variability and environmental change is well perceived by the people of the project area. The major challenges they face are naturally linked to the disruption of agricultural practices and crop cycles, which directly results in a decline in agricultural production, with the attendant risk of food insecurity and conflicts related to the use and sharing of water resources. Indeed, the recurrence of these phenomena leads to landscape changes in the project area, causes fertile soils to lose their vegetation cover, and pushes farmers to abandon their farms and take up other activities that offer greater economic opportunities.

(b) Poverty and food security: Despite a relatively high GDP per capita (USD 1,494.7 in 2021), the Comoros is among the least developed countries, ranked 156th out of 189 countries on the Human Development Index (2019). The prevalence of relative poverty remains high and that of extreme poverty quite significant, with almost 40% of the population living below the poverty line. Regarding food security, the Comoros ranked 115th out of 135 countries on the 2021 Global Hunger Index (GHI: 35-49.9). Currently, about 33% of the population lives in absolute food poverty. A large proportion of the national population is affected by severe or moderate food insecurity, with a huge disparity between Moroni and the rural areas, on the one hand, and the three islands which are the poorest and most vulnerable, on the other hand. As a result of acute and chronic malnutrition, about 31% of children are stunted and 25% are underweight to the point of exceeding the emergency threshold of 15%, in almost all the islands.

(c) **Agricultural sector performance:** Given the unfavourable climatic and soil-hydrological context, the once flourishing agricultural sector has been largely abandoned in favour of food imports, even though it constitutes the economic backbone of rural inhabitants, who account for around 30% of the country's total population. Agricultural production remains rudimentary and attracts very few young people because of the extremely high production cost relative to imported foodstuffs, farmland limitations and soil infertility. Farming is practised sporadically on plateaus and gentle slopes. Poultry farming, which is practised extensively and occasionally (80%), is the primary means of capitalization and source of income for rural households. Apart from poultry and fishery products, agricultural production covers only 25% of national food consumption. As a result, agricultural support and extension services are struggling hard to support producers. For the nutrition sector, the absence of a specific budget to support its activities impedes the establishment of local nutrition services.

(d) **Reliance on food imports for food security:** Local agricultural production currently covers only 25% of the country's food needs, while imports account for the remaining 75%. This results in a growing food deficit, and thus greater imports, which negatively impact the balance of payments. The country's trade balance is negative, with a deficit of 20.7% of GDP (PNIA, 2020). According to the National Agricultural Investment Plan (PNIA), despite the Government's efforts to support the sector, the food productivity index has stagnated (increasing by barely 1%) over the past 10 years (2007-2016). Moreover, the value of food production per person is gradually declining. It fell from USD 125/person over the period 1999-2001 to USD 90/person over the period 2014-2016. This situation is due to inappropriate agricultural practices characterised by low input use and inefficient agricultural equipment. Furthermore, the expansion of cash crop farming and fodder plantations is detrimental to food crop farming. For several years, the population's eating habits have been shifting towards rice and imported animal products. Such products are more affordable than local foodstuffs, which are expensive and insufficient (PNNA 2018-2025). Rice consumption has gradually increased in substitution of tubers, bananas and coconuts, and the country imports an average of 30,000 to 40,000 tonnes of rice annually. Despite the economic potential of cash crops and the agro-climatic advantages of the Comoros, the agricultural sector as a whole is not very productive. It cannot meet the demand generated by population growth, and that has resulted in a growing food deficit, requiring greater imports. Food imports increased sevenfold between 2016 and 2000. In addition, domestic demand far outstrips national supply for household staple foods.

(e) **Poor food quality control system:** Poor food quality control system is a threat to the health of the population. The implementing instruments of the various laws on nutrition, food and phytosanitary products are yet to be drafted, and food standards implementation mechanisms lack the necessary resources. Thus, local and imported food products are inadequately controlled.

(f) **Exposure to natural hazards:** The fragility of the Comoros is also exacerbated by the sudden and slow onset of shocks such as floods, storm surges, and strong winds. Extreme weather events have become increasingly frequent, and their intensity affects people, supply chains and production in the country. The risks are especially acute for the country's coastal areas as these are subject to coastal erosion. Moreover, the risks affect the project's beneficiaries living in flood-prone areas who often suffer from natural disasters and the loss of the economic opportunities provided for the survival of flood victims.

IV. Food resilience-building opportunity

The food systems analysis shows that, despite the Government's efforts to develop the sector, many households are still unable to meet their food needs. Moreover, the Central Government is also finding it difficult to involve stakeholders from various sectors in coordinating food system activities. To address these challenges, several key levers are proposed for the sustainability of food systems in the Union of the Comoros, including (i) improving the governance of food systems through the development of sustainable food system models that are more tailored to the territorial challenges of the three islands. The new models should reconcile socio-economic aspects, natural resource management, health, potentialities, identity and specificities of each territory while enhancing their own resources for the benefit of their development and food supply. The task of steering this new policy must be entrusted to local actors (islands/regions); and (ii) creating value added from local agricultural potential and ensuring the accessibility of food to all. This implies intensifying production in local value chains, promoting processing at the territorial level and supporting changes in food practices.

The project beneficiaries mainly consist of the socially and economically disadvantaged and are literally at risk of not being able to maintain and potentially improve basic agricultural activity before, during and after exposure to the consequences of the recurrent drought. Indeed, the multi-sectoral nature of the project – whose ultimate objective of improving living conditions is in line with one of the Bank's operational priorities – provides Comoros

with an ideal opportunity to build national and community resilience in various sectors to overcome the socio-economic challenges faced by the population. The direct beneficiaries of the project will enjoy economic and social inclusion, increased income and social equality, micro-economic security, and social protection. As far as social cohesion is concerned, the project will provide basic services, including public health and critical infrastructure, and capacity building for social networks and social support to women and young people. It will also encourage strong rural-urban cooperation and build economic and social resilience in the project area by focusing on well-targeted activities related to surface water conservation and irrigation infrastructure designed to strengthen the socio-economic resilience of vulnerable populations.

V. Conclusion and recommendation

The project concerns the entire population of the country. The multi-sectoral approach with a strong focus on the agricultural sector reflects the Comorian Government's desire to address the various economic and social vulnerabilities, exacerbated by recurrent droughts in the country. While creating jobs for young people and women, supporting agricultural development organisations (ADOs) will boost farmers' production and improve the income base for direct beneficiaries, particularly the most vulnerable. More inclusively, the Bank will contribute to improving the living environment of food-insecure populations in the Comoros to build resilience in rural communities through inclusive and equitable access to agricultural inputs, community-based agricultural extension services and income-generating economic opportunities. Also, building the capacity of state institutions in charge of agricultural research and production will enhance farmers' resilience to drivers of fragility and various forms of pressure.

By way of recommendation for building sustainable agricultural resilience, the project should promote conservation agriculture that minimises soil erosion and degradation. This should be accompanied by the following actions: (i) shifting from rain-fed to irrigated agriculture based on sustainable water resource management; (ii) building the capacity of stakeholders in production techniques based on sustainable land management, (iii) maintaining the current area of natural rainforests and facilitating the natural regeneration of degraded areas; (iv) maintaining and strengthening current agroforestry and organic farming systems; and (v) carrying out reforestation to rehabilitate degraded farmland and reduce pressure on wood resources.

Finally, the project will explore opportunities to encourage the establishment of young farmers and foster entrepreneurship in food systems by developing innovative networks of small and medium-sized agri-food enterprises.