

AFRICAN DEVELOPMENT FUND



PROJECT: AGRIBUSINESS AND RICE VALUE CHAIN SUPPORT

COUNTRY: SIERRA LEONE

PROJECT APPRAISAL REPORT

Date: April 2019

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AFRICAN DEVELOPMENT FUND



SIERRA LEONE

AGRIBUSINESS AND RICE VALUE CHAIN SUPPORT*

RDGW/AHAI/COSL/PGCL DEPARTMENTS

July 2019

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CURRENCY EQUIVALENTS

As of March 2019

Currency Unit	=	Leones (SLL)
1 UA	=	11,951.30 SLL
1 USD	=	8,548.98 SLL
1 UA	=	1.40 USD

GOVERNMENT FISCAL YEAR

1 January – 31 December

WEIGHTS AND MEASURES

1 metric tonne	=	1,000 kilograms
1 metre (m)	=	3.28 feet (ft)
1 hectare (ha)	=	2.471 acres

ABBREVIATIONS AND ACRONYMS

ABCs	Agri-Business Centres
ADF	African Development Fund
AVDP	IFAD financed Agricultural Value Chain Development Project
BPS	Borrower's Procurement Policy
CAADP	Comprehensive Africa Agriculture Development Program
CCAP	Climate Change Adaptation Program
CIPriSSA	Continental Investment Programme for Rice Self-Sufficiency in Africa
CoSL	Sierra Leone Country Office of the African Development Bank
CSP	Country Strategy Paper
DP	Development Partners
EA	Executing Agency
ECOWAS	Economic Community of West African States
EVD	Ebola Virus Disease
ENABLE	Empowering Novel Agri-Business-Led Employment
ESMP	Environmental and Social Management Plan
EU	European Union
FAO	Food and Agricultural Organization of the United Nations
FBOs	Farmer Business Organizations
FM	Financial Management
GHG	Green House Gas
GoSL	Government of Sierra Leone
GDP	Gross Domestic Product
HA	Hectares
IFAD	International Fund for Agricultural Development
IPAs	Investment Programme Areas
IsDB	Islamic Development Bank
ISS	Integrated Safeguard Systems
MAF	Ministry of Agriculture and Forestry
MoTI	Ministry of Trade and Industry
M&E	Monitoring and Evaluation
MOF	Ministry of Finance
MT	Metric Ton
MTNDP	Medium Term National Development Plan
NATS	National Agricultural Transformation Strategy
NCB	National Competitiveness Bidding
NDPPCO	National Development Partners Program Coordination Office
NERICA	New Rice for Africa
NGO	Non-Governmental Organization
PEMSD	Planning, Evaluation, Monitoring and Statistics Division
PFMU	Program Financial Management Unit
PHAP	Post-Harvest Losses Reduction and Agro-Industry Program
PMT	Project Management Team
PPF	Project Preparation Facility
PRSP	Poverty Reduction Strategy Paper
SLARI	Sierra Leone Agricultural Research Institute
SLESCA	Sierra Leone Seed Certification Agency
SMP	Seed Multiplication Program
TAAT	Technologies for African Agricultural Transformation
UA	Unit of Account
USD	United States Dollars
WB	World Bank

Grant Information

Client's information

RECEPIENT : Republic of Sierra Leone
EXECUTING AGENCY : Ministry of Agriculture and Forestry

Financing plan

Source	Amount (UA)	Instrument
ADF	7.99 million	Grant
GoSL	0.53 million	Counterpart contribution
TOTAL COST	8.52 million	

ADF's key financing information

Grant Currency	Units of Account
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Timeframe - Main Milestones (expected)

Concept Note Approval	February 2019
Project Appraisal	March 2019
Board Approval	July 2019
Effectiveness	August 2019
Completion	August 2024
Last Disbursement	December 2024

PROJECT SUMMARY

1. Project Overview:

1.1 The Sierra Leone Agribusiness and Rice Value Chain Support Project (SLARiS) aims to stimulate a viable upstream agribusiness sector in Sierra Leone in order to promote economic diversification, food security, sustainable employment opportunities and improved livelihoods. These are all key identified priorities of the New Direction Agenda and the Medium Term National Development Plan of the Government of Sierra Leone. The development goal of the project is to promote domestic agribusiness focusing on priority agricultural value chains which will serve as sustainable and inclusive business opportunities targeted at enhancing production and productivity to improve the livelihoods of men and women beneficiaries. The project will primarily focus on the rice value chain which is the staple food in Sierra Leone. It will also support the emergence of maize and livestock as secondary value chains which have the strong potential of meeting domestic food demands, import substitution, improving nutrition and farmers' income. The SLARiS project which will be executed in the identified high potential agro-ecological zones in the country (specifically *Kambia, Kenema and Moyamba*) will be implemented over a period of five (5) years (2019 – 2024). The project comprises three (3) components namely: a) Support to Enhancement of Agricultural Input Production & Distribution Systems; b) Support to Agribusiness Development; and c) Institutional capacity development and Project Management. The total project cost is UA 8.52 million with an ADF Grant of UA 7.99 million (93.8%) and Government of Sierra Leone (GoSL) contribution of UA 0.53 million (6.2%). The project benefits from parallel co-financing from the Islamic Development Bank (USD 34.12 million) and the International Fund for Agricultural Development (USD 11.2 million)

2. Needs Assessment:

2.1. Sierra Leone is food insecure, with over half the population (i.e. more than 3.5 million people) lacking access to sufficient amounts of safe and nutritious food. The Global Hunger Index 2018 ranked Sierra Leone as the sixth hungriest country in the world, with an estimated 35.7% of the population undernourished. These households are exposed to acute fragility and unable to cope with socio-economic and environmental shocks such as drought, floods and fluctuating food prices. Importation of staple foods such as rice and maize are high due to the inability to meet market demand through domestic production. According to the Ministry of Agriculture and Forestry, the total rice demand was 1,600,000 metric tons in 2018. In contrast, local production was only 700,000 metric tons, with the balance imported from international markets. The annual cost of rice imports (including seeds and grains) alone stands at about USD 250 million. Similarly about 20,000 metric tons (40 % of total demand) of maize is imported into Sierra Leone annually, which is closely associated with equally high importation of poultry products as the main ingredient in animal feed is maize.

2.2 Despite the huge potentials of the country's agriculture, the sector has not been able to attain national food and nutritional security, and generate of decent employment opportunities for the country's bulging youth population. The seemingly lacklustre performance of the agricultural sector in Sierra Leone is the result of a combination of weak public policy and institutions, limited infrastructure, and failures in both the input and output markets. These greatly impede the sector's productivity growth, and its capacity to support the country's poverty reduction and youth employment generation efforts. Specifically production and productivity are constrained by low use of improved technologies particularly agricultural inputs (e.g. improved seed varieties, fertilizers and pesticides), low levels of value chain integration mainly due to inefficient systems that undercut competitiveness, limited access to

agricultural finance and a weak enabling environment. Sierra Leone's dependency on food imports and food aid exacts dire socio-economic consequences on the economy and is unsustainable. Economic diversification to promote domestic agricultural production and productivity is therefore imperative. This is critical to ending hunger and enhancing food security as per the Sustainable Development Goals, improving economic growth, social welfare, livelihoods and job creation as well as building resilience to shocks.

2.3 The rationale for this project is premised on the fact that Sierra Leone is endowed with agro-ecological conditions and water resources to support a vibrant agricultural sector. There is significant opportunity for growth in the agribusiness sector across the value chain. Furthermore, Sierra Leone's Medium Term National Development Plan (2019-2023), the National Strategic Agriculture Development Plan (NSADP) (2010-2030) which is Sierra Leone's in-country version of the Comprehensive African Agriculture Development Programme (CAADP) and the recently launched National Agriculture Transformation Strategy (NATS) (2019-2023) evidence clear commitment by the Government of Sierra Leone to diversify its economy from its dependence on mining through promoting investments to strengthen the agriculture sector and thereby increase its contribution to the national economy. Expanding the agribusiness sector will also assist the Government of Sierra Leone to tackle the major challenge of youth unemployment in the country (estimated at 60%) which remains an important source of fragility. The project will seek to create new jobs to ensure socio-economic empowerment, particularly amongst the youth and women by supporting them along the value chain.

3. Bank's Value Added:

3.1 The Bank's comparative advantage and added value in the project are derived from its accumulated expertise and experience in funding agriculture and agribusiness projects in various Regional Member Countries (RMCs). The SLARiS project will provide opportunities to capitalize on the Bank's experience in supporting public sector enabled and private sector led growth of agricultural value chains and on the gains of past projects in the Mano-River Union region, other ECOWAS countries and across the continent. Lessons were drawn from extensive continent-wide analysis carried out under the Technologies for African Agricultural Transformation (TAAT) and its associated TAAT-Savannah, the Continental Investment Program on Rice Self Sufficiency in Africa (CiPRISSA) and the African Agricultural Seed Index (TASAI) program as well as various investment operations in Gambia, Ghana, Guinea-Bissau, Senegal and Zambia.

4. Knowledge Management:















4.1 The project will support research and knowledge development in collaboration with the Sierra Leone Agricultural Research Institute (SLARI), AfricaRice and Njala University to develop: i) an effective agricultural input system; (ii) innovative crop production techniques for rice and maize in the presence of soil challenges; (iii) the emergence of a robust maize value chain with strong linkages to the livestock industry; and (iv) support the growth of horticulture. The knowledge generated from the research will be disseminated amongst farmers for better productivity at the farm level, agro-dealers and agribusiness actors. Additionally, this project will implement the ENABLE-Njala Youth Empowerment Model which is an innovative initiative combining research, integrated farming systems with business incubator and accelerator systems. These experiences will be documented and could be useful in the design of other youth in agribusiness development projects. Finally, collaborative knowledge development will enhance the systemic development of capacity in agriculture university faculties in Sierra Leone.

RESULTS-BASED LOGICAL FRAMEWORK

Country and Project Name:		Sierra Leone Agribusiness and Rice Value Chain Support Project (SLARiS)				
Project Purpose:		To promote a viable agribusiness sector in Sierra Leone in order to promote economic diversification, food security, sustainable employment opportunities and improved livelihoods.				
	RESULTS CHAIN	PERFORMANCE INDICATORS			MEANS OF VERIFICATION	RISKS/MITIGATION MEASURES
		Indicator (including CSI)	Baseline (2019)	Target (2024)		
	IMPACT	Improved household incomes and food security	Average household farm income National Rice Self-sufficiency improved (%)	270 42.9%	580 75%	Annual reports Bureau of Statistics/MAF
OUTCOMES	1. Increased rice production and productivity	1.1.Total annual average rice production (mt) 1.2. Average Yield (mt/ha)	700,000 1.3	1,600,000 3.0	MAF National survey Project reports	<u>Risk</u> : Limited Govt. commitment to implementation of private sector oriented policy incentives. <u>Mitigation</u> : Govt. buy-in on policy incentives obtained <u>Risk</u> : Climate changes effects (drought, floods, etc. could adversely affected production <u>Mitigation</u> : Climate smart and resilience practices will be disseminated among farmers within the project zone.
	2.Increased maize production and productivity	2.1.Total annual maize production (metric tons) 2.2. Average Yield (mt/ha)	71,085 2.17	150,000 3.0		
	3.Increased private sector engagement	3.1.Percentage contribution of private seed companies to total seed production	0	10%		
	4.Increased Youth Employment	4.1.Youth unemployment level (%)	70%	67%		
COMPONENT 1: SUPPORT TO ENHANCEMENT OF AGRICULTURAL INPUT PRODUCTION & DISTRIBUTION SYSTEMS						
OUTPUTS	1. SLARI/SMP seed production strengthened	1.1.Quantity of early generation (breeder and foundation) seeds produced (Rice/Maize) (in tons)	(0) (0)	500 (R) 100 (M)	Project monitoring reports/ supervision missions	<u>Risk</u> : External influences on SMP & SLeSCA <u>Mitigation</u> : SLESCEA & SMP will be run as PPP outfits to ensure autonomy, efficiency and sustainability
	2.Seed multiplication centres rehabilitated & operational	2.1. Quantity of 2 nd generation foundation seeds produced (Rice/Maize) (in tons)	(0)	9,000 (R) 2,500 (M)		
		2.2.Quantity of certified seeds produced (Rice/Maize) (in tons) (Outgrowers)	(0)	2700 (R) 1,800 (M)		
	3.SLESCEA operational	3.1.No. of inspections conducted 3.2. No. of private seed producers certified	(0) (1)	10 8		
		4.Agro-dealers network supported	4.1. No. of input agro-dealers trained, certified & operational (at least 30% women)	(0)		

COMPONENT 2: SUPPORT TO YOUTH AGRIBUSINESS SKILLS, ENTREPRENEURSHIP AND EMPLOYMENT					
5.ENABLE-Njala Youth Program established	5.1. No. of Young agripreneurs selected and completed incubation sessions (50% women)	0	1000	Project monitoring reports/ supervision missions	Risk: Young agripreneurs are unable to establish viable businesses on their own. Mitigation: Incubation training, business development, competitive seed grant and linkage to markets are provided to increase probability of success
	5.2. No of graduates trained at Njala for employability or self-employment	0	4000		
	5.3. No of direct jobs created with at least 50% for women	0	50,000		
	5.4. No. of indirect jobs created with at least 50% for women	0	150,000		
	5.5. No. of youth-led agribusinesses created with at least 50% of women	0	50		
6.Out-growers schemes supported	6.1. No. of Seed Out-grower Clusters supported , where same is established already (at least 30% women)	0	15		
COMPONENT 3: PROJECT MANAGEMENT AND CAPACITY DEVELOPMENT					
7.Establishment of National Development Partner Programs Office	7.1. NDPPO established and operational	0	1	Project monitoring reports/ supervision missions	Risk: Weak implementation capacity that affects progress of the project Mitigation: Harmonized PFMU & competitive selection of experts with adequate experience
8.Capacity Building	8.1. No. of technical assistance staff trained	0	10		
9. Project Management	9.1. Project implemented	0	1		
	Annual Workplan & Budget developed	0	4		
	Annual Audits completed	0	4		
	M & E System developed	0	1		
ACTIVITIES					INPUTS
KEY ACTIVITIES	Component 1: Support to Enhancement of Agricultural Input Production & Distribution Systems (UA 3.9 million (46.1%))				ADF Grant: UA 7.99 million
	i. Support to Seed Research, Development & Multiplication				Government/Beneficiaries (in kind) : UA 0.53 million
	ii. Support to agricultural input testing, inspection and certification				AfDB Total Project Cost: UA 8.52 million (USD 11.90 million)
	iii. Support to private sector led input distribution systems				
	Component 2: Support to Agribusiness Development (UA 3.0 million (38.1%))				
	i..ENABLE/Njala Youth Program established				Parallel co-financing IsDB: USD 34.12 million
	ii. Out-growers schemes supported				IFAD: USD 11.8 million
	Component 3: Institutional Capacity Development and Project Management (UA 1.3 million (15.8%))				
	i.Capacity Building				
	ii. Project M&E activities				
iii. Project planning and coordination					
iv. Project steering committee					

PROJECT TIMEFRAME

No.	ACTIVITIES	PROJECT IMPLEMENTATION YEARS					
		2019	2020	2021	2022	2023	2024
1	Negotiations & Board Approval of Grant						
2	Signature of Grant Agreement						
3	Recruitment of Project Staff						
4	Authorization of 1 st Disbursement						
5	Project Launching						
6	Project Coordination						
7	Mid-term Review of Project						
8	Completion Reports						
9	Audits						
10	Last Project Disbursement						

REPORT AND RECOMMENDATION OF MANAGEMENT TO THE BOARD OF DIRECTORS ON THE PROPOSED ADF GRANT TO THE REPUBLIC OF SIERRA LEONE FOR THE SIERRA LEONE AGRIBUSINESS AND RICE VALUE CHAIN SUPPORT PROJECT (SLARIS)

Management hereby submits this Report and Recommendation for an ADF grant of UA7.99 million from the African Development Fund to the Government of Sierra Leone to finance the Sierra Leone Agribusiness and Rice Value Chain Support Project.

I. STRATEGIC THRUST & RATIONALE

1.1 Project linkages with Country Strategy and Objectives

1.1.1 Rice is by far the most important crop in the food economy of Sierra Leone. With an average annual per capita consumption of about 131 kg which is one of the highest in the world, rice is synonymous with food and constitutes a larger portion of total food intake than any other cereal. In fact, in rural areas of Sierra Leone, rice provides up to 75% of total calorie intake. Sierra Leone was a net rice exporter in the 1970s and the country still retains its agro-ecological competitive advantage to satisfy domestic requirements for food and to increase incomes for smallholders. However, limitation to domestic production continue to exist principally as a result of unfavourable policies and insufficient access to (i) quality agricultural inputs (seed, fertilizer and pesticides) (ii) improved production technology and capabilities and (iii) affordable finance. The total area under rice cultivated in Sierra Leone is about 530,000 hectares produces an average of 700,000 metric tons/year (compared to an estimated annual milled-rice requirement of 1,600,000 metric tons), which corresponds to a very low yield of 1.3 tons/ha. Presently, there is a sharp decline in the incomes of farmers due to importation of rice which puts heavy stress on the country's foreign exchanges (annual rice import bill averages about USD 250 million). Rapid population growth, coupled with the escalating rural-urban migration, and environmental degradation pose serious threats to food security in the country.

1.1.2 The proposed project is well aligned with Sierra Leone's Medium Term National Development Plan (MTNDP) (2019 – 2023). The MTNDP articulates agriculture as one of the primary drivers of economic diversification and inclusive economic development. At the sector level, the project is in accordance the National Strategic Agriculture Development Plan (NSADP) (2010-2030) which is Sierra Leone's in-country version of the Comprehensive African Agriculture Development Programme (CAADP). It is also consistent with the recently launched National Agricultural Transformation Strategy NATS (2018- 2023) which focuses on developing agricultural value chains, making available improved inputs (seeds, fertilizers, pesticides and machinery), increasing productivity and production, and establishing crops and livestock processing zones across the country. The Strategy prioritises four components, namely: rice self-sufficiency, livestock development, crop diversification and bio-diversity management. It strengthens three enablers that include: improvement of the policy environment, promoting women and youth in agriculture, and setting up of private-sector-led mechanisation. Implementation of the NATS is expected to address low productivity, improve linkages with industry and access to financial services and markets. The approach also targets urban, peri-urban and rural communities particularly women and the youth as well as improved institutions and infrastructure aimed at revitalising rural communities.

1.1.3 The project is consistent with the Bank's Country Strategy Paper (CSP) for Sierra Leone (2013 – 2017, extended to 2019) through its Pillar 1: Enhancing Economic Governance and Transparent Management of Natural Resources Revenue. During the CSP Mid-Term Review in July 2016 it was decided to place more emphasis on sub-pillar 3 of Pillar 1 which deals with enabling business environment and private sector development, in order to enhance pay-off in deepening the

inclusive growth agenda of the strategy. Pillar 1 was specifically re-focused to emphasize private sector development, agribusiness and agro-processing. The project is well aligned to sub-pillar 3 of pillar I of the strategy.

1.2 Rationale for Fund's involvement

1.2.1 The agriculture sector in Sierra Leone is important for employment (70% of the national labour force), income (more than 40% of GDP) and as a source of food and nutrition. The climate and ecological conditions are highly favourable for agriculture. Rice is the single most important commodity in Sierra Leonean agriculture mainly because it is the staple food of the local diet. Nearly 85% of Sierra Leonean farmers grow rice and it is also dominant in terms of cultivated area, volume produced and contribution to farm income. More than 5.4 million hectares of arable bolilands, mangroves, inland valley swamps, and riverine grasslands are suitable for growing rice and other crops. Yet only 10% of these fertile, diverse lowlands are under cultivation. Rice farming is dominated by smallholder farmers with average land holdings of 0.5-2.0 hectares and a few medium to large scale producers.

1.2.2 Sierra Leone was self-sufficient in rice production in the 1950s and even exported rice within the Mano River Union region in the 1970s. However the onset of the civil war in the 1980s dealt a heavy blow to all sectors of the economy. In the case of agriculture, production was seriously undermined, agricultural extension services were handicapped and distribution of food disrupted by insecurity and lack of mobility resulting in severe food shortages. With the exception of the decline caused by the outbreak of the Ebola Virus Epidemic in 2014/2015, the Sierra Leonean economy has exhibited strong post-civil war recovery. Yet despite these gains in the agriculture sector continue to lag in performance. Over the years Sierra Leone unable to meet local demand through domestic production has become a net importer of food and major importer of rice, wheat flour, sugar and poultry. Importation of these four commodities consumes an average of \$ 700 million of the country's foreign exchange annually. Rice imports alone account for 14.3% and has been on the increase over the past decade. Current domestic rice output is 700,000 metric tons compared to total domestic demand of 1,600,000 metric tons (approximately 42.9% rice self-sufficiency). The national demand for rice is expected to increase to an estimated 2,130,000 metric tons by 2025. Locally produced rice is not only more nutritious but also attracts a 15% to 20% premium over comparable grades of imported rice. Rising population and domestic demand for local rice presents a viable opportunity for investment in domestic rice production.

1.2.3 Three critical constraints to on-farm productivity in Sierra Leone were identified as access to inputs including finance, improved technologies and access to markets. The supply of improved seeds fertilizer, agrochemicals and animal feeds is below current demand and far below potential demand. According to data collected in the 2015 Comprehensive Food Security and Vulnerability Assessment, the most commonly constraint cited by farmers to increasing agricultural production was the unavailability of improved seeds. The continuous involvement of Government in the production, procurement and distribution of seeds, fertilizers and other agro-inputs to the farmers at non-competitive market prices is a major disincentive to private sector involvement in agricultural transformation that ought to be government-enabled and private sector-led. It is estimated that only 5% of farmers in Sierra Leone have access to improved seeds varieties. Furthermore, agricultural input distribution systems are weak with a ratio of 1 agro-dealer for every 17,033 agricultural households in Sierra Leone. Addressing these constraints will improve production and productivity, and the latter will lead to better incentives for producing improved food availability, employment (particularly for the youth and women) and higher household incomes.

1.2.4 With the recent volatility in iron prices, the need to diversify the economic base of Sierra Leone becomes ever more compelling. Sustainable reductions in poverty will depend on key sectors, particularly agriculture, which employs the majority of the population, especially in rural areas. The

renewed focus will be to transform the largely subsistence low-input, low-output agriculture into a more productive and commercialized system capable of creating gainful employment as a basis for broad-based poverty reduction. The project will promote agricultural transformation by supporting the emergence of competitive agribusinesses in the agricultural input supply sector. It will incite the development of a private sector driven agricultural input (seeds, fertilizer and pesticides) production and distribution which is key to ensuring the timely availability of high-quality of improved, appropriate products at affordable prices for commercial and smallholder farmers in Sierra Leone. Furthermore, the project will provide support to national institutions and policymakers to create and maintain enabling environments that will accelerate the development of competitive formal input systems to adequately farmers.

1.2.5 Rice has been selected as the initial crop that this project will focus on because there is strong domestic demand for it along with consumer preference. While maize will be the secondary crop due its market potential and linkage to the livestock and fisheries industries through its use in the production of animal feed. The project will therefore promote inclusive economic development by targeting areas where rice and maize farming is already being practiced but has not been taken to its full economic and business potentials. To this end, the project will serve as a bridge between the existing major players and medium to small scale producers through supporting out-growers scheme with technical assistance. The project seeks to ensure socio economic empowerment, increase the involvement of both genders in the advancement of the agribusiness sector in Sierra Leone; create conditions for equitable access by men and women to project resources and increase decision-making for women along the agricultural value chain. Project interventions will thus deliberately target women and youth as beneficiaries and provide opportunities to increasing household income levels.

1.2.6 The project activities are closely aligned to the Bank's Country Strategy Paper as it will induce a great level of private sector participation in the sector's development and overall economy at large. Furthermore, the project is consistent with the Bank Group's policies and strategies including the Ten Year Strategy (2013-22) and the High Five Priority Areas particularly Feed Africa, and Improve the Quality of Life of Africans. It supports the Bank's Strategies for African Agricultural Transformation (2016-2025) and Jobs for Youth in Africa (2016-2025) as well as the Strategy for Addressing Fragility and Building Resilience in Africa (2014-2019). The project is also firmly rooted in the Bank's main agriculture flagship programs focused improving agricultural productivity through technology dissemination and scaling (TAAT, TAAT-S and PHAP), enhancing resilience to climate change through climate-smart agriculture and promoting youth empowerment (ENABLE Youth). Finally, the proposed project is line with the Bank's Regional Integration Strategy Framework 2018-2025 (Pillar 2: Trade and Investment, which also includes the "Agricultural Transformation") and the CCAP of the Bank for promoting climate-resilient agriculture.

1.3 Donor Coordination

1.3.1 Sierra Leone continues to be highly dependent on external development assistance. The Bank engages in dialogue with Development Partners under the guidance of the aid effectiveness principles embodied in the Paris Declaration, Accra Agenda for Action and Sustainable Development Goal No. 17 - strengthen the means of implementation and revitalize the global partnership for sustainable development. The main DPs active in the agriculture sector include the AfDB, the World Bank (WB), the IsDB, the IFAD, the FAO and WFP. The Presidential Taskforce on Agriculture chaired by the President of the Republic of Sierra Leone and comprised of the Minister of Agriculture and Forestry, other relevant Ministers and heads of DPs active in the agricultural sector is the main decision-making body and coordination mechanism in the sector. In addition, an Agriculture Advisory Group, comprising DPs, private sector and others, provides technical support to program implementation. The Bank is an active participant in the DP Group and other diverse micro and thematic advisory groups including the National Rice Working Group.

1.3.2 This project is the outcome of extensive consultations with DPs in the agricultural sector. It benefits from parallel co-financing from the IsDB (USD 34.12 million) and IFAD (USD 11.8 million). The SLARiS project will focus on optimizing the agricultural input supply system which would feed into the IsDB financed Rice Value Chain Development Project (RVCDP) and the IFAD financed Agricultural Value Chain Development Project (AVDP) both of which target upstream production and value addition.

II. PROJECT DESCRIPTION

2.1 Project Components

2.1.1 The overall goal of the project is to stimulate a viable upstream agribusiness sector in Sierra Leone in order to promote economic diversification, food security, sustainable employment opportunities and improved livelihoods. The specific project objective is to transform the agricultural input supply sub-sector as a viable and inclusive business opportunity, in order to promote enhanced production and productivity required to improve the livelihoods of beneficiaries along priority value chains (rice and maize).

2.1.2 This objective would be achieved through: a) support and promotion of reliable access to quality input markets (seeds, fertilizers and pesticides) through liberalisation, adequate regulation and certification of the sub-sector sector which in turn is expected to facilitate the entry of new actors and expansion of business opportunities by the existing players; b) creation of an enabling environment for private sector led agribusiness growth upstream in the value chain through support to the emergence and growth of private seed producers and agri-input (seeds, fertilizers and pesticides) agro-dealers; c) empowering young men and women to engage in the agriculture sector; d) supporting growth in farmer efficiency, productivity and income through providing improved technologies, climate-smart farming techniques, innovations and good agricultural practices; and e) increasing reliable output market through strengthening outgrower farming models.

2.1.3 The project consists of the following components: (1) *Support to Enhancement of Agricultural Input Production & Distribution Systems*; (2) *Support to Agribusiness Development*; and (3) *Project Management and Institutional Capacity Development*.

Table 2.1 Description of Project Components

Notes: i. Unless stated otherwise, for each activity, the Project is targeting at least 50% of the beneficiaries will be women.
ii. Details of the activities are provided in Project Appraisal Report Volume II Technical Annex

No.	Components	Cost (UA, Million), % Allocation	Sub-Components Description
1.	Support to Enhancement of Agricultural Input Production & Distribution Systems	UA 3.94 million (46.1%)	<p><i>Sub-component 1.1: Support to Research, Development & Seed Multiplication:</i></p> <p>(i) Support to production of improved early generation (breeder and foundation) seeds by SLARI in collaboration with AfricaRice. This will include provision of equipment (mechanical seedling transplanters, threshers, winnowers, reapers, power tillers); (ii) Support to the production and distribution of certified seeds through rehabilitation and equipping of two (2) Seed Multiplication Program (SMP) of seed multiplication centres in Kobia and Kenema. This will include provision of equipment (mechanical seedling transplanters, threshers, winnowers, reapers, power tillers, rice mills); (iii) Rehabilitation of two (2) seed varietal maintenance centres; (iv) support to SLARI/Njala nutrition promotion program / MAF Women in Agriculture and Nutrition to expand development and dissemination of nutritious food recipes (v) Training of lead farmers and technicians on improved farming techniques; & technologies; and (vi) Trainings of women farmer associations on improved farming and marketing techniques.</p> <p><i>Sub-component 1.2: Support to testing, inspection and certification:</i></p> <p>(i) Support to operationalisation of Sierra Leone Seed Certification Agency (SLESCA) through provision of IT equipment, field and laboratory equipment and facilities; (ii) Development/ rehabilitation of the agricultural input (seed, fertilizer & pesticides) testing and certification laboratory; (iii) capacity building of seed inspectors, seed</p>

			<p>analysts and seed samplers; (iv) registration of seed industry actors; and (v) training and capacity development.</p> <p><i>Sub-component 1.3: Support to private sector led input distribution systems:</i> (i) Support to the agro-dealer network: register, train, and accredit agro-dealers; (ii) Establishment of an e-voucher subsidy system; and (iii) Training of agro-dealers on supply management and related skills.</p>
2.	Support to Agribusiness Development	UA 3.24 million (38.1%)	<p><i>Sub-component 2.1 ENABLE/Njala Youth Empowerment Program:</i> This involves (i) Recruitment of an independent Business Development Expert to fine-tune the ENABLE/Njala Youth Program based on international best practice and market demand; (ii) Establishment/construction of Songhai model based integrated farm ecosystem production units (comprising of rice, maize, livestock, aquaculture, horticulture production units as well as agro-processing centres) within the Njala University Campus; (iii) Intensive incubation and internship (skills and training) of 6 months for youth that are passionate and highly committed to running an agribusiness (200 youth per annum-of which 50% women); (iv) Development of business plans, grant and loan applications for funding; (v) Provision of start-up capital to selected agripreneurs on a competitive basis; (vi) Development of linkages to markets and off-taker arrangements for youth run agribusinesses; (vii) Support to establishment of Agrifood Research and Innovation Centre by upgrade facilities for agricultural research and training; (viii) Establishment of Engineering, Mechanization and Machinery Maintenance Facility which will assist rapid system design and prototyping, fabrication of machines and systems component and provide farm mechanisation support to the NATS program; and (ix) Development of horticulture industry assessment and business plan.</p> <p><i>Sub-component 2.2: Support to Farmer Outgrowers Systems:</i> (i) Setting up the legal and regulatory framework for outgrower schemes linking farmer cooperatives supported by this project to supply Government programs, the SMP, DP funded projects (specifically the IsDB RVCDP and the IFAD AVCDP amongst others) and private sector agribusinesses; (ii) Provision of equipment (power tillers, threshers, winnowers) to farmers participating in seed and grain outgrower scheme under leasing arrangements; (iii) Support to extension services & training on improved farming/production techniques; (iv) Development of linkages to markets and off-taker arrangements for maize farmers with animal feed companies etc.; (v) Training of farmers and farmer associations on contract farming; and (vi) Promotion of ICT for Agriculture.</p>
3.	Project Management and Institutional Capacity Building	UA 1.34 million (1.3%)	<p><i>Sub-component 3.1: Institutional Capacity Building:</i> (i) Training/Capacity building of the Ministry of Agriculture and Forestry (MAF) other key stakeholders particularly the direct beneficiaries; (ii) Support to MAF in setting up a National Development Partners Program Coordination Office (NDPPCO) through the provision of office, IT equipment and training; (iii) The project will support the cost of NDPPCO Coordinator and a Financial Management Adviser to ensure coordination, harmonisation and fiduciary management of all agriculture DP funded projects; and (iv) Development of an up-to-date result-Based monitoring and evaluation framework which will support the generation, collection, analysis and utilization of data (outputs and outcomes) of all agriculture sector DP funded projects.</p> <p><i>Sub-component 3.2: Project Management:</i> The project management team will include: (i) Project Manager, Internationally recognised Seed Expert, Agribusiness Specialist, Environmental/Social/Gender Expert, M&E Specialist, Procurement Specialist and an Accountant. The Project Manager and the Fiduciary Team would be nationally advertised and recruitment done on a competitive basis, while the other experts will be seconded by the Ministry of Agriculture and Forestry. The team will report to the Permanent Secretary through the Chief Agriculture Officer in the Ministry of Agriculture and Forestry and would be charged with the management and coordination of the Project's activities. All team members will be subject to annual performance-based contracts; and (ii) The project will also fund the necessary IT and office equipment as well as field vehicles to facilitate supervision and coordination activities.</p>
Total		UA 8.52 million	

2.2 Technical solutions retained and other alternatives explored

2.2.1 The technical solutions which were retained comprises of a multipronged approach based on government creating an enabling environment to drive domestic private sector production and distribution of agricultural input supply for farmers in order to increase production and productivity in the targeted value chains. In addition, the youth empowerment scheme under the project encapsulates technical training as well as practical skills in agriculture and agribusiness activities. Two alternatives to the investment approach were considered and rejected are as follows:

Table 2.2: Project Alternatives Considered and Reasons for Rejection

Alternative name	Brief description	Reasons for rejection
Alternative 1	Support the development of special agro-industrial processing zones in Sierra Leone	Currently the level of agricultural productivity and production of priority crops is too low to sustain a viable SAPZ. This could be considered for future projects.
Alternative 2	Focus AfDB financing on infrastructure development of feeder roads in the same area at the IsDB project	Better value for money would be derived from available AfDB allocation by financing the establishment of a viable private sector led agricultural input supply system, agribusiness enhancement and youth development compared to a purely infrastructure investment in feeder roads.

2.3 Project Type

2.3.1 This intervention is designed in the form of a stand-alone Investment Project with the main aim of up-scaling production and productivity and reducing imports of rice and maize through provision of agribusiness development, technical assistance and capacity building.

2.4 Project cost and financing arrangements

2.4.1 Project Costs: The total cost of the project is estimated at UA 8.52 million (USD 11.93 million), net of taxes and customs duties, and based on 2019 prices, comprising 36.29% of the total cost in foreign cost, and 63.71 % in local costs. The project cost comprises an ADF grant of UA 7.99 million (USD 11.19 million) (93.8 %) and GoSL in-kind contribution of UA 0.53 million (USD 0.74 million) (6.2%). This cost is inclusive of physical and price contingencies estimated at average rates of 6% and 7% respectively. The price contingencies were estimated on the basis of actual and projected levels of local and foreign inflation rates of about 5.5% and 2.2% per annum, respectively. The physical contingencies are estimated from 0 to 15%. The ADF grant contribution to the project cost exceeds the threshold of 90% stipulated by the Policy on Expenditures Eligible for Bank Group Financing. This is justified by evident commitment to the project exhibited by the GOSL which is a transition state confronted with budget constraints in the face of significant development challenges. A summary of the project cost estimates by components and expenditure accounts is shown in Tables 2.3, 2.4, 2.5 and 2.6 below, while details are provided in the Technical Annexes – Volume II of the appraisal report.

Table 2.3: Estimated Summary Project Costs by Component

PROJECT COMPONENTS	(USD '000)			(UA '000)			% F. E	% B. C.
	Local	Foreign	Total	Local	Foreign	Total		
A. SUPPORT TO AGRICULTURAL INPUT PRODUCTION & DISTRIBUTION SYSTEMS	1,685.10	3,339.30	5,024.40	1,203.64	2,385.21	3,588.86	66	48
Research, Development and Multiplication	410.15	1,996.45	2,406.60	292.96	1,426.04	1,719.00	83	23
Seed Testing, Inspection and Certification	406.45	1,239.35	1,645.80	290.32	885.25	1,175.57	75	16
Agricultural Input Distribution Systems	868.50	103.50	972.00	620.36	73.93	694.29	11	9
B. SUPPORT TO AGRIBUSINESS DEVELOPMENT	1,202.51	2,602.05	3,804.57	858.94	1,858.61	2,717.55	68	36
ENABLE NJALA Youth Empowerment Program	869.33	2,050.36	2,919.69	620.95	1,464.54	2,085.49	70	28
Farmer Outgrowers Scheme	333.18	551.70	884.88	237.99	394.07	632.06	62	8
C. INSTITUTIONAL CAPACITY BUILDING AND PROJECT MANAGEMENT	837.70	841.90	1,679.60	598.36	601.36	1,199.71	50	16
Institutional Capacity Building	197.60	211.20	408.80	141.14	150.86	292.00	52	4
Project Management	640.10	630.70	1,270.80	457.21	450.50	907.71	50	12
Total BASELINE COSTS	3,725.31	6,783.25	10,508.57	2,660.94	4,845.18	7,506.12	65	100
Physical Contingencies	171.13	440.36	611.49	122.24	314.54	436.78	72	6
Price Contingencies	432.04	375.90	807.95	308.60	268.50	577.10	47	8
Total PROJECT COSTS	4,328.49	7,599.52	11,928.00	3,091.78	5,428.23	8,520.00	64	114

Table 2.4: Estimated Summary Project Costs by Categories of Expenditures

CATEGORY OF EXPENDITURE	(USD '000)			(UA '000)			% F.E.	% B.C.
	Local	Foreign	Total	Local	Foreign	Total		
I. Investment Costs	3,647.76	6,689.80	10,337.57	2,605.54	4,778.43	7,383.98	65	98
A. WORKS	706.25	2,118.75	2,825.00	504.46	1,513.39	2,017.86	75	27
B. GOODS	480.00	1,830.00	2,310.00	342.86	1,307.14	1,650.00	79	22
1. Vehicles	146.25	828.75	975.00	104.46	591.96	696.43	85	9
2. Equipment & Materials	333.75	1,001.25	1,335.00	238.39	715.18	953.57	75	13
Equipment	327.63	982.88	1,310.50	234.02	702.05	936.07	75	12
Furniture	6.13	18.38	24.50	4.38	13.13	17.50	75	-
C. SERVICES	2,381.51	2,621.05	5,002.57	1,701.08	1,872.18	3,573.26	52	48
Training, Sensitization, Workshops, Seminars, etc.	506.25	618.75	1,125.00	361.61	441.96	803.57	55	11
Technical Assistance & Consultancies	95.25	1,125.75	1,221.00	68.04	804.11	872.14	92	12
Contractual Services	1,712.51	794.05	2,506.57	1,223.22	567.18	1,790.40	32	24
Audit	67.50	82.50	150.00	48.21	58.93	107.14	55	1
D. MISCELLANEOUS	80.00	120.00	200.00	57.14	85.71	142.86	60	2
II. Recurrent Costs	77.55	93.45	171.00	55.39	66.75	122.14	55	2
B. VEHICLES OPERATION & MAINTENANCE	19.80	46.20	66.00	14.14	33.00	47.14	70	1
C. GENERAL OPERATING CHARGES	57.75	47.25	105.00	41.25	33.75	75.00	45	1
Total BASELINE COSTS	3,725.31	6,783.25	10,508.57	2,660.94	4,845.18	7,506.12	65	100
Physical Contingencies	171.13	440.36	611.49	122.24	314.54	436.78	72	6
Price Contingencies	432.04	375.90	807.95	308.60	268.50	577.10	47	8
Total PROJECT COSTS	4,328.49	7,599.52	11,928.00	3,091.78	5,428.23	8,520.00	64	114

Table 2.5: Expenditure Schedule by Year (in '000 UA)

PROJECT COMPONENTS	Totals Including Contingencies (UA '000)					
	2019	2020	2021	2022	2023	Total
A. SUPPORT TO AGRICULTURAL INPUT PRODUCTION & DISTRIBUTION SYSTEMS	775.20	1,284.93	729.96	588.86	564.57	3,943.51
Research, Development and Multiplication	256.57	736.83	481.97	208.89	206.09	1,890.35
Seed Testing, Inspection and Certification	386.49	414.90	105.56	214.91	212.95	1,334.81
Agricultural Input Distribution Systems	132.14	133.19	142.43	165.06	145.53	718.35
B. SUPPORT TO AGRIBUSINESS DEVELOPMENT	167.87	817.24	918.77	686.99	643.02	3,233.90
ENABLE NJALA Youth Empowerment Program	145.22	583.59	657.70	580.21	549.92	2,516.63
Farmer Outgrowers Scheme	22.65	233.66	261.08	106.79	93.09	717.27
C. INSTITUTIONAL CAPACITY BUILDING AND PROJECT MANAGEMENT	366.37	224.14	239.51	255.83	256.74	1,342.59
Institutional Capacity Building	109.71	49.41	57.66	53.66	55.86	326.30
Project Management	256.67	174.73	181.85	202.17	200.88	1,016.29
Total PROJECT COSTS	1,309.45	2,326.31	1,888.24	1,531.68	1,464.33	8,520.00

2.4.2 Project Financing Arrangement:

Table 2.6: Financing Plan of the project (UA '000)

FINANCING SOURCE	(UA '000)			%
	Foreign	Local	Total	
ADB Grant	5,428.23	2,561.78	7,990.00	93.8
Government of Sierra Leone	0.00	530.00	530.00	6.2
Total	5,428.23	3,091.78	8,520.00	100.0

2.5 **Project's target area and population**

2.5.1 Project Areas: The project interventions will be implemented in the high agricultural production potential zones of Kobia and Rokupr (Kambia), Kenema (Kenema) and Njala (Moyamba) Districts. These areas were selected following initial technical recommendations and also after the stakeholder consultations based on the criteria of: (i) potential for successful rice and maize production; (ii) market proximity; (iii) population and poverty incidence; and (iv) ability to build synergies with parallel co-financed investments of other development partners particularly the IsDB and IFAD.

2.5.2 Project Beneficiaries: The estimated number of direct beneficiaries is about 32,000 farmers in the high potential targeted regions/zones. In addition, 1000 young agri-preneurs and 4000 young graduates (disaggregated by age and gender) will benefit from the incubation program and the new agribusiness training curriculum respectively. The project will create approximately 50,000 direct jobs and improve the lives of 150,000 indirect beneficiaries.

2.6 **Participatory process for project identification, design and implementation**

2.6.1 The Project was conceived following GoSL request to the AfDB to support a Rice Value Chain Development Project in 2018. On the strength of this formal request, the Bank fielded a project identification mission between 21 and 26 September 2018, followed subsequently by a preparation mission from 21 to 30 January 2019. An appraisal mission was mounted between 18 and 29 March 2019 to fine-tune the project. The proposed project is the result of wide and detailed consultations with the various stakeholders including the Ministry of Agriculture and Forestry, Ministry of Trade and Industry, Ministry of Youth, National Youth Commission, Ministry of Social Welfare, Gender

and Children's Affairs, Ministry of Technical and Higher Education, Sierra Leone Agricultural Research Institute, Sierra Leone Seed Certification Agency, the Seed Multiplication Program, private sector actors including seed companies, animal feed millers, the Sierra Leone Chamber for Agribusiness Development, the Environmental Protection Agency, various Commercial Banks, and wide range of Development Partners (IFAD, IsDB, FAO, EU, WFP and WB). Apart from bilateral and focus-group meetings, a stakeholder consultative workshop which brought together representatives of the various stakeholders of the project was also organised during the appraisal mission.

2.6.2 In effect, the project design and its listed activities were the outcome of broad-based consultations (meetings, discussions and workshops) with all the stakeholders who expressed their views on what the project should aimed at achieving. This participatory and consultative process clearly identified lack of quality inputs (particularly seeds), technologies and finance as three key challenges to the development of the agriculture sector. The components of the project were therefore designed to address the problems identified during consultations. The participatory process will continue throughout program implementation to ensure ownership and sustainability.

2.7 Bank Group experience, lessons reflected in project design

2.7.1 The Bank's ongoing portfolio comprised a total of 18 operations, with a total commitment of UA 129.49 million (Annex 1). In terms of sector distribution, infrastructure accounts for 89.12% of the total portfolio, of which energy, transport, water and sanitation account for 45.14%, 20.48% and 34.38% respectively. Although the Bank was previously active in the agriculture sector having funded 8 operations and studies since inception, there is currently no active agriculture project in the portfolio. The 2018 Country Portfolio Performance Review (CPPR) assessed the overall performance of the portfolio as satisfactory, with a rating of 2.96 on a scale from 1 to 4. Implementation progress (IP) was rated 2.93, while average development objective (DO) was rated 3.0 indicating that the ongoing operations have high likelihood of meeting their development objectives. There is no project at risk. The overall supervision rating is Non-PP/Non-PPP. The Country Policy and Institutional Assessment (CPIA) rating is 3.2 for 2014 (3rd Quintile). There is no Project Completion Report (PCR) backlog for closed Projects. Nevertheless, the CPPR highlighted challenges in existing project implementation including procurement, contract and financial management and results monitoring and evaluation. The CPPR recommended that the Bank should continue improving portfolio quality ensuring higher quality at entry of project, providing regular fiduciary clinics to project management agencies and increasing the use of country systems where possible.

2.7.2 The Bank has accumulated notable experience in the implementation of agriculture sector projects in Sierra Leone. Although the last agriculture project closed in 2013, previous agricultural projects funded by the Bank include the Torma Bum Rice Development Project, the Moyamba Integrated Rural Development Project, the Northern Integrated Agricultural Development Project, the Artisanal Fisheries Development Project, the NERICA Rice Dissemination Project and the Agricultural Sector Rehabilitation Project. The Bank has gained useful experiences from its on-going and previous operations across various sectors in the country. The lessons garnered from these design and implementation experiences as well as the CPPR have been duly incorporated into this project.

Table 2.7: Lessons Learnt and reflected in project design

No	Lesson Learnt	Actions Incorporated in the Project Design
1	Long duration of project to attain effectiveness and first disbursement conditions	Normal Bank and easy to meet conditions. No extra/special conditions included
2	Cumbersome procurement procedures	The use of country procurement systems which is conversant by most Procurement Officers
3	Low capacity of project staff in the Bank's Procedures	Recruit competent staff and Technical Assistance

2.8 Key performance indicators

2.8.1. The project's key performance indicators to be measured throughout the project life are presented in the Results Based Logical Framework. The M&E expert of the PMU will carry out internal project monitoring and evaluation in collaboration with MAF to monitor performance. Regular implementation progress will be measured through Quarterly Progress Reports, bi-annual Bank supervision missions (by Headquarters and CoSL), and annual technical and financial audits. The main indicators defined for monitoring the program outputs, outcomes and impact include: (i) poverty reduction; (ii) improved incomes; (iii) reduction in food imports; (iv) improvement in seed quantity and quality; (v) number of young men and women agripreneurs trained; (vi) number of youth and women led agribusinesses established; (vii) improvement in market linkages; and (viii) number of beneficiaries (males and females) trained.

Various supervision missions and periodic progress reports will systematically render an account on the achievement level of the indicators. These will be regularly presented to decision and policy makers to guide project mid-term review and to facilitate project management after completion.

III - PROJECT FEASIBILITY

3.1 Economic and financial performance

3.1.1 A financial assessment of the project was undertaken using activity models, and on the basis of prevailing market prices. The key assumptions underlying the analyses include: (i) Additional quantity of foundation seeds (rice- 9500 metric tons and 2600 metric tons maize) will be produced at full capacity of the project; (ii) production of certified improved seed varieties; (iii) a 10-year time period was used to measure the incremental benefits from the project. Farm gate prices were used in estimating the total revenue from the project; (iv) the opportunity cost of capital (OCC) used for discounting future benefits was estimated to be 12%. For the economic analysis; (v) hired labour value was adjusted by a conversion factor of 0.75. These analyses were carried-out with financial and economic costs generated using Costab 32. Summary of financial and economic analysis is in Annex VII and further elaborated in Annex B6 in Volume II of the appraisal report.

3.1.2 On the basis of the above-captured assumptions, the project is expected to generate the following benefits: (i) Increase rice production and productivity resulting in total annual rice of 1,600,000 metric tons; (ii) Increase maize production and productivity resulting in total annual rice; of 150,000 metric tons; (iii) improve market linkage and value chain for rice and maize production; (iv) improve average household income of beneficiaries to USD 800; and (v) provide employment for 20,000 farmers and entrepreneurs.

Table C.1: Key economic and financial figures

FIRR, NPV (base case)	19%	USD 12,105,388.14
EIRR (base case)	20%	USD 16,325,400.25

NB: detailed calculations are available in Annex B6

3.1.3 **Financial analysis:** Based on the above assumptions, the financial analysis generated Net Present Value (NPV) of USD 12,105,388.14 and internal rate of return (IRR) of 19%, as captured in the technical annexes (B6). Based on the above analysis, the project is deemed financially feasible. The FIRR of 19% is higher than the opportunity cost of capital (12%).

3.1.4 **Economic analysis:** The economic analysis was conducted using the same approach as the financial analysis, on the basis of shadow prices (prices in conditions of the efficient market operation) of tradable goods and total cost of project. In addition, other indirect benefits were also expected, such as, easy access to markets through market linkages; provision of agro-service centre, reliable market information system and business developments from the incubation trainings. However, these additional benefits were difficult to value in monetary terms due to the limited scope of this report, hence they could not be adequately captured in the analysis. In these conditions, the economic analysis yielded an NPV of USD 16,325,400.25 and EIRR of 20% as captured in the technical annexes.

3.1.5 **Sensitivity Analysis:** The results of the sensitivity analysis indicate that with 5%, 10% and 15% decrease in production the FIRR decreases to 18%, 17% and 16% respectively. The same exercise was carried out for successive decrease in prices by 5, 10, and 20% with a combination of yield decline. A decrease in output prices by 20% (switching values) would have to occur before the project's economic benefits reduces to break-even point at 12%, the opportunity cost of capital. A combined 10% decrease in output price and 15% decrease in output will break-even at 12%, the opportunity cost of capital.

3.2 Environmental and Social Impacts

3.2.1 **Environment:** Based on the proposed project scope the environmental and social (E&S) classification is Category 2 according to the African Development Bank's Environmental and Social Assessment Procedures (ESAP). There are parallel co-financed investments from the Islamic Development Bank, the World Bank and IFAD and these donors had earlier prepared Environmental and Social Management Framework, and Pest Management Plan for the project. These documents were reviewed and found to have followed the African Development Bank Environmental and Social Assessment Procedures (ESAP). Hence these safeguards documents were adopted and their Executive Summaries disclosed on the Bank's website on 22nd May 2019.

3.2.2 The classification and attendant requirement is commensurate with the project classification stipulated by the Sierra Leone Environmental Protection Regulations. The principal objectives of conducting this environmental and social assessment and planning was to ensure that the project integrates mechanisms to reduce environmental impacts along the entire value chain, from production, marketing to product value addition/manufacture, usage and disposal.

3.2.3 Environmental and Social Management Framework indicate that although the project will have some site specific negative impacts, it is also posed to have numerous positive impacts among them, notably: (i) improved production and competitiveness of selected agriculture commodities that will contribute to increased income opportunities for value chain actors, and support the local economy of the provinces; (ii) reduced food imports; (iii) improved agronomic practices and technologies for rice and maize improved varieties that are adapted to the local conditions; (iv) improved agricultural production, productivity and market linkages that will foster job creation along

the value chains (improve quality and quantities of seeds; (v) improved incomes for women and men; (vi) increased number of private sector input producers and distributors; (vii) increased training of Youth (disaggregated by gender); (ix) established youth-led agribusinesses ; and (x) improved market linkages.

3.2.4 The negative impacts will stem from a number of rehabilitation activities in the infrastructure development and value chain components of the project. The potential negative impacts of the project include those associated with the rehabilitation and equipping of two Seed Multiplication Centers, agriculture production and value chain activities. Rehabilitation activities may result in; (i) noise, vibration and emissions from operation of machinery that may impair air quality and induce health implications; (ii) generation of wastes (including rehabilitation waste and construction wastes); (iii) occupational health and safety of the rehabilitation crew. During operation phase, agriculture activities of value chain actors may lead to: (i) increased use of agrochemicals including pesticides and fertilizers, which may contribute to soil and water (surface and groundwater) contamination, and increase health-risks of people exposed to pesticides; and (ii) waste and effluents from processing and marketing facilities. These impacts are site specific and can be readily managed with the application of well-defined measures elaborated in the detailed site specific ESMPs. Some of the mitigation measures to be implemented include: (i) refilling the exposed or excavated soil soon after completion of works and avoiding or minimizing compaction of soils; and (ii) capacity building of value chain actors to promote good agriculture practices, improved agriculture technologies such as integrated soil fertility management (ISFM), integrated pest management (IPM) and sustainable land and water management practices.

3.2.5 Climate Change: Agriculture production in Sierra Leone is vulnerable to the impacts of climate variability and change. Drought and floods are increasing in frequency and intensity, while average temperatures during the growing season are rising. Crop failures, reduction in productivity and outbreaks of pest and diseases are exacerbated by extreme climatic events. Cognizant of the national commitment to combat climate change, the project is being prepared taking into consideration the various National Strategies, Plans and Institutions relevant to Climate Change. Overall, the project will facilitate climate resilience along the selected value chains by promoting climate smart agriculture and improved agriculture technologies.

3.2.6 Gender: Women make up more than half of Sierra Leone's agricultural labor force yet they are under-represented in land ownership and income. Discussions during the appraisal mission identified four major constraints that limit women's productivity (as compared to men) and their full inclusion in the domestic agricultural economy namely: lack of access to assets, lack of access to financing, limited training and time constraints. To alleviate these constraints, the project will seek to: (i) increase the number of female entrepreneurs in agribusiness by providing training and improving access to financing; (ii) increase income by improving productivity and training women in core business skills; (iii) increase access to niche markets by marketing products from women-led value chains; and (iv) reduce women time constraints by providing them with improved technologies and adequate agro processing equipment's and trainings.

3.2.7 Five actions and interventions will foster these expected results: trainings and sensitization campaigns, financing, enhancing market links, strengthening women's business groups and increasing their access to farm inputs. To implement these actions and monitor them efficiently, the Project Management Team will include a Youth and Gender expert to work closely with the Gender in agriculture and Nutrition Unit of the Ministry of Agriculture and Forestry as well as the Ministry of Social welfare, Gender and Children's Affairs. Based on the above expected outcome, activities and strategy, the project is classified as Category 2, in accordance with the Bank's Gender Marker System.

3.2.8 Human Capital, Youth Employment and Jobs: The rapidly growing youth population and youth unemployment was a major root cause of the outbreak of civil conflict. According to the National Youth Commission of Sierra Leone, the problem of youth unemployment is very complex as there are three categories of unemployed youth: uneducated, semi-skilled, and educated youth. Approximately 60% of youth are underemployed or unemployed and an estimated 800,000 youth today are actively searching for employment. Furthermore, illiteracy remains a persistent challenge and youth that lack the skills and education find it extremely difficult to compete for the limited jobs available. The main reasons for this high level of unemployment are lack of financial or other resources to start businesses, family responsibilities and the lack of skill requirements or experience. This frequently causes feelings of hopelessness and despair among young people pushing them to migrate from rural to urban areas. As young people move to the urban areas in search of better opportunities, urban migration is exerting more pressure on the limited infrastructure. The need to address youth unemployment and its underlying causes cannot be over-emphasized, given that large numbers of unemployed youths are a potential source of insecurity in view of their vulnerability to recruitment into criminal and violent activities. Youth unemployment in Sierra Leone has been recognized as a potential trigger for social instability, the prolonged state of underdevelopment and economic stagnation.

3.2.9 Agricultural transformation is one of the key enablers for employment and job creation especially for young people in Sierra Leone and Africa at large. This project will support agribusiness training/incubation, entrepreneurship development through establishing an Enable Youth Agribusiness Centre of Excellence in partnership with Njala University of Agriculture. In an integrated model the Agribusiness centre will offer multi-purpose training to meet the needs of Njala university students, rural youth and farmers including women. It will offer trainees an integrated/holistic practical training opportunity to gain experience from the units that will be established at the university (sequenced from production, harvesting, agro-processing, packaging, sales and marketing). This practical experience is expected to prepare the trainees for both employment and agripreneurship. A tracer study will also be carried out to monitor the progress achieved by youth supported by the project. It is estimated that 1,000 young promising agripreneurs will be supported to establish their own businesses while 4,000 will be equipped with technical skills to access employment. The project will create approximately 50,000 direct jobs and further 150,000 jobs indirectly.

3.2.10 Social Impact: The project will increase farmer incomes, improve livelihoods and consequently support better health, education and well-being indicators among project beneficiaries. Youth (both male and female) employment has a positive social impact on economic growth and productivity that cannot be ignored. When a great amount of skilled youth and university graduates (including young women) in Sierra Leone are able to find jobs and put their knowledge and capabilities into innovation and contributing to economic growth. Furthermore, having a large share of the workforce mainly youth employed will lead to increase productivity and gross domestic product (GDP). Increased capacity of youth (including women) through skill development and job creation under the Project will strengthen community cohesion and empowerment thus making it less likely for youth to engage in violence crime.

3.2.11 Addressing Fragility: Sierra Leone has made significant progress in consolidating peace and security country-wide and in rebuilding its economy that was nearly destroyed by the decade long conflict. While Sierra Leone has not fully recovered from the twin shocks of the 2014-2016 Ebola crisis and slump in global commodity prices that severely affected the economy and created political uncertainties, it has been able to maintain security in the aftermath of the drawdown of the UN Mission and conducted peaceful political transition between parties. Rapid urbanization fuelled by migration of mainly youth from rural localities into the city of Freetown in search of opportunities is posing serious development challenge for the Government of Sierra Leone. In post conflict country

of such with major infrastructural deficits, the mass movement of people into Freetown increases more pressures on the Government and slow development of the city. Urban migration rate is currently 4.20% (about 46,000 people per annum) of the existing 1.1 million people living in Freetown which is exerting more pressure on the city limited infrastructure as estimated 15% of the country population lives in Freetown and environs alone. This has resulted to creating unsafe settlements around the city especially protected enclaves.

3.2.12 Sierra Leone continues to experience some challenges stemming from the root causes and drivers of fragility which manifested itself over the decade-long conflict. The underlying drivers of fragility continue to pose significant downside risks for the country's development. The root causes of fragility persist in all their political, economic, social and environmental dimensions and expressions. Intermediate drivers of fragility, such as limited national cohesion, food insecurity, high rates of youth unemployment, gender inequality, high levels of perceived and real corruption, weak human and institutional capacities and poor economic governance systems, especially public financial management (PFM) and limited revenue management systems are prevalent. With the above, the country has more pressures compared to capacity to withstand it. Increasing the Sierra Leone capacity and at the same time reducing these pressures through meaningful interventions will assist build resilience.

3.2.13 Involuntary resettlement: There will be no resettlement as a result of the project. Any proposed activity will be located in areas which have no land disputes. No land acquisition is envisaged under this Project.

IV. IMPLEMENTATION

4.1 Implementation Arrangements

4.1.1 Executing and Implementing Agencies: The Ministry of Agriculture and Forestry will be executing agency and will execute the project through a project management team to be established. The Sierra Leone Agricultural Research Institute (SLARI), Njala University and SLESCA will be implementing entities of certain activities of the project.

4.1.2 A National Project Steering Committee (NPSC): The National Project Steering Committee will be constituted of the Ministry of Agriculture and Forestry (Chair), Ministry of Finance, Ministry of Planning and Economic Development, Ministry of Youth/ National Youth Commission, SLARI, SLESCA, SLECAD, Farmers Federation, Ministry of Local Government and Rural Development, Ministry of Social Welfare, Gender and Children's Affairs, Environmental Protection Agency, Njala University, Civil Society Representative as well as the Chairperson of the each of the District Councils. The NPSC will be convened by the Chair on a semi-annual basis. The NPSC will be mainly responsible for: (i) policy and strategic guidance on all issues relating to the project; (ii) approval of project investments; (iii) approval and monitoring of project annual work plans and budgets; and (iv) resolving implementation bottlenecks and providing positive impetus to facilitate achievement of the project's development objectives (results/outcomes). The Project Core Team on behalf of the Ministry of Agriculture and Forestry, will convene the NPSC meetings and act as its Secretariat. The NPSC will provide guidance and general oversight functions, including policy and strategic orientation of the program.

4.1.3 Project Management Team (PMT). The project management team will include: (i) Project Manager, Internationally recognised Seed Expert, Agribusiness Specialist, Social/Gender Expert, Crop/Extension Expert and Youth Coordinator, M&E Specialist, Procurement Specialist and an Accountant. The Project Manager, Seed Expert and the Fiduciary Team would be advertised and recruitment done on a competitive basis, while the other experts will be designated by the Ministry of Agriculture and Forestry. The team will report to the Permanent Secretary through the Chief

Agriculture Officer in the Ministry of Agriculture and Forestry and would be charged with the management and coordination of the Project's activities. All team members will be subject to annual performance-based contracts and (ii) the project will also fund the necessary IT and office equipment as well as field vehicles to facilitate supervision and coordination activities. The project management team will be based in Moyamba District.

4.2 Procurement and Financial Management Arrangements

4.2.1 Procurement Arrangements: The Procurement of goods, works and consultancy services financed by the Fund will be carried out in accordance with the "Procurement Framework for Bank Group Funded Operations" dated October 2015 for high value contracts and the Recipient's Procurement System for low value contracts. The Ministry of Agriculture, Forestry and Food Security will serve as the executing agency for this project and a Project Management Team (PMT) will be established that will be charged with the responsibility of implementing the project. The Project Management Team will comprise a Procurement Specialist who will be recruited on a competitive basis to provide support on procurement related activities and also mentor the existing Procurement Officers managing the procurement unit of the ministry. The PMU will carry out the procurement of goods, works, and consultancy services including preparation of procurement plan, standard bidding documents, open and evaluate bids, contracting and management of contract execution.

4.2.2 Procurement Risks and Capacity Assessment (PRCA): The procurement capacity of the Ministry of Agriculture and Forestry was assessed and it was noted that the Procurement Officers are University graduates and they have acquired some experience on the Recipient's procurement system. However, they have limited knowledge and experience on the Bank's Procurement framework and will require further procurement training and mentoring on the use of donor procurement policies in readiness to assume procurement function of the a National Development Partners Program Coordination Office (NDPPCO). The procurement plan for the project will be prepared for the entire project duration and included in Section B5 of the Technical Annexes to this report.

4.2.3 Financial Management: The financial management of the project will be handled an experienced qualified Project Accountant (PA) with hands-on experience on use of accounting software and practical application of International Public Sector Accounting Standards (IPSAS, Adopted by the GoSL for financial reporting). The Project Accountant (PA) will be competitively recruited. The PA will use the Tompro Accounting package (in harmony with other projects under MAF) for accounting and financial reporting. On a quarterly basis the PA will generate interim financial reports (IFRs) from Tompro, for the benefit of MAF and transmit copies to the Fund within 30 days after the end of each calendar quarter. The project financial statement at end of the year shall be audited and certified copies together with the related management letter submitted to the Fund within 6 months after the end of each financial year. A Financial Management Manual (FMM) and Project Implementation Manual (PIM) will be customised from the existing manuals and adopted to codify FM practices and guide project implementation. The internal auditor responsible for MAF will provide internal checks and periodically review project operations. The internal auditor will report to the NPSC through the Director of Technical Services and the NPSC ensure that all audit recommendations implemented and monitored.

4.2.4 Disbursement Arrangement: Four disbursement methods are used by the Fund in disbursing funds to projects. The assessment recommends: (i) Direct payments; and (ii) Payments through Special Account (SA) under this project. The other 2 methods –reimbursement and reimbursement by guarantee shall be available to the project, if desired. Direct payments will be used for the payments against larger contracts signed between project management and contractors/suppliers/ service providers. The SA method will be used for meeting recurrent/ administrative expenses and

smaller contracts under the project. Here, a United States Dollar denominated Special Account will be opened at a Commercial Bank acceptable to the Fund, to receive funds from the Fund. A local currency account will be opened at same Bank to receive transfers from the SA for making payments in local currency. A second local currency account will be opened at the same bank for project operations.. All disbursements will follow with the disbursements procedures outlined in the Bank's Disbursement Handbook.

4.2.5 External Audit: The Auditor General (AG) of Sierra Leone will be responsible for the audit of the project on an annual basis in line with the Constitution of Sierra Leone, and use of country systems. Whilst the project will not pay related audit fees from its resources for audits performed by the AG, it shall bear reasonable incidental audit expenses duly submitted by the AG and cleared by the Fund. However, in instances of workload, where the AG cannot perform the audit, MAF and the Fund will be notified in time for an independent audit firm to be competitively recruited. The auditor terms of reference (TOR) will be agreed with the Fund. Certified copies of the audit reports, together with the accompanying management letter, must be submitted to the Fund within six (6) months at the end of each financial year.

4.3 Monitoring and Evaluation

4.3.1 The M&E system will be developed and managed by the M&E Officer, within the framework of the project Results Based Logical Framework. The M&E Officer will regularly track, document and report the project's results and progress, facilitate knowledge building, and share knowledge with key stakeholders. The monitoring and reporting plans will be developed based on gender disaggregated indicators in the log frame. It will be part of the obligation of all project implementers to provide reports in prescribed format on outputs and outcomes achieved within the implementation agreements. The Project will provide financial resources to facilitate training, proper data gathering, processing and reporting.

4.3.2 The project's reports and key milestones are indicated in the table below. The Fund will supervise the implementation of the project through regular Supervision Missions which will be undertaken at least twice a year. These missions will verify implementation progress to ensure that key verifiable indicators, including gender specific indicators, related to the outputs, outcomes and impacts are being monitored. The M&E activities, including implementation progress and expenditure will therefore be an integral part of the project implementing agency, as a regular management function through the PMU's M&E Specialist. The PMU will submit to the Fund progress reports, annual work plans and budgets, and annual procurement plans using Fund's format. The quarterly progress report will be submitted to the Fund within 45 days after the end of the reporting period, whilst the annual progress report will be submitted within three months after the end of reporting period.

Table 4.3 Monitoring Process

Time Frame	Milestone	Monitoring Process/Feedback loop
Year 1	Baseline data collection	M&E officer, Project Specialists and Data collectors/analysts
Year 1-5	Project Implementation	M&E Officer, Project Team, Service Providers and beneficiaries
Year 1-5	Impact of project activities	M&E officer, Project Team, Project Steering Committee, Service Providers and beneficiaries. Annual process along project implementation with progress report
Year 3	Mid-term review	Beneficiaries, Bank, Government and Project Team
Year 1-5	Audit Reports	Project Team and Auditors, annually
Year 5	Project Completion Report	Beneficiaries, Bank and Project Team

4.4 Governance

4.4.1 According to the 2018 Mo Ibrahim Index on African Governance (IIAG), Sierra Leone ranked 26th out of the 54 African countries assessed with a score of 50.9 which is slightly higher than the continental average of 49.9. Sierra Leone's performance across four categories of governance namely (a) Safety & Rule of Law (20th out of 54), (b) Participation & Human Rights (15th out of 54), (c) Sustainable Economic Opportunity (39th out of 54), and (d) Human Development (44th out of 54). With regard to corruption perception, the 2018 Transparency International Report ranks Sierra Leone 129th out of 180 with a Corruption Perception Index (CPI) of 30, on a scale of 0 (high corruption) to 100 (very low corruption).

4.4.2 In order to support the ongoing reform momentum in the country and foster good governance, the Fund, in close collaboration with the IMF and other partners, has regularly maintained sustained policy dialogue with the Sierra Leonean authorities through reform and institutional support operations. The government's recent reform to operationalize the Treasury Single Account is a welcome step, as are policies to ensure that spending commitments are in line with the available financing envelope. More broadly, these efforts will lead to better governance, helping promote macroeconomic stability and inclusive growth.

4.5 Sustainability

4.5.1 One of the key aspects of the project is commercial orientation. This implies bringing out the business opportunities in the agriculture sector. The project activities will lead to the emergence of business oriented agripreneurs who are expected to run their businesses as a going-concern with the enhanced capacity they will receive from the project. This will lead to economic sustainability of the project. Also, the participatory approach adopted during the design stage of project will continue even at implementation in order to enhance ownership by beneficiaries thus ensuring sustainability. Implementation through government line ministries will ensure that project activities are in line with broader government programmes. All the critical enabling infrastructure that the project would invest in under the SMP, SLESCA and the ENABLE-Njala Youth Program will have in place, a management arrangement that would ensure that they are run on commercial basis by private operators under special management agreement with the Ministry of Agriculture and Forestry.

4.6 Risk management

4.6.1 Risks to the successful implementation of the project and attainment of targeted outcomes and impact will stem primarily from the uncertainty in Government's commitment to liberalize the domestic seed sector. The mitigation is that the National Seed Act was promulgated in 2017, which clearly depicts a publicly enabled but private sector driven seed sector.

4.6.2 A related risk is the ability of private sector agro-input producers and agro-dealers to effectively fill the market void that would be created from Government's withdrawal from procurement and distribution of seeds and other agro-input. The mitigation is that the project will support the provision of incentives including training and capacity building to provide a conducive enabling environment for private sector growth during the gradual withdrawal of Government from the sub-sector.

4.6.3 Another risk relates to the novelty in the implementation of a commercially oriented youth in agribusiness empowerment project within an existing national university in Sierra Leone. The mitigation here is that they would not offer the service free but the project will pay for the incubation of the identified entrepreneurs who will form satellite farms for the anchor investors. The mitigation is that Funds will be managed by a carefully selected funds manager and also the risk for default by borrowers limited as the cost Potential risks are summarized below. The overall risks are rated moderate as they are manageable and mitigation measures will be in place.

Table 4.6: Potential Risks and Mitigation Measures

No.	Potential Risk	Rating	Mitigation Measures
1.	Government commitment to deregulating the agricultural input supply sector.	Low	Project is aligned to the MTNDP & NATS's focus of economic diversification and private sector led supply systems
2.	Political influences of SMP, ENABLE-Njala & SLeSCA	Low	SLESCA, SMP & ENABLE-Njala will be run as PPP outfits to ensure autonomy, efficiency and sustainability.
3.	Young agripreneurs are unable to establish viable businesses on their own.	Medium	Incubation training, business development, competitive seed grant and linkage to markets are provided to increase probability of success

4.7 Knowledge building

4.7.1 The project will support research through providing support to the Sierra Leone Agricultural Research Institute (SLARI) which has a long standing cooperation with the Consultative Group for International Agricultural Research Agencies. This research will support the development of improved breeder and foundation seeds for rice and maize as well as the varietal maintenance of these varieties. The project also includes collaborative knowledge development through Njala University, the foremost agricultural university in Sierra Leone. The knowledge generated through these research avenues will be disseminated to farmers through strengthened extension services to support better productivity at the farm level and youth to promote agribusiness development.

V – LEGAL INSTRUMENTS AND AUTHORITY

5.1 Legal instrument

5.1.1 The legal instruments for the Project will be a Protocol of Agreement between the Republic of Sierra Leone and the Fund.

5.2 Conditions associated with Fund's intervention

5.2.1 Conditions Precedent to Entry into Force of the Grant Agreement: The grant agreement shall enter into force on the date of its signature by parties

5.2.2 **Conditions Precedent to First Disbursement:** The obligations of the Fund to make the first disbursement shall be conditional upon the entry into force of the Grant Agreement and the fulfilment by the Recipient of the following conditions:

- a. Submission of evidence confirming the designation of the following staff from the Ministry of Agriculture and Forestry to the Project Management Team: Social/Gender Expert, Crop/Extension Expert and Monitoring & Evaluation Specialist.
- b. Submission of evidence confirming the designation of a staff of the Ministry of Agriculture and Forestry to head the National Development Partners Program Coordination Office (NDPPCO) with qualification and terms of reference acceptable to the Fund.

5.2.3 Undertakings:

- a. The Recipient shall:
 - i. make timely provisions in its annual budget for the Recipient's counterpart in-kind contribution to the implementation of the Project, to avoid Project implementation delays;

- ii. not later than three months after the Date of the Protocol of Agreement enter into an Memorandum of Understanding with each of the Implementing Agencies (Sierra Leone Agricultural Research Institute (SLARI), Njala University and Sierra Leone Seed Certification Agency (SLESCA)) on their roles and responsibilities in respect of the implementation of the Project; and
- iii. recruit the Project Manager, the Seed Expert and the Fiduciary Team (Procurement Officer and Accountant) no later than three months after the Date of the Protocol of Agreement.

5.3 Compliance with Fund Policies

5.3.1 This project complies with all applicable Fund policies.

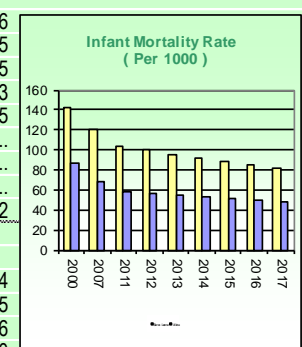
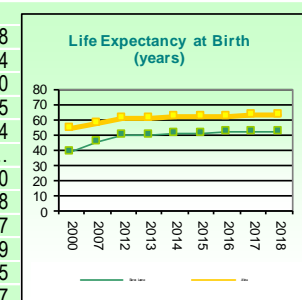
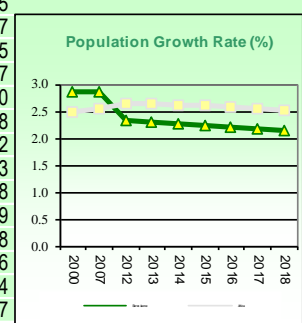
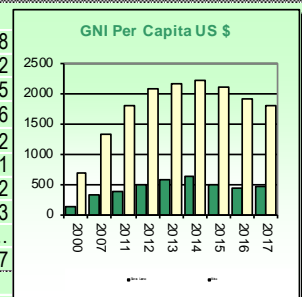
VI. RECOMMENDATION

Management recommends that the Board of Directors approve an ADF grant of UA 7.99 million to the Republic of Sierra Leone for the above mentioned project and in accordance with the conditions specified in this report.

APPENDICES

Appendix I: Country's comparative socio-economic indicators

	Year	Sierra Leone	Africa	Developing Countries	Developed Countries
Basic Indicators					
Area ('000 Km²)	2018	72	30,067	92,017	40,008
Total Population (millions)	2018	7.7	1,286.2	6,432.7	1,197.2
Urban Population (% of Total)	2018	42.1	42.5	50.4	81.5
Population Density (per Km²)	2018	95.2	43.8	71.9	31.6
GNI per Capita (US \$)	2017	510	1 767	4 456	40 142
Labor Force Participation * - Total (%)	2018	67.0	65.9	62.1	60.1
Labor Force Participation ** - Female (%)	2018	65.2	55.5	47.6	52.2
Sex Ratio (per 100 female)	2018	98.2	99.8	102.3	99.3
Human Develop. Index (Rank among 189 countries)	2017	184
Popul. Living Below \$ 1.90 a Day (% of Population)	2007-2017	52.2	...	11.9	0.7
Demographic Indicators					
Population Growth Rate - Total (%)	2018	2.2	2.5	1.2	0.5
Population Growth Rate - Urban (%)	2018	3.2	3.6	2.3	0.7
Population < 15 years (%)	2018	41.7	40.6	27.5	16.5
Population 15-24 years (%)	2018	20.4	19.2	16.3	11.7
Population >= 65 years (%)	2018	2.5	3.5	7.2	18.0
Dependency Ratio (%)	2018	79.1	79.2	53.2	52.8
Female Population 15-49 years (% of total population)	2018	24.9	24.1	25.4	22.2
Life Expectancy at Birth - Total (years)	2018	52.6	63.1	67.1	81.3
Life Expectancy at Birth - Female (years)	2018	53.2	64.9	69.2	83.8
Crude Birth Rate (per 1,000)	2018	33.9	33.4	26.4	10.9
Crude Death Rate (per 1,000)	2018	12.3	8.3	7.7	8.8
Infant Mortality Rate (per 1,000)	2017	81.7	47.7	32.0	4.6
Child Mortality Rate (per 1,000)	2017	110.5	68.6	42.8	5.4
Total Fertility Rate (per woman)	2018	4.3	4.4	3.5	1.7
Maternal Mortality Rate (per 100,000)	2015	1360.0	444.1	237.0	10.0
Women Using Contraception (%)	2018	18.1	38.3	61.8	...
Health & Nutrition Indicators					
Physicians (per 100,000 people)	2010-2016	2.4	33.6	117.8	300.8
Nurses and midwives (per 100,000 people)	2010-2016	31.9	123.3	232.6	868.4
Births attended by Trained Health Personnel (%)	2010-2017	59.7	61.7	78.3	99.0
Access to Safe Water (% of Population)	2015	62.6	71.6	89.4	99.5
Access to Sanitation (% of Population)	2015	13.3	39.4	61.5	99.4
Percent. of Adults (aged 15-49) Living with HIV/AIDS	2017	1.4	3.4	1.1	...
Incidence of Tuberculosis (per 100,000)	2016	304.0	221.7	163.0	12.0
Child Immunization Against Tuberculosis (%)	2017	90.0	82.1	84.9	95.8
Child Immunization Against Measles (%)	2017	80.0	74.4	84.0	93.7
Underweight Children (% of children under 5 years)	2010-2016	18.1	17.5	15.0	0.9
Prevalence of stunting	2010-2016	37.9	34.0	24.6	2.5
Prevalence of undernourishment (% of pop.)	2016	25.5	18.5	12.4	2.7
Public Expenditure on Health (as % of GDP)	2014	1.9	2.6	3.0	7.7
Education Indicators					
Gross Enrolment Ratio (%)					
Primary School - Total	2010-2017	120.9	99.5	102.8	102.6
Primary School - Female	2010-2017	121.8	97.4	102.0	102.5
Secondary School - Total	2010-2017	40.9	51.9	59.5	108.5
Secondary School - Female	2010-2017	39.8	49.5	57.9	108.3
Primary School Female Teaching Staff (% of Total)	2010-2017	29.0	48.7	53.0	81.5
Adult literacy Rate - Total (%)	2010-2017	32.4	65.5	73.1	...
Adult literacy Rate - Male (%)	2010-2017	41.3	77.0	79.1	...
Adult literacy Rate - Female (%)	2010-2017	24.9	62.6	67.2	...
Percentage of GDP Spent on Education	2010-2015	2.9	4.9	4.1	5.2
Environmental Indicators					
Land Use (Arable Land as % of Total Land Area)	2016	21.9	8.0	11.3	10.4
Agricultural Land (as % of land area)	2016	54.7	38.2	37.8	36.5
Forest (As % of Land Area)	2016	43.1	22.0	32.6	27.6
Per Capita CO2 Emissions (metric tons)	2014	0.2	1.1	3.5	11.0



Sources : AfDB Statistics Department Databases; World Bank: World Development Indicators;

last update :

February 2019

UNAIDS; UNSD; WHO, UNICEF, UNDP; Country Reports.

Note : n.a. : Not Applicable ; ... : Data Not Available. * Labor force participation rate, total (% of total population ages 15+)

** Labor force participation rate, female (% of female population ages 15+)

Appendix II:
AfDB's Active Portfolio

No.	Project Name	Window	Loan number	App. Date	Effectiveness Date	Pl. Completion date	Sector	Window Amount (UA)	Disb. Ratio	Disbursed Amount (UA)	Age (yrs)	Cofinacier	Cofinance Amt (UA)
1	RURAL WATER SUPPLY & SANITATION PROJECT	ADF	2100150029793	9/18/2013	28/01/2014	3/31/2021	Water & sanitation	9,065,000	39.3%	3,562,545	5.5	GEF	2,861,824
		ADF-G	2100150029793	9/18/2013		3/31/2021		2,854,000	38.1%	1,086,232	5.5	RWSSI	4,317,473
		TSF	2100155025716	9/18/2013		3/31/2021		2,710,000	25.3%	684,817	5.5	DFIID	5,758,000
2	THREE TOWNS WATER SUPPLY & SAN PROJECT - SUPPL	ADF-G	2100155034566	3/30/2017	12/10/2017	6/30/2020	Water & sanitation	370,000	13.5%	49,876	1.9	OFID	9,408,246
		TSF	5900155011851	3/30/2017		6/30/2020		370,000	9.5%	35,076	1.9		
3	THREE TOWNS WATER SUPPLY PROJECT - ORIGINAL	ADF	2100150023100	10/26/2010	23/11/2011	6/30/2019	Water & sanitation	6,096,188	100.0%	6,096,188	8.4	OFID	13,593,664
		ADF-G	2100155018971	10/26/2010		6/30/2019		14,700,000	84.6%	12,439,140	8.4		
		TSF	5900155001252	10/26/2010		6/30/2019		6,496,085	100.0%	6,496,085	8.4		
		TSF	5900155003201	10/26/2010		6/30/2019		1,200,000	74.2%	889,800	8.4		
4	FREETOWN WATER SUPPLY & SAN MASTER PLAN & INVESTMENT	AWF	5600155005001	12/14/2017	9/3/2018	3/31/2020	Water & sanitation	1,617,423	0.0%	0	1.2		
5	FREETOWN WASH & AQUATIC ENVIRONMENT REVAMPING PROJ	ADF	2100150040547	12/5/2018		6/30/2024	Water & sanitation	6,270,000	0.0%	0	0.2	Several	122,070,000
		ADF-G	2100155038617	12/5/2018		6/30/2024		3,730,000	0.0%	0	0.2		
	Sub-Total Water & Sanitation							55,478,696	56.5%	31,339,759	3.9		158,009,207
6	MANO RIVER UNION - REHAB OF BO-BANDAJUMA ROAD PROJECT	ADF	2100150034796	12/17/2015	3/1/2018	3/31/2021	Transport	3,710,000	13.7%	507,899	3.2	OFID	14,309,120
		TSF	5900150000702	12/17/2015		3/31/2021		3,230,000	18.9%	609,501	3.2		
7	MATOTOKA - SEFADU ROAD REHAB PROJECT, SECTION I:MAT	ADF	2100150026595	4/5/2012	27/03/2013	12/31/2018	Transport	3,180,000	100.0%	3,179,364	6.9	OFID	7,154,560
		ADF-G	2100155022473	4/5/2012		12/31/2018		6,820,000	100.0%	6,820,000	6.9		
		TSF	5900155002903	4/5/2012		12/31/2018		12,000,000	96.6%	11,587,200	6.9		
8	SIERRA LEONE PORTS MASTER PLAN INVESTMENT STUDY	Korea TF		5/6/2015		31/03/2019	Transport	538,000	0.0%	0	3.7		
	Sub-Total Transport							29,478,000	77.0%	22,703,964	5.1		21,463,680
9	BO & KENEMA DISTR. SYSTEM REHAB & EXP	ADF	2100150036795	12/16/2016	3/1/2018	6/30/2020	Energy	4,621,000	0.0%	0	2.2	DFID	25,700,000
		ADF-G	2100155033970	12/16/2016		6/30/2020		4,688,000	6.1%	286,437	2.2		
10	CLSG INTERCONNECTION - SIERRA LEONE - RURAL ELECTRIFICATION	ADF	2100155026071	11/6/2013	1/12/2018	12/31/2020	Energy	4,882,000	8.8%	428,640	5.3	EU	6,670,000

	Sub-Total Energy							14,191,000	5.0%	715,076	1.9		32,370,000
11	SL YOUTH ENTREPRENEURSHIP & EMPLOYMENT PROJECT	TSF	5700155002601	5/4/2016	3/10/2017	12/31/2020	Social	1,000,000	21.9%	218,800	2.8	FAPA	715,456
12	TA & CAP. BUILDING SUPPORT TO MINISTRY OF ENERGY	TSF	5900155006001	12/18/2013	28/12/2015	6/30/2019	Governance	449,000	15.9%	71,346	5.2		
13	TA & CAP BLDG TO SUPPORT MINERA	TSF	5900155006002	12/20/2013	28/12/2015	6/30/2019	Governance	1,200,000	29.4%	352,920	5.2		
	Sub-Total Multisector/Governance							2,649,000	24.3%	643,066	3.3		715,456
	Total Public Sector Operations							101,796,696	54.4%	55,401,865	3.6		212,558,343
14	Post-Ebola Recovery Social Inv. Fund	ADB		21/10/2015	17/10/2016	28/12/2020	Social	9,000,000	0.4%	31,500	3.3	RWSSI	816,607
15	CLSG interconnection - Sierra Leone	ADF	2100150030095	11/28/2013	23/10/2015	12/31/2020	Energy	1,535,000	0.6%	8,750	5.3		
16	CLSG - WAPP- Sierra Leone (MULT)	ADF		6/11/2013	13/06/2014	12/31/2020	Energy	703,000	63.3%	445,210	5.3		
	Total Regional Operations							11,238,000	4.3%	485,459	3.5		816,607
17	CEC AFRICA SIERRA LEONE HFO IPP PROJECT	ADB	2000130015282	12/17/2015		6/15/2020	Energy	14,309,120	0.0%	0	3.2	CEF	7,154,560
18	USD 3 MILLION FACILITY TO UNION TRUST BANK LIMITED	ADB	2000120004869	9/26/2017		6/30/2022	Finance	2,146,368	0.0%	0	1.4	CEF	1,416,603
	Total Non-Sovereign Loan Operations							16,455,488	0.0%	0	1.2		8,571,163
	GRAND TOTAL (Public+Reg+Private Sect. Ops)							129,490,184	43.2%	55,887,325	2.7		221,946,112

Appendix III: Map of the Project Area



AFRICAN DEVELOPMENT FUND

BOARD OF DIRECTORS

Resolution N° F/SL/2019/49

Adopted by the Board of Directors on a lapse-of-time basis, on 17 July 2019

Grant to the Republic of Sierra Leone to finance part of the costs of the Sierra Leone Agribusiness and Rice Value Chain Support Project (SLARIS)

THE BOARD OF DIRECTORS,

HAVING REGARD to: (i) Articles 1, 2, 11, 12, 14, 15, 16, 26 and 30 of the Agreement Establishing the African Development Fund (the “Fund” or “ADF”); (ii) the Report on the Fourteenth General Replenishment of the Resources of the Fund (the “ADF-14”); (iii) the applicable ADF-14 Country Resource Allocation; and (iv) the appraisal report contained in document ADF/BD/WP/2019/103/Approval (the “Appraisal Report”);

NOTING the availability of sufficient resources to enable the Fund to commit the amount of the Grant;

DECIDES as follows:

1. To award to the Republic of Sierra Leone (the “Recipient”), from the resources of the Fund, a grant of an amount not exceeding the equivalent of Seven Million, Nine Hundred and Ninety Thousand Units of Account (UA 7,990,000) (the “Grant”) to finance part of the costs of the Sierra Leone Agribusiness and Rice Value Chain Support Project (SLARIS);
2. To authorize the President to conclude a protocol of agreement between the Fund and the Recipient (the “Protocol of Agreement”) on the terms and conditions specified in the General Conditions Applicable to Protocols of Agreement for Grants of the African Development Fund and the Appraisal Report;
3. The President may cancel the Grant if the Protocol of Agreement is not signed within ninety (90) days from the date of approval of the Grant by this Board; and
4. This Resolution shall become effective on the date above-mentioned.