

AFRICAN DEVELOPMENT BANK GROUP



COTE D'IVOIRE

BELIER REGION AGRO-INDUSTRIAL POLE PROJECT (2PAI-BELIER).

APPRAISAL REPORT

AHAI DEPARTMENT

January 2017

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Currency Equivalents

(December 2016)

UA 1 = CFAF 834.987 = USD 1.35376 = EUR 1.27293

USD 1 = CFAF 616.791

EUR 1 = CFAF 655.957

Fiscal Year

1 January - 31 December

Weights and Measures

1 metric tonne	=	2204 pounds
1 kilogramme (kg)	=	2.20 pound
1 metre (m)	=	3.28 feet
1 millimetre (mm)	=	0.03937 inch
1 kilometre (Km)	=	0.62 mile
1 hectare (ha)	=	2.471 acres

Acronyms and Abbreviation

AFD	:	French Development Agency
AGERROUTE	:	Road Management Agency
ANADER	:	National Rural Development Support Agency
ANSUT	:	National Universal Telecommunication Service Agency
BD	:	Bidding Documents
BOAD	:	West African Development Bank
CEPICI	:	Investment Promotion Centre in Côte d'Ivoire
DGPSP	:	General Directorate of Planning, Statistics and Projects
DPSP	:	Directorate of Planning, Statistics and Programmes
ECOWAP	:	ECOWAS Agricultural Policy
ECP	:	Project Coordination Team
ESMP	:	Environmental and Social Management Plan
EU	:	European Union
FAO	:	United Nations Food and Agriculture Organization
GIZ	:	German Technical Cooperation
HVA	:	Improved Village Water Supply System
IFAD	:	International Fund for Agricultural Development
IsDB	:	Islamic Development Bank
INP-ESA	:	National Polytechnic Institute – Advanced School of Agriculture
JICA	:	Japanese International Cooperation Agency
MINADER	:	Ministry of Agriculture and Rural Development
MIRAH	:	Ministry of Animal and Fishery Resources
MPMEF	:	Ministry under the Prime Minister in charge of the Economy and Finance
MSHP	:	Ministry of Public Health and Hygiene
OCPV	:	Foodstuffs Marketing Support Authority
ONDR	:	National Rice Sector Development Authority
PAIA-ID	:	Agricultural Infrastructure Support Project in Indénié-Djuablic Region
PARFACI	:	Agricultural Sector Recovery Support Project
SIPRA	:	Ivorian Livestock Production Company
SME	:	Small- and Medium-Sized Enterprises
TFPG	:	Technical and Financial Partners Group
UA	:	Unit of Account
WAAPP	:	West African Agricultural Production Programme

Project Brief

Client Information

DONEE/BORROWER	:	Côte d'Ivoire
EXECUTING AGENCY	:	Ministry of Agriculture and Rural Development (MINADER)

Financing Plan

Source	Amount (UAM)	Instrument
ADF	26.04	Loan
ADF	03.40	Grant
ADB	50.56	Loan
Government and Beneficiaries	17	Own Resources
TOTAL COST	97	

Key ADF Financing Information

Loan Amount	UA 26.04 million
Commitment Fee (Loan)	0.50% per year of the undisbursed amount
Service Commission (Loan)	0.75% per year of the outstanding amount
Interest Rate	1%
Maturity (Loan)	30 years
Grace Period (Loan)	5 years

Key ADB Financing Information

Loan Amount	EUR 64,360,000 (UA 50,560,000)
Type of Loan	Loan with fully floating rate
Maturity	To be determined (up to 25 years, including the grace period)
Grace Period	To be determined (up to 8 years)
Average Loan Maturity	To be determined (according to the amortization structure)
Reimbursement	To be determined (Half-yearly payments after the grace period)
Interest Rates	Base rate +funding cost margin+ loan margin+ premium at maturity, if applicable
Base Rate	Floating base rate (LIBOR USD 6-months, reviewed on 1 February and 1 August). A free-fixing option for determining the base rate is available
Funding Cost margin	The Bank's funding cost margin determined on 1 January and 1 July and applied at the base rate on 1 February and 1 August
Loan Margin	80 basis points (0.8 %)
Premium at Maturity	To be determined as follows: <ul style="list-style-type: none"> - 0% if average loan maturity is 12.75 years or less - 0.10% if average loan maturity is over 12.75 years, but lower or equal to 15 years - 0.20% if average loan maturity is over 15 years
Initial Commissions	0.25% of loan amount payable latest on signature of the loan agreement
Commitment Fees	0.25% of the undisbursed amount. Commitment fees are callable 60 days following the signature of the loan agreement and payable on the payment dates fixed.
Option for Base Rate Change*	In addition to the free-fixing option for the floating base rate, the Borrower may change the fixed rate to a floating rate or incorporate in whole or in part the

	disbursed amount. Fees are levied on such transactions.
Option to set the Base Rate Ceiling or Tunnel*	The Borrower may set the ceiling or floor to be applied on part or all of the amount disbursed. Fees are required for such transactions.
Option for Loan Currency Conversion	Borrower can convert the loan currency into another Bank loan currency, both for undisbursed amounts and those already disbursed either in whole or in part. Fees are levied on such transactions.

* Currency conversion options and the related fees must comply with the Bank guidelines for the exchange, available at the following link:
<http://www.afdb.org/fr/documents/document/guidelines-for-conversion-of-loan-terms-july-2014-87643/>

Project Performance

NPV (12% rate)	CFAF 123 billion
ERR (baseline scenario)	30%

Time Frame – Key Milestones (expected)

Concept Note approval	17 October 2016
Project approval	25 January 2017
Effectiveness date	30 April 2017
Completion date	31 December 2021
Closure of the grant and the loans	31 December 2022

Project Summary

Overview. 2PAI BÉLIER was identified during the dialogue with the Government of Côte d'Ivoire to transform the agricultural sector, using an innovative approach. It aims to lay down the prerequisite conditions for the emergence of an agro-industrial pole in the country's heartland and as the first agropolis for the transformation and modernization of Ivorian agriculture. It concerns the Bélier administrative region and the Autonomous District of Yamoussoukro - a once prosperous zone that has experienced economic decline for three decades despite its significant potential. The project prioritizes the integrated approach to revive promising value chains and tackle a number of impediments to the development of the agricultural and agro-industrial sector. This innovative approach is a clean break from the sector-based approach, and is reflected in a critical mass of diversified actions capable of sustainably transforming economic activity at the grassroots. The project's sector objective is to contribute to food and nutritional security. The specific objective is to contribute to the emergence of an agro-industrial pole in Bélier Region by revitalizing promising agricultural sub-sectors (rice, maize, cassava, vegetables, pork and fish) and further involving the private sector, youth and women.

The UA 97 million project cost will be financed by an EUR 64.36 million ADB loan, a UA 26.04 million ADF loan, a UA 3.4 million ADF grant (a total of UA 80 million to be borne by the Bank) and by the Government and beneficiaries to the tune of UA 17 million. The project has three components: (i) Restoration of productive capital; (ii) Development of value chains; and (iii) Project management. The first component aims to endow the region with key infrastructure for the development of agricultural and agro-industrial activities (irrigation schemes, roads, storage and marketing facilities, livestock infrastructure, electric lines, ICT), while also ensuring the best living conditions for the population concerned (DWS infrastructure, classrooms, school canteens, health structures). The second component aims to support all actors for them to operate dynamically around value chains in a more integrative and inclusive environment. The concern will be to: strengthen land security; better structure farmers' organizations and build their technical and managerial capacity; support mechanization; develop employment and the recruitment of young graduates, by supporting in particular INP-ESA; promote agri-business especially by strengthening the Yamoussoukro industrial zone and ICT development; ensure better access to agricultural financing and enable better contribution to nutrition. The last component will ensure that the project is managed according to schedule and through sound implementation and monitoring arrangements.

The project will benefit 461,600 people (64% of project area residents), 112,000 of them directly, 800 young graduates and 200 SMEs (including 50 in produce processing). It will benefit about 230,000 women, including 4,300 farmers, 400 young girls and 25 processing-operators and traders. With estimated additional production of 465,000 tonnes per year, additional income per beneficiary is estimated at about CFAF 1.2 million for Model 1 (representing rice farmers), CFAF 7.2 million for Model 2 (representing market garden operators), CFAF 2.5 million for Model 3 (representing rain-fed activities), CFAF 4.8 million for Model 4 (representing young farmers), and CFAF 20 million for Model 5 (representing SMEs), CFAF 2.5 million for Model 6 (representing pig farmers) and CFAF 4.5 million for Model 7 (representing fish farmers). The project will benefit about 112,000 persons directly, 107,000 of whom would be lifted out of poverty. Thanks to the setting up and organization of processing units (50% run by women), 120,000 tonnes of cassava tubers will be processed into several by-products. The project will help to raise the agricultural produce processing rate from 119,000 tonnes currently (51% of total production) to about 581,000 tonnes (85%). It will create the equivalent of approximately 19,000 permanent jobs.

Needs Assessment: The project area has a population of about 702,000 and covers a land area of 11,695 km². Average population density is 60/km². It is about 200 km to the North of Abidjan. Two out of three people in Béliér Region live with less than one dollar a day (the poverty rate in the region is 61.8%, compared to 46.3% nationally). The rationale for the intervention is the high level of poverty and the need to revive the region around the once prosperous administrative capital that is now in the throes of economic decline, due mostly to insufficient investments linked to the socio-economic crisis of the 2000 decade (PADER-Lakes approved by ADF in 2000 was not implemented). Therefore, this intervention is urgent since it will contribute to establishing a development pole to tap the area's high potential and meet the great expectations and pressing needs expressed by the youth and women.

Bank's Value Added: The establishment of a technical and financial framework to support agri-business is consistent with the Bank's Medium-Term Intervention Strategy in Regional Member Countries, Pillars 1, 2, 3 and 5 of the High 5s (Light up Africa, Feed Africa, Industrialize Africa and Improve the quality of life for the people of Africa) and the Bank's new "Feed Africa: Strategy for Agricultural Transformation in Africa, 2016-2025". The Bank provided the Government technical assistance to identify and prepare the project, and expertise to develop financial inclusion and technical support in line with CSP 2013-2017. Besides, through this operation, the Bank will support Côte d'Ivoire's efforts to rebuild the country and transform its economy - a priority objective of Government's National Development Plan (PND 2016-2020). Unlike previous standard agricultural interventions, this Bank intervention will in particular fulfil all necessary conditions for setting up an agro-industrial pole to ensure the dynamism of promising agricultural sub-sectors in a given territory. Tangible and intangible infrastructure will be integrated to create local value added, improve the productivity of agricultural sub-sectors, and spur the produce processing dynamic to ultimately establish a true agro-industry as a prerequisite for agricultural sector development.

Knowledge Management: The project will widely disseminate experience and good practice garnered during the management of units for agricultural produce production/processing. Thus, farmers of both sexes, artisans, processing operators, traders, youths and girls, as well as local authorities will acquire new techniques and skills enabling them to better manage their affairs and improve their living conditions. Thanks to the project, actors will gain experience on managing sub-sectors around inter-professions at the local level. INP-ESA's involvement in helping young graduates to settle will help to endow it with new expertise and offer beneficiaries new opportunities in operational and managerial fields. The dissemination of knowledge via the monitoring/evaluation system will be done with the involvement of value chain actors. State officials involved will have the opportunity to be trained and broaden their experience in promising and innovative intervention sectors currently inexistent in the region (financial inclusion and framework of technical support to private initiatives).

RESULTS-BASED LOGICAL FRAMEWORK

(*): Indicator data on the baseline situation will be updated at the end of the baseline study

PROJECT COUNTRY AND NAME:		Côte d'Ivoire: Bélier Agro-Industrial Pole Project				
PROJECT GOAL:		The general objective of 2PAI Bélier is to contribute to increasing food and nutritional security of the population				
IMPACT	RESULTS CHAIN	PERFORMANCE INDICATORS		MEANS OF VERIFICATION		RISKS/MITIGATION MEASURES
		Indicators (including CSIs)	Baseline Situation	Target		
			2016	2021 and Beyond		
OUTCOMES	1. Food and nutritional security is improved.	1.1 Percentage of households living in food insecurity	1.1 12,6%	1.1 3%	Assessment of PND	Risks : (i) Climate change related risk (ii) Risk of land-related conflicts (iii) Risk of conflicts linked to transhumance Mitigation Measures: (i) A project conducted alongside 2PAI BÉLIER fully addresses the underlying issue of climate change. (ii) Land security of target sites to be developed envisaged in Component B. (iii) Support to communes to accompany endogenous conflict management mechanisms
		1.2 Prevalence rate of chronic malnutrition	1.2 32%	1.2 20%		
	The conditions for the emergence of an agro-industrial pole in Bélier Region are fulfilled through the revitalization of promising agricultural sub-sectors and greater involvement of the private sector, youths and women.	2.1 Volume of agricultural production (tonnes)			Cereals assessment and MINADER statistics.	
		2.1.1 Volume of paddy rice (tonnes)	2.1.1 60,000	2.1.1 91,500	Mid-term assessment of PNIA	
		2.1.2 Volume of vegetables (tonnes)	2.1.2 2000	2.1.2 11,500	Periodic project monitoring/evaluation report	
		2.1.3 Volume of cassava (tonnes)	2.1.3 120,000	2.1.3 460,000		
		2.1.4 Volume of maize (tonnes)	2.1.4 50,000	2.1.4 123,000		
	2.1 Increased agricultural sector volumes.	2.2 Volume of processed agricultural production (tonnes)			Mid-term review report and project completion report	
		2.2.1 Volume of polished rice (tonnes)	2.2.1 36,000	2.2.1 55,000		
		2.2.2 Volume of vegetables (tonnes)	2.2.2 1,000	2.2.2 9,200		
	2.2 Increased volumes of processed agricultural products.	2.2.3 Volume of cassava (tonnes)	2.2.3 48,000	2.2.3 384,000		
		2.2.4 Volume of maize (tonnes)	2.2.4 10,000	2.2.4 97,600		
		2.2.5 Production of pigs for slaughter and pork (carcass equivalent tonnes)	2.2.5 517	2.2.5 1,400		
		2.2.6 Fish production (tonnes)	2.2.6 27	2.2.6 900		
	2.3 Increased crop yields.	2.3 Crop yields (tonnes/ha)				
		2.3.1 Paddy rice	2.3.1 5	2.3.1 8		
		2.3.2 Vegetables (tomato)	2.3.2 10	2.3.2 18		
		2.3.3 Cassava	2.3.3 13	2.3.3 20		
		2.3.4 Maize (off-season)	2.3.4 2	2.3.4 5		
	2.4 Increased income for sector actors.	2.4 Farmers' income (CFAF/ha)				
		2.4.1 Polished rice	2.4.1 370,000	2.4.1 2.5 million		
		2.4.2 Vegetables (tomato)	2.4.2 1.1	2.4.2 4 million		
		2.4.3 Rain-fed crops (maize, cassava)	2.4.3 90,000	2.4.3 250,000		
	2.5 Revitalized SMEs.	2.4.4 Income of pig producers (CFAF)	2.4.4 700,000	2.4.4 3 million		
		2.4.5 Income of fish producers (CFAF)	2.4.5 500,000	2.4.5 5 million		
	2.6 Accelerated industrialization.	2.4.6 Income of established youths, at least 50% of them women	2.4.6 1,200	2.4.6 6 million		
	2.7 Improved employment level.	2.5 Number of SMEs/agro-industrial units (many in processing)	2.5 0	2.5 100 (20)		
		2.6 Operational industrial zone	2.6 0	2.6 1		
		2.7 Number of equivalent job positions created	2.7 0	2.7 19,000		
IMPACT	I. RESTORATION OF PRODUCTIVE CAPITAL	1.1.1 Number of dams rehabilitated	1.1.1 0	1.1.1 3	PNIA monitoring report	
	1.1 Irrigation schemes	1.1.2 Rehabilitated land areas for irrigation (ha)	1.1.2 0	1.1.2 2,170	Progress reports of technical services tasked with implementation monitoring	
		1.1.3 Number of beneficiaries (including women)	1.1.3 0	1.1.3 4,400		
	1.2 Socio-economic infrastructure	1.2.1 Linear distance of rehabilitated roads (km)	1.2.1 0	1.2.1 700		
		1.2.2 HVA with built borehole equipped with a committee, of which 50% women	1.2.2 0	1.2.2 10		
	1.3. Storage and marketing infrastructure	1.2.3 Extension/rehabilitation of schools	1.2.3	1.2.3 +20	Contracts signed with	

OUTPUTS	1.4 Other infrastructure	1.3.1 Number of storage facilities constructed (50% allocated to women)	1.3.1	0	1.3.1	10 (5)	contractors Control firm's reports Project progress reports Delegated contacting authority's report		
		1.3.2 Number of rural markets rehabilitated/modernized (gender-sensitive design)	1.3.2	0	1.3.2	17			
	1.3.3 Number of consolidation centres built (gender-sensitive)	1.3.3	0	1.3.3	4				
	1.4.1 Development of pastoral areas	1.4.1	0	1.4.1	2				
	1.4.2 Rehabilitation of slaughter houses and areas	1.4.2	0	1.4.2	8				
	1.4.3 Construction of butcher's shops	1.4.3	0	1.4.3	6				
	1.4.5 Linear distance of electric lines (linear km)	1.4.5		1.4.5	+52				
	2.1 Land security	2.1.1 Number of land certificates issued (including for women)	2.1.1	ND	2.1.1	100 (50)		PNIA monitoring report Progress reports of technical services tasked with implementation monitoring Contracts signed with enterprises Control firm's reports Project progress reports Delegated contracting authority's report	
	2.2 Organization and structuring of actors	2.2.3 Number of village territories demarcated	2.2.3	ND	2.2.3	10			
	2.3 Support for employment of young graduates	2.2.1 Number of cooperatives organized (50% women)	2.2.1	ND	2.2.	42			
		2.2.2 Number of groupings (50% women)	2.2.2	ND	2.2.2	40			
	2.4 Technical and managerial support of actors	2.3.1 Number of incubators supported in Yamoussoukro	2.3.1	0	2.3.1	5			
		2.3.3 Number of young graduates trained and established (50% girls)	2.3.3	0	2.3.3	800 (400)			
		2.4.1 Quality seeds programme prepared and implemented	2.4.1	0	2.4.1	1			
		2.4.2 Support counselling programme prepared and implemented	2.4.1	0	2.4.1	1			
		2.4.3 Research-development programme prepared and implemented	2.4.1	0	2.4.1	1			
		2.4.5 Support programme for mainstreaming gender in ESA/INP curricular	2.4.1	0	2.4.1	1			
		2.4.6 Gender monitoring report in the project area drafted	2.4.1	0	2.4.1	1			
		2.4.7 Technical assistance for investment promotion	2.4.1	0	2.4.1	1			
		2.5.2 Guarantee fund	2.5.2	0	2.5.2	1			
		2.6 Mechanization programme prepared and implemented	2.6	1	2.6	1			
	2.8 Promotion of ICTs	2.7.1 Industrial zone revitalization programme implemented	2.7.1	0	2.7.1	1			
		2.7.2 SME support programme (at least 30% managed by women)	2.7.2	0	2.7.2	1			
	2.10 Support for marketing	2.8.1 Telephony, internet and mobility structure in place	2.8.1	0	2.8.1	1			
		2.9.2 Training of health workers, doctors and nurses	2.9.2	0	2.9.2	1			
		2.9.3 Health control system and bio-fortification	2.93	0	2.93	1			
	2.11 Institutional support	2.10.1 Agricultural market information system (SIMA) completed	2.10.1	0	2.10.1	1			
		2.11 Institutional support programme is implemented	2.11	0	2.11	1			
	III. PROJECT MANAGEMENT	3.1 Number of technicians trained	3.1	0	3.1	100	PCU report PCU report	Risk: • MINADER's weak institutional capacity Mitigation Measures: The project envisages a programme of institutional support to MINADER and various structures involved in the project's implementation, especially in monitoring/evaluation.	
		3.2 Number of work plans and budgets (PTBA) produced and implemented	3.2	0	3.2	5			
		3.3 Number of quarterly reports/annual audit reports approved	3.3	0	3.3	20/5	PP		
		3.4 Number of PPs produced and updated	3.4	0	3.4	5	SAP system		
		3.5 Number of steering committee meetings held	3.5	0	3.5	10	Audit reports		
		3.6 Number of Supervisory Authority/Bank supervision missions undertaken	3.6	0	3.6	20 / 10	Progress reports		
		3.7 Number of mid-term review/completion reports produced	3.7	0/0	3.7	1/1	Mission aide-mémoire		
		3.8 Installation of project website	3.8	0	3.8	1			
COMPONENTS							INPUTS		
ACTIVITIES	Component 1: Restoration of productive capital:		UA 57.07 million (59%)				ADF (Loan/Grant):		UA 29.44 million
	Component 2: Development of Value Chains:		UA 32.88 million (34%)				ADB (Loan):		EUR 64.36 million
	Component 3: Project Management:		UA 7.05 million (7%)				Government/Beneficiaries:		UA 17.00 million
	TOTAL:		UA 97.00 million				Total:		UA 97.00 million

Implementation Schedule

		2017				2018				2019				2020				2021				2022			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	Board Approval																								
2	Publication of General Procurement Notice																								
3	Signature of Financing Agreement (ADB and ADF)																								
4	Loan Effectiveness																								
5	1 st Disbursement Authorization																								
6	Commencement of Project																								
7	Bid Invitation																								
8	Contract Award																								
9	Works Implementation																								
10	Procurement of Goods																								
11	Implementation of Capacity-building Activities																								
12	Mid-Term Review																								
13	Audits																								
14	Government's Completion Report																								
15	Completion of Activities																								
16	Closure																								

BÉLIER REGION AGRO-INDUSTRIAL POLE PROJECT (2PAI-BÉLIER)

Management hereby submits this report and recommendations concerning a proposal to extend an ADF loan of UA 26.04 million, an ADF grant of UA 3.4 million and an ADB loan of EUR 64.360 million to the Republic of Côte d'Ivoire to finance the Bélier Region Agro-Industrial Pole Project.

I STRATEGIC THRUST AND RATIONALE

1.1 Project Linkages with Country Strategy and Objectives

1.1.1 After a period of economic recession caused by the armed conflict of 1999-2011, the Ivorian economy gradually picked up thanks to political stability and the support of International Technical and Financial Partners. After a negative growth of -4.7% in 2011, GDP growth rose to 9.8% in 2012 and 8.3% in 2013, 2014 and 2015. Concurrently, the poverty rate at the national level dropped slightly from 48.9% in 2008 to 46.3% in 2015. The National Development Plan (PND 2016-2020) that followed the previous PND 2012-2015, is a unique frame of reference for public action. It hinges on five strategic thrusts: (1) Strengthen the quality of institutions and good governance; (2) Speed up human capital development and promote well-being; (3) Speed up structural transformations and industrialization; (4) Develop infrastructure spread harmoniously across the country and preserve the environment; and (5) Strengthen regional integration and international cooperation. In the area of gender, it intends to promote enrolment and literacy among young girls/women and women's empowerment. Strategic Thrust 3 involves developing the agricultural sector as a means for the structural transformation of the country, especially by: (i) improving the quality of agricultural produce; (ii) speeding up the modernization and enhanced productivity of the agricultural sector; and (iii) speeding up product processing. The project is in line with Pillar 2 (Development of support infrastructure for economic recovery) of the CSP (2013-2017), confirmed during the March 2016 mid-term review.

1.1.2 The National Agriculture Investment Programme (PNIA-2010-2016) covers priority activities in the crop, livestock and fisheries development sectors. It fits into a common global ECOWAS Agricultural Policy Framework and Comprehensive African Agriculture Development Programme (ECOWAP/PDDAA). On 13 October 2016, Government launched the process to prepare the second-generation PNIA (2017-2025) with NEPAD and ECOWAS support, to be implemented by PND 2016-2020. The authorities aim to guide and support regional and national efforts in the agricultural sector to guarantee that the 6% growth target is met and at least 10% of the budget is allocated to the sector (Maputo Commitment). The Government plans to increase this allocation rate from 5.4% in 2016 to 7-8% from 2017, and at least 10% from 2018. The Government adopted the *agropoles* development approach in designing this new programme and intends to organise a Donors' Roundtable to ensure its financing.

1.2 Rationale for the Bank's Intervention

1.2.1 During the implementation of PNIA, the Government identified a programme jointly with the Bank for the transformation of the agricultural sector based on the *agropoles* approach. Given the availability of resources, the country's absorptive capacity and the security situation, dialogue with the authorities led to the planning of this programme, which is divided into three *agropoles* projects whose order of priority was adopted by common agreement during the preparation of CSP 2013-2017, and confirmed during the mid-term review. The first project titled "Bélier Region Agro-Industrial Pole Project" benefited from a Project Preparation Facility (PPF) advance. The second, the Agro-Industrial Support Project in the North of Côte d'Ivoire, will be the subject of a PPF advance being studied. The third project concerning the Tonkpi

Region will be studied subsequently. This report is for the first selected project covering the Autonomous District of Yamoussoukro (Yamoussoukro and Attiégouakro *Départements*) and the Béliér administrative region (Didiévi, Djékanou, Tiébissou and Toumodi *Départements*). This zone is about 200 km to the North of Abidjan, covers 11,695 km² and has 702,000 inhabitants. It has significant agricultural potentials that is yet to be fully tapped, highly degraded infrastructure and several private agro-industrial initiatives being developed. This zone has been marked by economic recession for three decades, after the decline of the cocoa-coffee sub-sector (1980s and 90s) and the military-political crisis of 2000 to 2010, then the post-electoral crisis of 2010-2011 (see Annexes A, B and C).

1.2.2 Various Bank missions to the project area and the concerted approach highlighted a number of major constraints: (i) serious degradation and insufficiency of irrigation and pastoral infrastructure (dams, schemes) as well as socio-economic infrastructure (roads, markets, storage facilities, schools, drinking water, etc.); (ii) insufficient social cohesion and organization of actors, making it impossible for farmers/processing operators/traders to optimize their joint activities; (iii) weak land security; (iv) poor mastery of production techniques; (v) inadequate access to the factors of production (e.g. quality seeds); (vi) poor mechanization of agricultural activities; and (vii) inexistence of a framework of technical and financial support to private initiatives, industrialization and value chains integration, particularly those that are promising for youths. A few development projects exist in the region and private initiatives are emerging (SIPRA, INTERVALLE, Aurore, etc.). These offer opportunities for ultimately developing PPP-type operations. Although local development is constrained by farmer/grazier conflicts and climate change, the region (whose headquarter is Yamoussoukro, the country's administrative capital) has first-class infrastructure suitable for economic revitalization, particularly with the commissioning of the Abidjan-Yamoussoukro motorway in 2014, the existence of an international airport and the presence of a world-class university complex. By virtue of its integrated approach, the project is consistent with four (4) of the Bank's High 5s: (1) Feed Africa; (2) Light up Africa; (3) Industrialize Africa; and (5) Improve the quality of life for the people of Africa. In particular, it is in line with the Bank's new Feed Africa: Strategy for Agricultural Transformation in Africa, 2016-2025, which implements Pillar 1 focused *inter alia* on higher investments in tangible and intangible infrastructure, mobilization of agricultural financial flows, agricultural produce processing, youth employment, the development of *agropoles* and agro-food industry. It is also consistent with the Bank's Gender Strategy (2014-2018), especially its second pillar aimed at strengthening women's economic empowerment, and the Bank's Strategy for Addressing Fragility and Building Resilience, 2014-2019.

1.3 Aid Coordination

1.3.1 The Agricultural Infrastructure Development Support Project in Indénié-Djuablin Region (PAIA-ID) is the Bank's only active project in the agricultural sector. It was approved in March 2012 (UA 21.6 million grant) and, since October 2016, benefited from a supplementary NTF loan of UA 4 million to strengthen agri-business activities. The project status is satisfactory since the disbursement rate in November 2016 was 57%. Apart from the Bank, many development partners have interventions in the agricultural sector in Côte d'Ivoire including the FAO, the World Bank, WADB, the EU, AFD, WFP, IsDB, IFAD, BADEA, JICA, GIZ, Spanish Cooperation, Chinese Economic Cooperation and the Indian Government. These partners belong to the "Agriculture, Rural Development and Environment" Sector Group, which seeks to facilitate consultation and dialogue with the Ivorian Government. Another partner group, the Nutrition Sector Group, also works closely with the Agriculture Sector Group.

1.3.2 **FAO** supported the Government in several post-crisis operations as well as in the design of development thrusts and operationalization of PNIA, especially in the area of rural land. In particular, the **World Bank** finances a multi-national Research Programme in West Africa (PPAAO/WAAPP, 2013-2016) that promotes agricultural sector productivity. Its

innovative outcomes can be capitalized in 2PAI-Bélier, especially in terms of new food processing technologies for vegetables and cassava. Since 2013, **AFD** has been financing the Project for the Acceleration of Agricultural Sub-Sectors in Côte d'Ivoire (PARFACI) and co-finances with the World Bank the Agricultural Sector Promotion Project in Côte d'Ivoire (PSAC). PARFACI supports the market gardening, pork and fish sub-sectors as well as the land sector in Bélier, Gontougo, Poro and Tchologo regions. On completion in mid-2017, it will be relayed in its foodstuff component in Bélier region by 2PAI-Bélier especially by supporting the market gardening, pork and fish sub-sectors. The **EU** interventions are in the cash crop/food crop sub-sectors, rural land security, agricultural training, the fight against infectious animal diseases (epizooty), as well as the health safety of export products. **JICA** intervention in Bélier Region via the Local Rice Promotion Project (PRORIL) is in the form of a technical assistance operation to strengthen the capacity of actors in the local rice sub-sector. JICA also supported Government to prepare an agricultural mechanization strategy and is preparing a project for its operationalization. 2PAI-BÉLIER will forge synergies with all ongoing projects, including PARFACI, PRORIL and PPAAO/WAAPP.

1.3.3 FAO and AFD play a leading role in the “Agriculture, Rural Development and Environment” Technical and Financial Partners Group (TFPG). This group has an internal land security sub-group with the EU as lead agency and the AfDB, AFD, WB and FAO as members. As part of the TFPG, regular consultations are organized in Abidjan, with Bank participation.

Table 1.3: Aid Coordination

Sector or Sub-Sector*	Scale (in 2015)		
	GDP	Exports	Labour
Agriculture and Rural Development	26.5%	36.9%	66%
Stakeholders – Annual Public Expenditure (CFAF)**			
Government (Average 2013-2015)	Donors	(Averages 2013-2015)	
CFAF 7.6 billion (4.83% of total expenditure)*	IsDB	10,469,647,585	
	IDA	2,005,098,519	
	IFAD	9,974,171,755	
	AfDB	7,779,132,814	
	BOAD (WADB)	5,617,649,943	
	GIZ	9,467,612,936	
	EU	44,618,527,507	
	AFD	22,126,947,537	
	AMB Spain	2,572,000,000	
	EXIMBANK GROUP	3,160,233,060	
	WAEMU	1,606,560,235	
	OTHERS	30,163,941,069	
	Total	149,561,522,960	
Level of Aid Coordination			
Existence of thematic working groups	[Yes, established under PNIA]		
Existence of a global sector programme	[No, PNIA prepared along with detailed investment plan]		
Role of AfDB in aid coordination	Member (not lead agency)		
(*) Sources: Detailed Investment Plan for the implementation of PNIA, MINADER, 6 April 2016			
(**) Source : DPPF, MINADER, 2016			

II PROJECT DESCRIPTION

2.1 Project Objectives and Components

2.1.1 The project's **sector objective** is to contribute to enhancing food and nutritional security. **The specific objective** is to contribute to the emergence of an agro-industrial pole in Bélier Region through the revitalization of promising agricultural sub-sectors and greater involvement of the private sector, youths and women.

2.1.2 **Project Design Elements.** The project aims to put in place the prerequisite conditions for the emergence of an agro-industrial pole to transform and modernize agriculture in the erstwhile prosperous Bélier Region, which has experienced economic decline for three decades, despite its significant potential. To revive agriculture around promising value chains, the project prioritizes an integrated approach to resolve the many impediments to the development of the agricultural and agro-industrial sector (infrastructure, factors of production, organization of actors and sub-sectors, market integration, access to financing, etc.). The paradigm underlying the project's design is to consider the agricultural and rural sector as a system with mutually inter-acting constituent elements. The novelty of this approach, which represents a clean break from the sector-based approach, lies in the critical mass of diversified actions capable of reviving and sustainably transforming economic activity at the local level. The project is founded on the value-chains and sector-integration approach to create a conducive environment for private sector involvement, development of community initiatives and employment of youths and women. It will bring about the region's industrialization through the creation of a technical assistance framework, a financial arrangement, the promotion of private investments and the implementation of several ambitious mechanization, technical innovation, youth employment and human capital development programmes. The financial arrangement to accompany the approach will comprise: (i) financial support to strengthen the financial capacity of banks and decentralized financing systems through a refinancing line; (ii) a Guarantee Fund to contribute to mitigating the risk; (iii) an interest rate improvement fund; and (iv) technical assistance to financing institutions and targeted beneficiaries (the details of this component are given in paragraphs C3.47 to C3.52 of Annex C3 of Volume 2).

2.1.3 **Summary of Components:** Project implementation will span five years. It will have three components whose main outputs are described in Annex C3 and summarized in the table below:

Component	Cost	Description
Component A Restoration of productive capital	UA 57.07 million (59%)	Irrigation schemes: Rehabilitation of 3 dams, about 1,835 ha of irrigated areas/marshy rice-growing land and 335 ha of market gardening areas. Socio-economic infrastructure: Rehabilitation of 700 km of tracks; Rehabilitation/extension of classrooms and canteens in 20 schools; Equipment of 30 health structures with malnutrition screening equipment; Establishment of 5 therapeutic nutrition units, 20 mobile therapeutic nutrition units, and 28 nutrition and supplementation units; Repair of 100 manual pumps; Installation of 50 new boreholes equipped with hand pumps; Rehabilitation of 10 HVA systems; Establishment of 15 new HVA systems; Extension of 2 DWS systems; Construction of 30 latrines. Storage and marketing infrastructure: Construction of 4 agricultural produce consolidation centres; Rehabilitation of 17 rural markets; Construction of 10 foodstuff storage facilities, 20 rice drying areas and 15 premises for warehousing market gardening products. Stock-breeding infrastructure: Development of two pilot pastoral zones; Construction of one slaughter-house; Rehabilitation of 3 slaughterhouses and laying out of related cattle markets; Construction of 4 modern butcher's shops, 4 pig slaughter areas and 2 pork sales points; Distribution of backyard rearing kits to 250 women; Development of 2 fingerlings multiplication farms; Operationalization of fish markets; Installation of 50 fish-farmers and about two rice-cultivation/fish-farming parcels; Provision of feed manufacture equipment. Energy component: Laying of a 33kV underground electric line from the current Yamoussoukro-Industrial Zone sub-station to raise capacity in the industrial zone and laying of a second 33 kV line (32 km) from the current Yamoussoukro sub-station to the Didiévi sub-station to secure the power supply of the <i>Département</i> .

<p>Component B Development of value chains</p>	<p>UA 32.88 million (34%)</p>	<p>Land security: (i) Support to mechanisms in place for land clarification and issuance of land certificates; (ii) Training of actors of both sexes; Demarcation of some ten village territories. Organization and structuring of actors: Strengthening of the capacity of about 42 SCOOPs and 40 farmers' groupings including unions at regional level as well as inter-professions (rice, maize, cassava) being created. Support for the employment of young graduates: Implementation of a programme to employ 800 young boys and girls in line with Enable Youth Côte d'Ivoire: (i) increase the teaching facilities and technological infrastructure of 5 vocational training institutions in the region (including INP-ESA); and (ii) set up an incubator for young entrepreneurs and project developers in the agricultural value chains to foster the emergence of very small enterprises. Technical and managerial support of actors: <i>Supply of quality seeds</i> (design and implementation of a seed production programme, technical assistance to MINADER's seed service); <i>Advisory-support</i> (design and implementation of a programme to disseminate production good practice based on an innovative approach). <i>Research-development</i> (in partnership with CNRA and ANADER); <i>Technical support for investment promotion</i> (technical assistance to support developers refine their feasibility studies and business plans). Value-chain development fund: Put a financing mechanism in place comprising: (i) financial support to strengthen the financial capacity of partner decentralized financial systems through a medium-term refinancing line called Refinancing Facility as well as a Guarantee Fund to contribute to mitigating bank risks in financing agricultural SMEs; and (ii) technical assistance aimed at supporting the project's partner financing institutions for the development and marketing of new financial products. Agricultural mechanization: Design and implementation of a mechanization support programme, including promoting tried and tested technologies; Support for innovation and for procurement of agricultural machines (including manufacturers, public utility companies and financial services); and Strengthening of users' technical and organizational capacity. Promotion of the agro-food industry: Support for the revitalization of the Yamoussoukro industrial zone and private initiatives (reinforcement in power, water and ICTs); Support to community agro-industrial units, including those run by women (rice steaming, cassava processing, etc.); Support for contacts/contracting between industrialists and producers; Study on the creation of a technopolis around the University of Yamoussoukro and the industrial zone. Promotion of information and communication technologies: Establishment of core infrastructure in terms of telephony, internet and mobility; Creation of a GIS; Putting in place of IT/media resources; Support for the agricultural market information system; Establishment of SMS-based communication services; and Building on the major achievements and contributions at national level of the e-agriculture programme implemented since 2012 and steered by ANSUT. Nutrition support: Training of 60 health workers, medical doctors, nurses and mid-wives; Establishment of structures for management and tools for malnutrition screening; Organization of malnutrition screening campaigns; Promotion of maternal breast-feeding; Broadcast of local-language radio programmes on good nutritional practices; Technical support (training, technical assistance, logistics) for establishing a food health control system and a bio-fortification programme. Marketing support: Modernization of markets (component A); Organization of markets and support for their functionality; Support for the procurement of suitable means of transport, conservation and warehousing; Support to the agricultural markets information system (ICT sub-component); Study of the wholesale market in the city of Yamoussoukro. Complementary support for gender promotion: Strengthening of actors' technical capacity to mainstream gender; Strengthening of literacy among women; Support for the empowerment of women and young girls; and Development of women's entrepreneurship. Institutional support: Support for the project's partner structures to make them more efficient and enable them ensure in a sustainable manner the implementation of activities assigned.</p>
<p>Component C : Project management</p>	<p>UA 7.05 million (7%)</p>	<p>Coordination of project activities with stakeholders; Equipment and operation of the project; Rehabilitation of ECP premises; Procurement of goods, services and works; Administrative, accounting and financial management; Project's internal and external monitoring/evaluation; Audit; Information and communication activities.</p>

2.2 Technical Solutions Adopted and Alternatives Explored

2.2.1 The technical solutions adopted for infrastructure are based on standards ensuring the sustainability of investments at acceptable costs and targeting good beneficiary ownership. Rural roads will be rehabilitated in accordance with the technical standards defined by the Road Management Agency (AGEROUTE). Special attention will be given to the treatment of critical points as this will allow for an uninterrupted flow of traffic in all seasons to and from most localities. For irrigated areas, the project prioritized the rehabilitation of existing gravity-based structures upstream the dam, extending somewhere available water so allows. Some degraded dams will also be consolidated to avoid the risk of submersion or rupture. As regards the development of marshy areas and market gardens, the traditional techniques used will be improved and modernized to lighten the work and introduce greater efficiency. For marshy areas, the concern will be to better regulate high-water levels and gravity-based distribution of

water through suitable works. For gardens, this will involve ensuring water drainage while promoting localized irrigation techniques (drip method, spray irrigation, etc.). New areas will be irrigated to encourage private community initiatives and meet different market needs. Marketing buildings will be constructed according to standards usually applied in the country through various projects.

Table 2.2: Alternative Solutions Explored and Reasons for Rejection

Alternative Solution	Brief Description	Reason for Rejection
Construction of new dams with schemes downstream	Creation of new retention dams by developing irrigated areas.	<ul style="list-style-type: none"> Numerous existing dams with under-developed schemes downstream whose rehabilitation is priority, considering the available financial resources. Costly investments not justified given the potential already in place but not fully tapped.
Laying out of large schemes fed via pumping	Develop new irrigated areas of several hectares while ensuring water supply through pumping	<ul style="list-style-type: none"> High cost of maintaining schemes than for gravity-based networks. Priority given to medium-sized and insufficiently developed gravity-based schemes.
Light re-profiling of roads	Light treatment of wearing course in place	<ul style="list-style-type: none"> Life cycle generally below one year. Unsuitable solution for roads not having been the subject of initial rehabilitation. Accessibility not assured because of many critical points and crossings.

2.3 Project Type

2PAI-BÉLIER is an autonomous operation in the form of a Loan/Grant for an investment project. The country is far advanced in the PDDAA process with the existence of PNIA and preparation of a Medium-Term Expenditure Framework (MTEF). Pending completion of the process, most donor interventions in the sector are undertaken through targeted investment projects.

2.4 Project Cost and Financing Arrangements

2.4.1 The project's total cost, net of taxes and customs duty, is estimated at UA 97 million (approximately CFAF 80.99 billion), including UA 32.50 million (CFAF 27.14 billion) in foreign exchange and UA 64.49 million (CFAF 53.85 billion) in local currency. A rate of 5 to 10% for physical contingencies on works and equipment, making a total of UA 4.4 million for this heading or 4.5% of the total project cost, was also factored in. A provision of 3% for composite price escalation was applied to all components. Summary cost estimates by component and by expenditure category are presented in the tables below. Detailed tables of project costs and the list of goods and services are attached as Annexes D5 and D6 of Volume 2.

Table 2.3: Cost Estimates by Component

Components	(CFAF '000)			(UA '000)			%
	Local Cur.	For. Exch.	Total	Local Cur.	For. Exch.	Total	
Restoration of productive capital	22,709,325	18,787,485	41,496,810	27,197	22,500	49,698	51.2
Development of value chains	21,594,780	2,848,370	24,443,150	25,862	3,411	29,274	30.2
Project management	3,078,450	2,168,450	5,246,900	3,687	2,597	6,284	6.5
Total base costs	47,382,555	23,804,305	71,186,860	56,746	28,509	85,255	87.9
Physical contingencies	2,405,640	1,240,513	3,646,153	2,881	1,486	4,367	4.5
Price escalation	4,064,157	2,096,562	6,160,719	4,867	2,511	7,378	7.6
Total	53,852,353	27,141,379	80,993,732	64,494	32,506	97,000	100.0

Table 2.4: Project Cost by Expenditure Category

Expenditure Categories	(CFAF '000)			(UA '000)			%
	Local Cur.	For. Exch.	Total	Local Cur.	For. Exch.	Total	
Works	20,495,560	18,704,500	39,200,060	24,546	22,401	46,947	48.4
Goods	1,698,400	1,081,000	2,779,400	2,034	1,295	3,329	3.4
Services	9,886,345	3,607,755	13,494,100	11,840	4,321	16,161	16.7
Miscellaneous*	11,220,900		11,220,900	13,438		13,438	13.9
Staff	321,425		321,425	385		385	0.4
Operating costs	3,073,425	255,950	3,329,375	3,681	306	3,987	4.1
PPF	686,500	155,100	841,600	822	186	1,008	1.0
Total base costs	47,382,555	23,804,305	71,186,860	56,746	28,509	85,255	87.9
Physical contingencies	2,405,640	1,240,513	3,646,153	2,881	1,486	4,367	4.5
Price escalation	4,064,157	2,096,562	6,160,719	4,867	2,511	7,378	7.6
Total	53,852,353	27,141,379	80,993,732	64,494	32,506	97,000	100.0

(*) Value Chains Development Fund and settlement of customary rights.

2.4.2 Project Financing. The project will be financed by: (i) an ADB loan of EUR 64.36 million (UA 50.56 million), an ADF Grant of UA 3.4 million and an ADF Loan of UA 26.04 million, making a total of UA 80 million (82.5% of total cost); and (ii) the counterpart contribution by the Government and beneficiaries amounting to UA 17 million (CFAF 14.1 billion), or 17.5% of the total cost. The grant includes the Bank's UA 998,000 PPF advance to the Ivorian Government in February 2015 as well as the service fee. This advance will be reimbursed in accordance with PPF's operational guidelines. Government's counterpart contribution will finance the cost of irrigation schemes, the routine maintenance of roads (RMF), the settlement of customary rights in the industrial zone, the rehabilitation/extension of the erstwhile PADER-Lakes buildings to serve as project offices and part of operating costs. Beneficiaries' contribution of UA 267,000 (CFAF 223 million), or 3% of the total project cost, will be used for irrigation scheme and human water works. The distribution of project financing is indicated in Table 2.5 below while Tables 2.6 and 2.7 show the distribution of the grant and loans by expenditure category.

Table 2.5: Sources of Financing

Sources	Amount (CFAF '000)			Amount (UA '000)			%
	For Exch.	Local Cur.	Total	For. Exch.	Local Cur.	Total	
ADB loan	19,004,459	23,212,706	42,217,165	22,760	27,800	50,560	52.1
ADF loan	5,389,115	16,354,187	21,743,302	6,454	19,586	26,040	26.8
ADF grant	262,677	2,576,444	2,839,121	315	3,086	3,400	3.5
Including PPF	155,100	686,500	841,600	186	822	1,008	1.0
Total AfDB Group	24,656,251	42,143,337	66,799,588	29,529	50,472	80,001	82.5
Government	2,485,128	11,485,663	13,970,791	2,977	13,755	16,732	17.2
Beneficiaries	-	223,353	223,353	-	267	267	0.3
Total	27,141,379	53,852,353	80,993,732	32,506	64,494	97,000	100.0

Table 2.6: Distribution of ADF Financing by Expenditure Category

Categories	ADF Loan (UA Thousand)			ADF Grant (UA Thousand)		
	Local Cur.	For. Exch.	Total	L.C.	For. Exch.	Total
Works	2,405	1,300	3,705			
Goods	1,148	801	1,949			
Services	7,691	3,912	11,603	2,156	125	2,281
Operating costs	3,491	201	3,692			
Miscellaneous	3,944		3,944			
PPF			„	822	186	1,008
Not Allocated	906	241	1,147	107	4	111
Total	19,585	6,455	26,040	3,085	315	3,400

Table 2.7: Distribution of ADB Financing by Expenditure Category

Categories	ADB (UA Thousand)			ADB Loan (EUR Thousand)		
	Local Cur.	For. Exch.	Total	Local Cur.	For. Exch.	Total
Works	22,643	20,413	43,056	28,823	25,985	54,808
Goods	1,042	452	1,494	1,327	575	1,902
Services	2,554	692	3,246	3,251	880	4,131
Not allocated	1,561	1,203	2,764	1,987	1,532	3,519
Total	27,800	22,760	50,560	35,388	28,972	64,360

2.5 Project Target Area and Beneficiaries

2.5.1 The project area covers the Autonomous District of Yamoussoukro (Yamoussoukro and Attiéguakro *Départements*) and Bélier Administrative Region (Diediévi, Djékanou, Tiebessou and Toumodi *Départements*). It is about 200 km to the North of Abidjan and covers 11,695 km². The climate is of the humid tropical or Sudano-Guinean type. Recent studies on rainfall in this region over a period of 30 years (1980-2010) show an irregular distribution of rain with annual values ranging between 1,000 and 1,200 mm. The effects of climate change are increasingly felt, leading to disruptions in the planting/harvest calendar. Nevertheless, the project area has high agricultural and water potential, characterized by a fairly flat relief crossed by a dense hydrographic network (Bandama, N’Zi and Kan Rivers) This hydrography offers the region good opportunities for rice cultivation, fishing and fish-farming, which remain untapped. According to the 2014 General Population and Housing Census (RGPH 2014), the project area has a population of 702,000 of which 51% male and 49% female. Poverty rose from 41.4% in 2002 to 61.8% in 2015 in Bélier Region and from 25% to 39.4% in Yamoussoukro District (INS-ENV2015). Average annual income per capita is CFAF 373,504 in urban areas and CFAF 246,122 in rural areas. These values are lower than at the national level where they are CFAF 467,080 and CFAF 256,538. The prevalence of chronic malnutrition stands at 30.4% (SMART 2011) and underweight at 17.3% (EDS 2012). These ratios reflect a very preoccupying nutritional situation, considering that the acceptable threshold of chronic malnutrition is 20%.

2.5.2 Due to the major constraints for the region’s development and economic recovery (see 1.2.2), Bélier Region was prioritized during the identification mission undertaken with Bank support (see Annex B of Volume 2). This choice was also guided by the significant potential that exists but which remains untapped, the existing anchor infrastructure (motorway, airport), the existence of a world-class university complex (INPHB), the need to revitalize the region around Yamoussoukro, the country’s administrative capital, which has experienced economic decline for several decades. It was also guided by the urgency to help the region’s population who expect a far-reaching development intervention (the *Lacs* Region Rural Development Support Project assessed by ADF in 2000 was not implemented because disbursements were

suspended in 2002 at the start of the armed conflict in Côte d'Ivoire). The project's beneficiaries are value chain actors, organized as groups or cooperatives, as well as private operators with SME status. The project will directly benefit about 112,000 people in all. Its impact on employment is significant due to the creation of the equivalent of about 19,000 permanent jobs (approximately 4.8 million workdays).

2.6 Participatory Approach in Project Identification, Design and Implementation

The project was the subject of wide consultations at all stages of its study. Contacts made during the identification mission in March 2013 were continued during the preparatory (June 2015) and appraisal (June 2016) phases in Bélier Region, Yamoussoukro District and Abidjan. Meetings were held with the administrative authorities, local communities, technical structures, farmers' organizations, women's groups, private partners, ongoing projects and TFPs involved. Several workshops were organized during PPF implementation to select irrigation sites and road sections to be rehabilitated. Moreover, the project's implementation will require the putting in place of mechanisms closely involving and empowering the various value chain actors. Since the sustainability of interventions, especially those concerning irrigation infrastructure, would require the full ownership of the parties concerned, the option was taken to target in priority the most committed communities that also fulfil the selection criteria (explicitly made request, land security, organization method, contributions and commitments, etc.). For the different sub-sectors affected, the project will support the establishment of platforms to facilitate synergy among stakeholders and by systematically involving those of the private sector. Periodic meetings and information campaigns will be financed by the project to ensure proper communication and enable participatory decision-making by the actors.

2.7 Consideration of Bank Group Experience and Lessons Learned in Project Design

The Bank finances the Agricultural Infrastructure Development Support Project in the Indénié-Djuablin Region (see 1.3.1). Lessons drawn from the project's mid-term review were considered in the design of 2PAI-BÉLIER, including: (i) greater consideration of the value chains approach and promotion of private investment; (ii) optimization of the performance of delegated contracting authorities through a better definition of roles and tasks; (iii) expected improvement of the procurement process by enhancing the quality of procurement dossiers with a view to recruiting competent contractors and firms; and (iv) establishment of competent human resources for an efficient management of activities, including cross-cutting aspects (environment and gender). The table in Annex C1 details measures taken to reflect the lessons learned. An additional NTF financing in the form of a UA 4 million loan was approved by the Bank Board of Directors on 21 October 2016 to support agri-business activities. Value chains and the role played by the private sector was reflected in the project design. Overall, the project design benefited from the pilot initiatives of the Feed Africa Strategy in terms of the development of *agropoles*, youth employment and agriculture financing with shared risks.

2.8 Key Performance Indicators

2.8.1 The key performance indicators presented in the logical framework will be refined through the project's baseline situation. The outcome indicators include: (i) outputs and production; (ii) additional production processed and marketed; (iii) higher revenue and income generation for farmers and settled youths; (iv) the number of women and youths having benefited from project support; (v) the average time of electricity cuts in the industrial zone and in the town of Didiévi. The main output indicators are: (i) the irrigated surface area laid out, rehabilitated or developed; (ii) the number of infrastructure constructed or rehabilitated (consolidation centres, rural markets, storage facilities, etc.); (iii) the number of bore holes and pumps for rehabilitated DWS; (iv) the linear distance of roads and electric lines restored; (v) the number of agricultural groupings and professional organizations (OPA), youths and women

trained or settled in various fields; (vi) the effectiveness of support systems in place (mechanization programme, development fund, ICT, etc.); and (vii) the number of senior staff and agents of technical services trained.

2.8.2 Other gender-specific indicators will be added during finalization of the monitoring/evaluation system and establishment of the baseline situation, according to the results-based management approach. These include: (i) the proportion of women in each beneficiary group; (ii) the involvement of women and youths in farmers' and infrastructure management groupings; (iii) the number of land certificates issued to women and youths; (iv) the number of women and young graduates settled; and (v) the number of people benefiting from the bio-fortification programme. Special emphasis will be laid on the monitoring of socio-economic impacts (gender- and youth-disaggregated data, monitoring of FO performance, turnover of very small enterprises, etc.).

III PROJECT FEASIBILITY

3.1 Economic and Financial Performance

3.1.1 **The project's financial and economic performance** was assessed over a 25-year period. The calculation of project benefits was based on an estimation of additional outputs under the project combined with the effects of an increase in the sown land surface due to works (Component A) and the technology package adopted (Component B). The analysis took into account the characteristics of agricultural plantations in a without-project and with-project scenarios, and the trend of the technical level illustrated by activity fact sheets. More precisely, the project benefits come from: (i) the increase in productivity (rice, maize, cassava, vegetables, pork and fish); (ii) the increase in the productivity and surface area of rain-fed cultivation; (iii) and the increase in the income of youths and SMEs benefiting from the project's technical and financial support.

3.1.2 In terms of economic profitability, the project has an economic rate of return (ERR) of 30% and Net Present Value (NPV) of CFAF 123 billion at an opportunity cost of capital of 12%. These results are deemed satisfactory in light of project activities. The project is more sensitive to a decrease in production than to an increase in investment costs. A 10% decrease in expected production induces an ERR of 26.8% and a 10% increase in investment costs gives an ERR of 28.7%. A 10% decrease in production at the same time as a 10% increase in investment costs gives an ERR of 24.9%, which is still above the opportunity cost of capital (12%). The assumptions and detailed calculation of financial and economic analyses are presented in Annex E1 of Volume 2.

Table 3.1: Main Economic and Financial Data

Outcome Assessment	Economic
NPV (baseline scenario: discount rate: 12%)	CFAF 123 billion
Economic Rate of Return (ERR)	30%

3.1.3 The analysis of the project's financial performance shows positive additional income for all operating models studied. The project will benefit about 11,900 farmers including about 1,600 for irrigated areas, 8,500 for rain-fed crops and 800 young graduates, as well as 200 SMEs (50 of them in produce processing), 150 pig breeders and 100 fish farmers. The project's impact is significant for all plantation types studied, returns being higher for models representing irrigated agriculture. The additional income by model are as follows: CFAF 1.2 million for Model M1 representing farmers in rice-growing areas (about CFAF 1.2 billion in all), CFAF 7.2 million for Model M2 representing market gardening farmers (CFAF 4.9 billion in all), CFAF

2.5 million for Model M3 representing rain-fed activities (CFAF 22 billion in all), CFAF 4.8 million for Model M4 representing young farmers (CFAF 3.8 billion in all), and CFAF 20 million for Model M5 representing SMEs (CFAF 2 billion in all), CFAF 2.5 million for Model M6 representing pig breeders (CFAF 375 million in all) and CFAF 4.5 million for Model M7 representing fish farmers (CFAF 450 million in all). The project will directly benefit about 112,000 people with 107,000 of them are expected to be eased out of poverty. It will create the equivalent of about 19,000 permanent jobs in the region (see Annex E1 of Volume 2).

3.2 Environmental and Social Impact

3.2.1 Environment. The project was classified in Environmental Category 2 since it has negligible impact on the environment and will not require population displacement. The Environmental and Social Management Plan was approved by ORQR and published on the Bank's website on 18 November 2016. The project will have both positive and negative environmental and social impacts. The rehabilitation of irrigated areas (dykes and networks) will cause little destruction to ecosystems. Possible scheme extensions will lead only to the felling of a few shrubs and uprooting of secondary bushes made up largely by *pennisetum purpureum*. The same is true for impacts of the construction zone of the Raviart mini-dam where: (i) the water storage area has deteriorated greatly due to frequent bush fires and illegal logging of the gallery forest; and (ii) the poor exploitation of marshy areas by farmers who are not accustomed to it; the few cashew nut trees planted close to the marshy areas cover small areas that can easily be compensated by the activities of the Climate Change Based Project undertaken concurrently in the 2PAI-BÉLIER zone. Socially, the rehabilitation of structures can lead some land owners, most of whom are settlers, to over-price agricultural plantations in marshy zones. The rehabilitation of rural roads will not cause significant environmental impacts. The same is true of the rehabilitation and extension of socio-economic infrastructure (markets, health centres, schools and canteens, energy and ICT, fishing and livestock infrastructure, etc.). This infrastructure can only improve and ensure the sustainability of the positive impacts expected from the implementation of 2PAI-BÉLIER Project activities. The analysis of negative impacts reveals two major observations: (i) project activities will neither cause population displacement nor seriously undermine biological diversity; and (ii) negative impacts can be mitigated or minimized through the measures defined in the 2PAI-BÉLIER ESMP that was prepared during the appraisal mission (Annex E of Volume 2).

3.2.2 Climate Change: Spatial and temporal variations in rainfall patterns are a real cause for concern for the conduct of activities in the project area as well as across the country. Activities directly concerned are rain-fed agriculture and activities undertaken in lowlands developed as water catchment in case of pronounced water shortages. For lowlands on dams to be rehabilitated, technical measures will be taken during works to minimize the effects of high-water level in case of abundant rains (overflow for excess water and networks of drains). To mitigate erosion of the banks of lowlands, the project will ensure that good agricultural practices are applied, while encouraging farmers to build anti-erosion strips. Tools for implementing alert procedures (i.e. collection and processing of climate data and mechanisms for their communication to actors) are inadequate and/or obsolete. The project will contribute to improving these procedures in the region by: (i) increasing the number of rain gauges in the sub-prefectures and villages hosting project sites; and (ii) providing more equipment, strengthening capacity to collect and process data and means of communication. The emphasis on the rehabilitation of irrigation schemes is in itself a contribution to build the resilience of agricultural production systems. The project will support all activities already undertaken in the region by WAAPP/PPAAO and CNRA concerning the dissemination of reputedly drought-resistant plant varieties. The energy component will help to reduce greenhouse gas emissions by resorting less to diesel generators (the alternative source when power supplied by the national grid becomes unavailable). Besides, as part of the Global Climate Change Initiative (FIP, REDD+) financed by the Climate Strategy Fund (SCF), the Bank will support agroforestry and

the creation of forest plantations in the Centre, including in Béliér Region. This intervention will be in the form of a project whose appraisal will take place in the first quarter of 2017. This project is to be implemented in synergy with 2PAI BÉLIÉRIER. It will help to reduce greenhouse gas emissions, increase carbon sequestration and build the resilience of production systems.

3.2.3 Gender Impacts. Women make up 49.6% of the population in the project area. Most of them engage in agriculture, in particular in the food value chains (cassava production and processing, market gardening produce production and marketing, rice steaming, etc.). Women are often confined to less fertile and less irrigated parcels due to the difficulty they encounter in accessing landed property. In general, women farm extensively on small areas (about one ha), practicing shifting cultivation with few factors of production. Often, agricultural outreach is undertaken at their expense because it targets cash crops and organized sub-sectors that are dominated by men. Women use old and precarious processing equipment. Most of them do not know their rights, are poorly organized and are victims of all manners of violence (sexual, physical, psychological, economic, harmful traditional practices, denial of opportunities).

3.2.4 Considering these constraints and the concentration of 2PAI Béliér on food sub-sectors, the project's gender strategy will promote women's empowerment and gender equality in access to project services and resources, the implementation of each of its components, community representation and decision-making. In this regard, the project will facilitate women's access to land by facilitating the access of close to 2,200 women to the restored irrigated areas. Furthermore, 50% of land certificates, the issuance of which will be facilitated by the project, will be set aside for women. The project will lay special emphasis on promoting women's equitable access to technologies, mechanized equipment, inputs (seeds, fertilizers and pest-control products), supervision services and financing on a par with men. It will support women to procure modern cassava processing and rice-steaming equipment. Rehabilitated markets will take into account the specific needs of women, especially cold rooms, and include gender-separate sanitation facilities, day care facilities and literacy centres. The project will facilitate the evacuation and sale of agricultural produce by establishing platforms, setting up farmer/trader contracting systems and rehabilitating rural roads. The project's "Youth training and settlement programme" component will reach about 400 young girls, or 50% of the beneficiaries of the said programme. In addition, at least 40% of enterprises managed by women will be integrated in the project's "SME support" component.

3.2.5 At the strategic level, specific measures and actions will be taken to develop women's leadership and remedy the significant illiteracy rate. A package of integrated services aimed at building suitable technical and social capacity, as well as life skills (family planning, HIV/AIDS control and violence against women, etc.) necessary for their empowerment will be provided. The project will also work to better structure women's organizations around selected sites by ensuring that woman represent 50% of members of various committees and bureaus of cooperatives or professional organizations targeted. The project will also work to endow the selected support, supervisory or training structures and agricultural professional organizations and management units with real technical capacity in gender mainstreaming/inclusion based on a gender organizational audit. The *Ecole Supérieure d'Agronomie* (Advanced School of Agronomy, ESA) will be supported to incorporate gender-based modules in its training curriculum to enable the country have agronomy and agricultural specialists who are sensitive to gender issues. The project will produce the gender profile of the Béliér Region agricultural sector, including Yamoussoukro District, which will serve to define indicators for measuring gender equality. A gender specialist within the Project Management Unit will monitor gender activities.

3.2.6 Achieving this project's gender-mainstreaming objectives depends on the knowledge and capacity of different sector actors. Therefore, it is necessary from project commencement, to undertake training, sensitization and communication actions for a change of behaviour.

Furthermore, the project must sustain the achievements of women in their sectors of activity. In this regard, a strict monitoring must be undertaken so that women are not excluded in their production sectors (these sectors are bound to become more attractive for men due to the modernization of factors of production and an increase in income accruing therefrom).

3.2.7 Women will benefit from all project activities for a cost amounting to approximately UA 58 million. Moreover, a budget of CFAF 1.4 billion (or UA 1.7 million) will be allocated specifically to implement targeted actions to empower women and promote gender in the project area's agricultural sector.

3.2.8 **Youth Employment and Inclusion:** The project area had 702,000 inhabitants in 2014 (RGPH data), a third of whom are youths. Despite their predominance in the labour force, youths are less occupied and the most vulnerable on the labour market. The national employment situation prepared by AGEPE based on 2014 employment data reveals that youths are the least active in terms of occupation (59.2% against 66% for the entire labour force), the most unemployed (8.3% against 7% for the whole) and the most inactive (32.7% against 2.7%). Young men are relatively more occupied (53.5%) whereas young woman are relatively more unemployed (58.6%). The level of education of youths is higher (average duration of studies of 8.8 years against 6.6 years for the entire population of working age). Furthermore, the level of education is higher among unemployed youths than among active employed youths (average duration of studies is 9.9 years against 7.9 years). Further, youths aged 14-24 years constitute a significant percentage of labour in the informal sector compared to the entire population (91.1%), more so for young men (94.1%).

3.2.9 The project will contribute to improving youth employment indicators. It will also enhance production and marketing conditions (irrigation infrastructure, roads, markets, etc.), as well as access to innovative technologies and factors of production (inputs, equipment, etc.). This material capacity building, coupled with stronger technical and financial capacity, will boost the productivity of activities undertaken, increase income and prompt the youths to return to farming. Besides, during the establishment and/or rehabilitation of irrigation schemes, youths will be called up to provide labour. The young artisans of the region will also see their capacity strengthened and will thus ensure better services to the satisfaction of producers. This capacity building will be undertaken jointly with the Regional Trades Chamber. The platforms envisaged by the project for different sub-sectors will help to increase the number of clients and young artisans, and resolve issues of unpaid services due to poor produce sales. The project will facilitate the implementation of a specific study on the situation of artisans in Bélier Region, including Yamoussoukro District. This will provide exhaustive and relevant data for the professionalization of the sector, and a better participation of artisans in the establishment of the envisaged agro-industrial pole.

3.2.10 Under its "Support to entrepreneurship" component, the project will foster youth self-employment. Ongoing initiatives in different local communities (Yamoussoukro Autonomous District, Tiébissou mayor) to establish young entrepreneurs will be supported by the project. To that end, grants for the establishment of youths will be awarded for the conduct of short-duration (at most three months) qualifying training programmes. For that, the project will build on the expertise of *École Supérieure d'Agronomie* (ESA). A consultancy firm will be solicited to support young entrepreneurs to prepare their feasibility studies. Young girls will make up at least 30% of young entrepreneurs supported. The installation of agro-industrial units will also contribute to increasing youth employment, as is the case with the Toumodi cassava industrial processing unit. Therefore, the project should support access to financing to develop ongoing initiatives and facilitate the establishment of new operators.

IV IMPLEMENTATION

4.1 Implementation Arrangement

4.1.1 **Implementation Arrangements:** The Ministry of Agriculture and Rural Development (MINADER) will be the project executing agency. The day-to-day management of the project will be ensured by the project coordination team, which will be under the supervision of the General Directorate of Planning, Statistics and Projects (DGPSP) based in the vacant premises of defunct PADER-Lakes that will be enlarged. The project is in line with Presidential Directive No. 02/2015 particularly paragraphs 3, 4 and 4.1. Staff for the coordination team are being recruited and studies and BDs of flagship components (rehabilitation of irrigation schemes and roads) are available, thanks to activities undertaken under the PPF advance (see Annex C).

4.1.2 The main tasks of the team are the coordination, control and monitoring of all project activities, as well as the information and contact of the different actors. The team will comprise a Coordinator, a specialist in charge of technical operations, an Administrative and Finance Specialist, a Monitoring/Evaluation Specialist, a specialist responsible for the farmers' organizations support service, a Procurement Specialist, a Rural Engineering Specialist, a Specialist in Agri-business, a Specialist in the Livestock and Fisheries Sub-sector, a Specialist in Agricultural Credit, an Environmentalist Specialist, a Gender Specialist and support staff. The members of the coordination team being recruited as part of the PPF advance will sign performance contracts with the implementation unit. Renewal of such contracts shall be subject to annual review. Only senior staff whose performance is deemed satisfactory will be maintained. The Borrower will submit to the Bank evidence of appointment of the project coordinator ("Condition Precedent to First Disbursement") within at most six months after effectiveness and evidence of the designation of the rest of the team ("Other Condition"). A technical committee will support DGPSP in activities to render the loan effective and implement the project (monitor the recruitment of the coordination team, etc.). It will comprise members from MINADER, technical directorates of Ministries in charge of youth employment and livestock/fishery resources and technical advisers from Ministries in charge of the Budget, Economy and Finance. The committee's mandate shall not exceed six months following the signature of Agreements. The travel expenses of members of this committee will be borne by the State's counterpart contribution to PPF.

4.1.3 **Steering:** The project will be steered by a national committee bringing together the representatives of the following Ministries: (i) Ministry of Planning and Development; (ii); Ministry of Agriculture and Rural Development; (iii) Ministry in charge of the Economy and Finance; (iv) Ministry in charge of the Budget; (v) Ministry of Trade; (vi) Ministry of Economic Infrastructure; (vii) Ministry of the Environment and Sustainable Development; (viii) Ministry of the Family, the Woman and the Child; (ix) Ministry of Livestock and Fishery Resources; (x) Ministry of Youth Promotion and Employment and Civil Service; (xi) Ministry of Industry and Mines; (xii) General Confederation of Enterprises of Côte d'Ivoire; (xiii) the National Association of Agricultural Professional Organizations; and (xiv) the Group of Women's Organizations for Gender Equality. The Steering Committee will be chaired by the representative of the Minister of Agriculture and Rural Development, and its technical secretariat will be managed by the Directorate in charge of Planning in the DGPSP. An inter-ministerial order will be signed in this regard. This committee will meet at least twice yearly to consider the outputs and outcomes obtained, approve progress reports and annual work programmes and budgets, clear possible blockages and constraints, and ensure that activities implemented are consistent with national strategies and policies. The Borrower will submit to the Bank evidence of creating a National Steering Committee latest six months following effectiveness of the loans. This constitutes the "Other Condition".

4.1.4 **Regional Consultative Framework (CRC):** This framework targets the harmonization of development interventions, local arbitration and the quest for regional balance. It will be chaired by the *Préfet* of the region. The Regional Director of Agriculture will handle the technical secretariat. A ministerial order will be signed to that end (Annex D1.3 of Volume 2).

4.1.5 **Associated Agencies:** The project will forge partnership or delegated supervisory (MOD) relations, through agreements, with specialized experienced agencies to execute or monitor tasks falling within their spheres of competence. These include the National Rural Development Support Agency (ANADER) for agricultural supervision and outreach; ONDR for monitoring works in rice-growing areas; the Foodstuffs Marketing Assistance Authority (OCPV) for marketing related arrangements; the Roads Management Agency (AGEROUTE) for the delegated supervision of roads; the Territorial Directorate of Human Water Management (DTHH), for the supervision of drinking water works; the Investment Promotion Centre of Côte d'Ivoire (CEPICI) to monitor the projects of agricultural enterprises; the National Polytechnic Institute – *Ecole Supérieure d'Agronomie* (INP-ESA) and the Youth Employment Agency for the implementation of the youth training/incubation/settlement programme and some technical directorates of MINADER, MIRAH, Ministries in charge of the environment, women's advancement and the child and the Ministry of Industry for activities falling within their respective spheres of competence.

4.1.6 **Procurement Procedures:** The procurement of goods (including services other than those of consultants), works and consultancy services financed by the Bank as part of this project, will be done in accordance with the *Procurement Policy for Bank Group Funded Operations*, October 2015 edition and pursuant to the terms of the Financing Agreement. Specifically, procurements will be done in accordance with: (i) **Côte d'Ivoire's procurement system (SPM):** Procurement methods and procedures (MPA) as part of the procurement system of Côte d'Ivoire comprising its laws and implementing decrees (*Decree No. 2009-259 of 6 August 2009 instituting the Public Procurement Code as amended and supplemented by Decrees No. 2014-306 of 27 May 2014 and No. 2015-525 of 15 July 2015 and various implementing orders*), using standard national bidding documents (DNSAO) or other bidding documents approved during project negotiations for various types of activities envisaged; (ii) **Bank Procurement Methods and Procedures (BPM):** standard Bank procurement methods, based on relevant standard BDs for consulting service contracts deemed to be most suitable.

4.1.7 **Risk Assessment and Procurement Capacity (RAPC):** The risk at country, project and sector level, and executing agency's capacity in project-related procurements were assessed and the results are reflected in Table D2.20 of Annex D2. Deemed moderate, the risk guided the choice of the procurement system (Borrower, Bank or Third Party) used for given activities or all similar activities under the project. The appropriate risk mitigation measures identified were included in the PERCA action plan indicated in para. D.2.30. of Annex D2.

4.1.8 **Waiver of Eligibility:** Considering that part of this project's financing is through the ADB Window and that some procurements will be done pursuant to the Côte d'Ivoire procurement system, a formal request is made to the Board of Directors of the Bank to waive the rule of origin for procurements made pursuant to the national procurement system. Since the public procurement eligibility rules in Ivorian law are not the same as those of the ADB Window, it is necessary to prevent any practical incompatibility. For project procurements using the national system, the eligibility rules are national ones in addition to the provisions of paragraph 5.c of the Bank Policy on Procurement. Consequently, even using the national system, Bank resources cannot serve to finance a contract awarded to a bidder under sanctions by the African Development Bank Group. *If or in spite of these provisions, a contract is concluded with a bidder under sanction by the Bank Group, such contract shall not be financed with Bank resources.* However, procurements made pursuant to the Bank's Procurement Methods and Procedures will comply with the rule of origin as defined in Article 17 (1) (d) of the Agreement Establishing the African Development Bank.

4.1.9 Financial Management and Disbursement: The overall fiduciary risk of the project executing agency was assessed and deemed moderate. Côte d'Ivoire issued Decree No. 2015-415 in July 2015 to organize the preparation, implementation and closing of projects co-financed with Technical and Financial Partners (TFPs). It is in line with the Paris Declaration on Development Aid Effectiveness, especially the use of the recipient's national procedures. The decree determines all administration and management structures that must be established before the Bank Board of Directors rules on the project, especially the Project Coordination Team (ECP) and the recruitment or appointment of its members as well as the National Steering Committee (CNP). The project budget will be incorporated fully in the State budget and implemented following the simplified expenditure procedure. Project accounts will be kept with the SIGFIP (Integrated Public Finance Management System) software, which handles only the budgetary module. To have complete accounts bringing together budgetary, cost and general accounting modules, a private management software will be procured. Financial reports and statements will be published for the public as well as private systems. A procedures manual harmonizing public and private procedures will be prepared for the project's management and financed by PPF funds.

4.1.10 Disbursements. Project resources will be disbursed using the reimbursement, direct payment and revolving fund methods, pursuant to the provisions of the Bank's Disbursement Manual. Four accounts will be opened in a bank acceptable to AfDB Group to receive ADF resources: a special account to receive revolving funds serving for the operation of the project coordination and three accounts to receive resources for the Value Chains Development Fund: (i) a dedicated account for the operations and operating expenses of this Fund; (ii) a "Refinancing Facility" account meant to refinance banks and project partner SFDs, and to guarantee loans granted to beneficiary SMEs; and (iii) an account meant for interest rate subsidies. These accounts have only one signatory, the public accountant who is personally responsible for funds entrusted to him. He/she must be sworn-in and pay a deposit in the public Treasury before assuming duty. Expenses linked to the services of consultants, contractors and suppliers will be settled by direct payment. Counterpart funds will be used to pay for expenses either by direct payment or by a project account opened for that purpose.

4.1.11 Audit: An independent auditor will be recruited through competitive bidding for the annual audit of project accounts. He/she will be recruited based on terms of reference approved by the Bank for a maximum period of three years. The auditor's continued services will be contingent on the approval of his/her first report. Audit reports must reach the Bank latest six (6) months after the close of the fiscal year. In parallel, the project is subject to control by the General Inspectorate of Finance (IGF) and verification by the Court of Auditors, as indicated in Decree No. 2015-475.

4.2 Monitoring

4.2.1 Project implementation will span five years from the second quarter of 2017. Once the project team is recruited, the Bank will organize the start-up mission to put in place all requirement for a rapid and efficient commencement of project activities.

4.2.2 The project's internal Monitoring/Evaluation Service (SSEI) will monitor the project internally at the physical and financial level, and by expenditure category as well as assess the project's impact on beneficiaries and the environment based on relevant and jointly established indicators. It will be aligned on a geographic information system (GIS) included in the project's ICT components. At start-up (PPF budget), SSEI will be supported by a consultant to set up the baseline situation and establish a monitoring/evaluation system, including verifiable indicators. The baseline situation study will include the gender profile in agriculture, to deepen knowledge of beneficiary groups especially with regard to socio-economic aspects (income, capital, agricultural activities). This system is expected to be functional latest six months following

project commencement. On that basis, the project will produce quarterly and annual progress reports indicating especially the implementation rates and outcomes of the different components, linked to the performance indicators of the logical framework.

4.2.3 External monitoring/evaluation will be undertaken by the Directorate of Projects Evaluation (DEP), working closely with the directorates in charge of projects of technical ministries involved as well as the Ministry of Economy and Finance (MEF). Half-yearly external monitoring/evaluation reports will seek to measure progress made, identify possible constraints and make recommendations to resolve problems encountered. DEP will involve technical directorates of ministries in external monitoring missions to consider particular technical problems and compliance with sector strategies. Considering the project's linkages with ECOWAP, external monitoring/evaluation will ensure harmonization with indicators selected for PNIA. The project will place at the disposal of DEP, DPPF of MINADER, the Directorate of Public Debt and the directorates of technical ministries involved, the necessary means to enable them accomplish this mission. A mid-term review is planned to establish the interim implementation situation, ensure the overall good progress of the project and, if necessary, propose adjustments. A final joint evaluation is also programmed towards project completion to draw lessons and build on project achievements.

4.2.4 The project implementation schedule is presented in Table 4.7 below.

Table 4.7: Implementation and Supervision Schedule

N°	ACTIVITIES	RESPONSIBILITY	TIME FRAME
1	Approval of loans and the grant	ADB/ADF	January 2017
2	Signing of agreements (loans and grant)	ADB/ADF/Government	1st quarter 2017
3	Effectiveness of loan agreements	ADB/ADF/Government	2 nd quarter 2017
3	Fulfilment conditions 1 st disbursement	ADB/ADF/Government	2 nd quarter 2017
4	Start-up mission	ADB/ADF/Government	2 nd quarter 2017
5	Publication BD/DCR	ADB/ADF/Government	2 nd quarter 2017
6	Start-up of works and services	Government	2 nd half of 2017
7	Mid-term review	ADB/ADF/Government	1 st half of 2020
8	Completion report	ADB/ADF/Government	2 nd half of 2019
9	Completion of activities	ADB/ADF/Government	31 December 2021
10	Closing of project	ADB/ADF/Government	31 December 2022

4.3 Governance

Under Pillar I of the Bank's CSP 2013-2017, the Bank supports the connection of the Integrated Local Government Management System (SIGESCOD) to the Integrated Public Finance Management System and the Integrated Public Procurement Management System within the framework of the Economic and Financial Management Support Project (PAGEF 2017-2019). The aim is to reduce the risk of financial loss during the management of public finances and support the capacity building of actors of sector ministries and local governments. This project will also support local governance by better securing land tenure systems, establishing concerted systems to limit farmer/grazier conflicts, and strengthening the capacity of local communities and organs to manage infrastructure whose competencies are sometimes weak. The other measures adopted concern: (i) the conduct of annual financial audits; (ii) efficient coordination by the Project Coordination Team (ECP); and (iii) the conduct of at least two supervision missions per year.

4.4 Sustainability

4.4.1 The project aims to initiate truly sustainable development by placing local stakeholders, including farmers, at the heart of decision-making while also strengthening their capacity to assume new responsibilities. During PPF preparation and site identification studies, an intervention process was adopted governed by a number of eligibility criteria to ensure the

effective commitment of the farmers concerned and the absence of potential conflicts. The communities concerned will provide financial or in-kind contribution for all support infrastructure, based on good governance mechanisms in force. The project will accompany them to engage a process aimed at sustaining infrastructure put in place. They will be supported to strengthen their capacity at the technical and organizational level, which will create expertise and greater ownership at their level. In particular, committees will be created or revitalized at each of the sites to ensure sound management and regular maintenance of community infrastructure. Mayors will be involved and accompanied in the management of communal infrastructure (markets, slaughter areas, etc.). Private sector involvement in processing and marketing actions is also a guarantee of the sustainability of actions undertaken through value chain dynamics and actor networking.

4.4.2 The issue of the sustainability of actions implemented, especially infrastructure maintenance and management, is a central concern in the project's design. For each type of infrastructure, specific measures will be taken to ensure management and maintenance under good conditions: (i) the maintenance of rehabilitated rural roads is ensured by budgeting related works on counterpart funds (FER financing) and piloted programming by AGEROUTE (global agreement with 2PAIA-Bélier); (ii) gravity-based operation of rice cultivation works, limiting management and maintenance costs; (iii) involvement and training of local structures to manage markets with higher receipts due to increased activities and sensitization; (iv) training and revitalization of committees for the management of HVA systems and irrigation sites, including water rates based on recognized practices and activities; (v) support of settled young farmers with tracking of trading accounts etc. Regarding the conservation of the physical environment, targeted actions will not have negative effects on the environment, which will foster the sustainability of actions undertaken.

4.5 Risk Management

4.5.1 The main risks that might limit results and measures for mitigating them are as follows: **climate change related risk:** Bélier Region faces serious climatic impacts, including: (i) recurrent flooding; and (ii) drought and its repercussions on the farming calendar and choice of varieties. The project will undertake mitigation measures including: (a) structures that can resist high intensity swells; (b) promotion of varieties and practices suited to drought cycles; (c) the dissemination of knowledge of climate-related risks and data; and (d) sensitization and communication at the level of the population of zones concerned.

4.5.2 **Risk of land-related conflicts:** To ensure non-discriminatory access to works undertaken (gravity-based irrigation works, lowlands, market gardens, stores, etc.), the project will support the process of social evaluation on all sites to be developed before any intervention is undertaken. On development sites with full water mastery and lowland sites, the project will finance the land security of sites to be developed. Capacity-building support will also be provided to communes for better dissemination of land transaction tools and issuance of exploitation certificates.

4.5.3 **Risk of transhumance-related conflicts:** With regard to the prevention of transhumance-related conflicts, the project will support devolved structures and communes to accompany endogenous transhumance-related conflict management mechanisms by setting up consultative frameworks and drafting local agreements for natural resources management. Two pilot sites integrating structuring works will also be selected in the region.

4.6 Knowledge Building

Particularly through its development of the value chains component, 2PAI-Bélier will contribute to train different actors and disseminate new knowledge primarily to farmers, thanks to the

support and training offered by operators and technical services in advisory support, structuring and organization. It will come up with technical innovations based on research outcomes and also enable youths and women inclusively to develop technical and entrepreneurial capacity and settle on land equipped with infrastructure and modern means of operation. As part of training and settling of youths, the project will support agricultural training centres and INP-ESA by introducing new curricula and training modules to better respond to the requirements of agricultural entrepreneurship and promote the emergence of technological innovations. Lastly, the project will set up an integrated system for managing and sharing knowledge on project activities through the regular dissemination of knowledge and experience acquired on its website and that of MINADER.

V LEGAL FRAMEWORK

5.1 Legal Instrument

The legal framework will be a Loan and Grant Agreement between the Republic of Côte d'Ivoire and the African Development Fund and a Loan Agreement between the Government of Côte d'Ivoire and the African Development Bank. These documents will comprise the terms and conditions of the loans and grant.

5.2 Conditions Associated with Bank Involvement

5.2.1 Condition Precedent to the Effectiveness of the ADF and ADB Loans and the ADF Grant: Effectiveness of the ADF and ADB loans shall be contingent on the fulfilment by the Borrower of the conditions stipulated in Section 12.01 of the General Conditions Applicable to Bank Loan and Guarantee Agreements (sovereign entities). Effectiveness of the ADF grant shall be subject to signature by the Donee and the Bank of the related Agreement.

5.2.2 Conditions Precedent to First Disbursement: The first disbursement of the ADF and ADB loans and the ADF grant shall be subject to the effectiveness of the ADF and ADB Loan Agreements and the ADF Grant Agreement in accordance with the above provisions and evidence of fulfilment to the satisfaction of the Bank Group in both form and substance of the following conditions:

- i. Forward to the Bank evidence of the appointment of the 2PAI-BÉLIER Coordinator whose qualification and experience will have been judged satisfactory by the Bank Group (par. 4.1.1);
- ii. Forward to the Bank evidence of opening a special account in a bank acceptable by the latter to receive revolving funds from ADF resources.

5.2.3 Other Conditions

In addition, the Borrower shall:

- i. Show to the Bank latest six months following signature of the Agreements, evidence of the appointment of the rest of the Project Coordination Team, comprising a specialist in charge of technical matters, a specialist responsible for administrative and financial matters, a monitoring/evaluation specialist, a specialist responsible for support to the service in charge of farmers' organizations, a public procurement specialist, a rural engineering specialist, a specialist in agribusiness, and specialist in the livestock and fisheries sub-sectors, a specialist in agricultural credit, an environmentalist and a gender specialist (par. 4.1.1);
- ii. Provide, latest most six months following loan effectiveness, evidence of establishing the project National Steering Committee (par. 4.1.2);

- iii. Provide evidence of opening a special dedicated account for the operations and operating expenses of the Value Chains Development Fund, not more than six months following the first disbursement (par. 4.1.10);
- iv. Provide evidence of opening a “Refinancing Facility” account meant to refinance project partner banks and SFDs and to guarantee loans granted to beneficiary SEs, not more than six months following the first disbursement (par. 4.1.10); and
- v. Provide evidence of opening a dedicated account for interest rate subsidies, not more than six months following the first disbursement (par. 4.1.10).

5.2.4 Commitments

The Borrower commits to:

- i. Implement the Environmental and Social Management Plan (ESMP) and have it implemented by co-contracting parties pursuant to: (a) Bank rules and procedures; (b) national laws; and (c) the recommendations, prescriptions and procedures contained in the ESMP; and
- ii. Submit to the Bank annual reports on the ESMP implementation, including where applicable, weaknesses and corrective actions taken or to be taken.

5.3 **Compliance with Bank Policies**

The project is aligned on Thrusts 1 (Light up Africa), 2 (Feed Africa), 3 (Industrialize Africa) and 5 (Improve the quality of life for the people of Africa) of the High 5s, the Strategy for Agricultural Transformation in Africa, 2016-2025, as well as the Bank’s Ten-Year Strategy (LTS 2013-2022) and the Gender Strategy, 2014-2018. Furthermore, the project is in line with Presidential Directive No. 02/2015 relating to the process of consideration of operations. Studies of the project’s flagship components are available and staff of the project coordination team are being recruited thanks to a PPF advance.

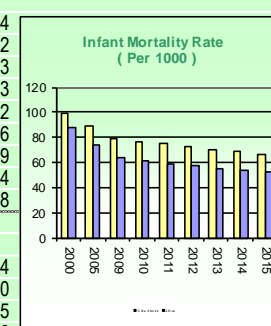
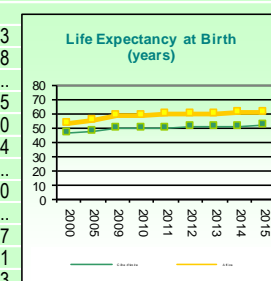
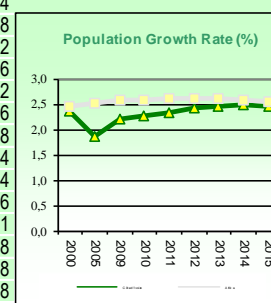
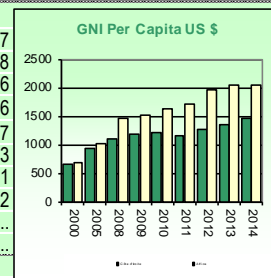
VI RECOMMENDATION

Management hereby recommends that the Boards of Directors: (i) exceptionally grant a waiver on the application of the rule of origin mentioned in Article 17 (1) (d) of the Agreement Establishing the African Development Bank and, to enable procurements to be made using the national public procurement system of the Republic of Côte d’Ivoire, authorize the application of the eligibility rules contained in this system in addition to the provisions of paragraph 5.3 (c) of the Procurement Policy for operations funded by the Bank Group, October 2015 edition; and (ii) approve the proposal to extend an ADF loan of UA 26.04 million, an ADF grant of UA 3.4 million and an ADB loan of EUR 64.36 million to the Republic of Côte d’Ivoire to finance the Bélier Region Agro Industrial Pole Project.

Annex I Côte d'Ivoire's Comparative Socio-Economic Indicators

Côte d'Ivoire COMPARATIVE SOCIO-ECONOMIC INDICATORS

	Year	Côte d'Ivoire	Africa	Developing Countries	Developed Countries
Basic Indicators					
Area ('000 Km²)	2016	322	30 067	94 638	36 907
Total Population (millions)	2016	23,3	1 214,4	3 010,9	1 407,8
Urban Population (% of Total)	2016	51,4	40,1	41,6	80,6
Population Density (per Km²)	2016	73,1	41,3	67,7	25,6
GNI per Capita (US \$)	2014	1 460	2 045	4 226	38 317
Labor Force Participation *- Total (%)	2016	67,0	65,6	63,9	60,3
Labor Force Participation **- Female (%)	2016	52,5	55,6	49,9	52,1
Gender -Related Development Index Value	2007-2013	0,468	0,801	0,506	0,792
Human Develop. Index (Rank among 187 countries)	2014	172
Popul. Living Below \$ 1.90 a Day (% of Population)	2008-2013	29,0	42,7	14,9	...
Demographic Indicators					
Population Growth Rate - Total (%)	2016	2,4	2,5	1,9	0,4
Population Growth Rate - Urban (%)	2016	3,6	3,6	2,9	0,8
Population < 15 years (%)	2016	42,3	40,9	28,0	17,2
Population >= 65 years (%)	2016	3,0	3,5	6,6	16,6
Dependency Ratio (%)	2016	83,0	79,9	52,9	51,2
Sex Ratio (per 100 female)	2016	103,4	100,2	103,0	97,6
Female Population 15-49 years (% of total population)	2016	23,5	24,0	25,7	22,8
Life Expectancy at Birth - Total (years)	2016	52,3	61,5	66,2	79,4
Life Expectancy at Birth - Female (years)	2016	53,2	63,0	68,0	82,4
Crude Birth Rate (per 1,000)	2016	36,6	34,4	27,0	11,6
Crude Death Rate (per 1,000)	2016	13,1	9,1	7,9	9,1
Infant Mortality Rate (per 1,000)	2015	66,6	52,2	35,2	5,8
Child Mortality Rate (per 1,000)	2015	92,6	75,5	47,3	6,8
Total Fertility Rate (per woman)	2016	4,9	4,5	3,5	1,8
Maternal Mortality Rate (per 100,000)	2015	645,0	495,0	238,0	10,0
Women Using Contraception (%)	2016	21,1	31,0
Health & Nutrition Indicators					
Physicians (per 100,000 people)	2004-2013	14,4	47,9	123,8	292,3
Nurses and midwives (per 100,000 people)	2004-2013	48,3	135,4	220,0	859,8
Births attended by Trained Health Personnel (%)	2010-2015	59,4	53,2	68,5	...
Access to Safe Water (% of Population)	2015	81,9	71,6	89,3	99,5
Healthy life expectancy at birth (years)	2013	47,0	54,0	57	68,0
Access to Sanitation (% of Population)	2015	22,5	39,4	61,2	99,4
Percent. of Adults (aged 15-49) Living with HIV/AIDS	2014	3,5	3,8
Incidence of Tuberculosis (per 100,000)	2014	165,0	245,9	160,0	21,0
Child Immunization Against Tuberculosis (%)	2014	84,0	84,1	90,0	...
Child Immunization Against Measles (%)	2014	63,0	76,0	83,5	93,7
Underweight Children (% of children under 5 years)	2010-2014	15,7	18,1	16,2	1,1
Daily Calorie Supply per Capita	2011	2 799	2 621	2 335	3 503
Public Expenditure on Health (as % of GDP)	2013	1,7	2,6	3,0	7,7
Education Indicators					
Gross Enrolment Ratio (%)					
Primary School - Total	2010-2015	89,6	100,5	104,7	102,4
Primary School - Female	2010-2015	83,6	97,1	102,9	102,2
Secondary School - Total	2010-2015	40,1	50,9	57,8	105,3
Secondary School - Female	2010-2015	33,2	48,5	55,7	105,3
Primary School Female Teaching Staff (% of Total)	2010-2015	25,7	47,6	50,6	82,2
Adult literacy Rate - Total (%)	2010-2015	43,3	66,8	70,5	98,6
Adult literacy Rate - Male (%)	2010-2015	53,3	74,3	77,3	98,9
Adult literacy Rate - Female (%)	2010-2015	32,7	59,4	64,0	98,4
Percentage of GDP Spent on Education	2010-2014	4,7	5,0	4,2	4,8
Environmental Indicators					
Land Use (Arable Land as % of Total Land Area)	2013	9,1	8,6	11,9	9,4
Agricultural Land (as % of land area)	2013	64,8	43,2	43,4	30,0
Forest (As % of Land Area)	2013	32,7	23,3	28,0	34,5
Per Capita CO2 Emissions (metric tons)	2012	0,3	1,1	3,0	11,6



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

last update :

August 2016

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+)

Annex II Situation of Ongoing AfDB Portfolio in Côte-d'Ivoire (UAM)
(end-October 2016)

Project Name	Loan/Grant Amount in UA Million	Approval Date	Signature Date	Disbursed Amount in UA Million	Disbur. Rate	Closing Date
PUBLIC SECTOR PROJECTS						
1. Gourou Basin Integrated Management Project	23.00	24-Nov.-10	10-June-11	17.14	74.51%	30-June-17
2. Agricultural Infrastructure Support Project in Indénié-Djuablin Region (PAIA-ID)	21.60	01-Mar-12	20-Mar-12	12.18	56.41%	28-Feb.-18
3. Liquid Waste Recycling Support Project (African Water Facility)	1.00	4-Sep-13	13-June-14	0.03	2.91%	31-Dec-17
4. Industrial Sector Competitiveness Strengthening Support Project (PARCSI)	10.00	30-Sep-2015	11-Dec-2015	0.15	1.56%	30-Nov-19
5. Social Cohesion Support Programme	30.00	13-June-14	25-June-14	30.00	100.00%	31-Dec-16
6. Bélier Region Agro Industrial Pole Project (PPF)	1.00	17-Oct-14	9-Feb-15	0.29	29.11%	30-June-17
7. Entrepreneurship Development Support Project in Côte d'Ivoire	0.7	16-Dec-14	4-Sep-15	0.03	3.89%	15-Dec-16
8. Emergency Humanitarian Aid against Avian Flu	0.7	23-Dec-2015	6-Apr-2016	-	-	31-Mar-17
9. Value Chains Development Support Project in Indénié Region	4.0	21-Oct-2016	-	-	-	31-Dec-20
Sub-total Public Sector	92.00			59.82	65.00%	
MULTINATIONAL PROJECTS						
10. Project to Interconnect the Electricity Networks of Côte d'Ivoire, Liberia, Sierra Leone and Guinea (CLSG).	33.00	6-Nov-13	22-Nov-13	2.18	6.60%	31-Dec-18
11. Road Development and Transport Facilitation Programme within the Mano River Union	96.63	17-Dec-14	4-June-15	-	-	30-June-20
12. Ebola Response Programme	6.00	1-Oct-2014	1-Oct-2014	6.00	100%	31-Dec-2016
13. Bamako-Zantiebougou-Boundiali-San Pedro Road Corridor Project (CI/Mali)	70.00	26-Nov-15	3- May-2016	-	-	30-June-2021
14. Africa Trade Insurance Adherence Programme (ACA-ATIA)	10.00	23-Sep-15	3- May -2016	-	-	31-Dec-2016
15. Abidjan-Lagos Motorway Development Project Study	1.0	21-Sep-2016	-	-	-	-
Sub-total Multinational Projects	216.63			8.78	4.05 %	
PRIVATE SECTOR PROJECTS						
16..MicroCred Côte d'Ivoire (FAPA: Technical Assistance)	0.7	16-Apr-10	11-June	0.49	69.96%	31-Dec-16
17.Electricity Plant Extension Project (CIPREL)	40.02	24-July-13	14-Aug-13	31.64	78.74%	31-Dec-16
Sub-total Private Sector	40.7			32.13	78.94%	
GRAND TOTAL	349.33			100.73	29.00%	

Annex III Matrix of Consideration of Fragility Factors

Fragility Factors Identified by the Fragility Assessment	Situation, Challenges and Resilience Measures Supported General State Policies with the Support of Technical and Financial Partners (TFP)	Measures supported by 2PAI-BÉLIER Bank Intervention for (2017-2022)
Political, institutional and Security Factors	1. Legitimate Policies and Political Governance (Legitimacy, Inclusion, State Building and Trust in its Institutions)	
	<p><u>Legitimacy:</u> Côte d'Ivoire made significant progress that undoubtedly placed it on the path of sustainable resilience. These achievements include the strengthening of security and stability, economic recovery with impressive growth rates, the implementation of major institutional reforms, an upsurge of stability, the consolidation of social cohesion and strengthening of regional cooperation, among others. The international community continues to laud the Ivorian Government generally for its efforts to restore the institutions and State authority, rebuild infrastructure and revive the country's economy since it came into office in May 2011. Despite these improvements, the post crisis reconstruction is far from over. Ethnic and religious divisions between the mostly Muslim North and the mainly Christian and animist South continues to undermine political stability and underpin the political divide among actors of the Ivorian political stage. Ivorians had less than one month to examine the draft text for the revision of the Constitution, which seriously hampered the public's ability to understand the text before it was passed on 30 October 2016. Ultimately, these constitutional reforms are an opportunity to treat the profound causes of the diverse crises experienced by Côte d'Ivoire. In this regard, all sectors of civil society would have been able to participate in a consensual approach based on an enlightened and inclusive debate. This would have led to less criticism of the text, which would in turn have eased political tensions and lent fresh impetus to the reconciliation process.</p>	<p>The Bélier Region Agro-Industrial Pole Project (2PAI-Bélier) will contribute to restore anchor infrastructure, which is the bedrock of economic recovery, and lift a number of exclusiveness-related obstacles and reduce inter-community tensions generated by land conflicts. The nature of actions that the project plans to support will consolidate Government action nationwide through development activities.</p>
	<p><u>Governance:</u> Over these past years, Côte d'Ivoire undertook a series of actions to improve governance. This process coordinated by the National Secretariat for Governance and Capacity-Building (SNGRC) made it possible to prepare several instruments, including an ethics charter and code of professional ethics for State employees, as well as draft laws on the prevention and fight against corruption, the establishment of a High Anti-Corruption Authority and the establishment of anti-corruption courts. In 2012, an Anti-corruption Squad was set up and a Code of Ethics and Deontology of Treasury employees adopted. On 4 January 2013, Government adopted a National Good Governance and Anti-Corruption Plan (2013-2017). However, the Ivorian administration's capacity remains weak at central and local level in the area of procurement, design, implementation and monitoring of development programmes or projects, and assimilation of the principle of accountability.</p> <p><u>Transparency:</u> Furthermore, despite remarkable progress, the perception of corruption remains high according to Transparency International's Corruption Perception Index (107th position in 2015 against 130th out of 180 countries in 2012) and the recent diagnostic on governance in Côte d'Ivoire carried</p>	<p>The Bélier Region Agro-Industrial Pole Project (2PAI-Bélier) will contribute to improving land system governance in the project target area through land security. It will also strengthen the capacity of the Bélier Region regional directorate of procurement.</p> <p>2PAI BÉLIER will strengthen the Ivorian administration's capacity to award PPP-type contracts through PPF-funded technical assistance.</p>

Fragility Factors Identified by the Fragility Assessment	Situation, Challenges and Resilience Measures Supported General State Policies with the Support of Technical and Financial Partners (TFP)	Measures supported by 2PAI-BÉLIER Bank Intervention for (2017-2022)
	<p>out by the World Bank which revealed that over 90% of respondents consider corruption as one of the most serious problems of the Ivorian society today. Public-private partnerships (PPP) suffer from the lack of a formal consultative framework and are sometimes used unadvisedly for private agreements. Other challenges include the lack of transparency in the management and concession of natural resources, land rights and, increasingly, the State's inability to fight drug trafficking, organized crime and corruption. In fact, the lack of transparency and good governance in public procurements and the extensive land allocated for agricultural, mining operations and forest resource exploitation based on the misuse of private permits are symptoms of major unsolved problems, weak governance of natural resources and persistent weaknesses of the land tenure framework. These issues continue to pose significant challenges for peace and security in rural areas.</p>	
	<p>2. Issues of Security and Violence, Capacity and Performance of the Security Sector</p> <p>Security: Although the security situation in Côte d'Ivoire has greatly improved since 2011, there are still occasional incidents with a destabilization potential that justify continuous efforts to reform the security sector (RSS). Government has shown great political commitment in supporting the implementation of an RSS process. Although progress with this process is staggered, the creation of a National Security Council (CNS), endowed with a secretariat and the publication of "strategies" giving set objectives for the reform allowed for achieving sustained progress. The (flawed) assessment system notably prompts all sector institutions concerned by the reforms to step up their efforts. The passing of the "security and defence" programming laws is an indication that the pace of reforms will be accelerated during President Alassane Ouattara's second term, for the time being focused on less problematic segments. What now remains is to improve relations among the different security forces and especially reform the army to reduce the role of 'comzones' (former zonal commanders) who still exist even though the most influential ones have been partly marginalized. The army will also be made more representative of the Ivorian nation and its cohesion therein strengthened. Like elsewhere, the difficulty for Côte d'Ivoire is overhauling security institutions without politicizing the issue. This problem is real in a country where the last three presidents came to power in a context of armed violence. It is legitimate henceforth to ask oneself how candidates desiring to succeed the current president can be persuaded to abandon this option.</p>	<p>Although the Bélier Region Agro-Industrial Pole Project (2PAI-Bélier) does not contribute directly to the security factor, it provides solutions that mitigate risks that would have worsened the security situation in the project area. By preventing transhumance-related conflicts, the project will support communes to accompany endogenous mechanisms for managing transhumance-related conflicts by putting in place consultative frameworks and drafting local natural resource management conventions.</p>
	<p>3. Justice Sector (Inclusive Access to Justice, Rule of Law and Independence of Justice, Checks and Balances Mechanisms)</p> <p>A weakened judicial system: The crises that occurred in the region had a significant negative impact on the judicial machinery. Already de-structured by diverse causes of fragility, it was manipulated for political ends by all political actors, and seemed thwarted by a lack of independence, corruption, and</p>	<p>Although the Bélier Region Agro-Industrial Pole Project (2PAI-Bélier) does not contribute directly to the justice system, it treats the underlying issue of inclusion,</p>

Fragility Factors Identified by the Fragility Assessment	Situation, Challenges and Resilience Measures Supported General State Policies with the Support of Technical and Financial Partners (TFP)	Measures supported by 2PAI-BÉLIER Bank Intervention for (2017-2022)
	<p><i>inadequate technical and material resources. Thus, after the crises, there was a glaring lack of trust between the system and the people. Aware of this state of affairs, the region's leaders initiated projects at the level of each member country for the reform of the justice sector. To date, significant progress has been achieved even if it remains humble compared to the people's expectations.</i></p>	<p><i>source of social injustice, by bringing on board the vulnerable segments of the population, especially women and youths</i></p>
Economic and financial factors	4. Strengthening the Bases of the Economy and the Resilience of the Population (Equitable Access to Infrastructure and the Benefits of Natural Resources)	
	<p><u>Natural resource management:</u> <i>The management of Côte d'Ivoire's significant natural resources is still far from the desired target for giving its population a better life. The people remain poor although paradoxically the country is rich in natural resources. Côte d'Ivoire is relatively rich with a Gross Domestic Product (GDP) of about USD 31.75 billion in 2015. The current growth trend is mainly attributable to a new extraction of natural resources. As long as firm collaboration measures are not taken to better manage natural resources, the country risks falling victim of the "Dutch disease". Also, the nature of the growth engendered by natural resources is characterized by high, isolationist and fragmented income inequalities.</i></p>	<p><i>The Bélier Region Agro-Industrial Pole Project (2PAI-Bélier) strengthens technical and managerial capacity to tap land and water resources, which will contribute to improving natural resources management. The project envisages measures to support the capacity building of institutions involved in water and soil management as a means of improving resource management in the project area (irrigation schemes and drinking water point users groups).</i></p>
Social Factors: Poverty and Inequality	5. Greater Mobilization of Resources to Develop Job- and Income-Generating Opportunities and Inclusive Access to Basic Social Services, Based on the Crucial Role of the State, Better Financial Governance and an Appropriate Refocusing of the State's Functions	
	<p><u>Inequalities:</u> <i>The widening social gap created by years of crisis fanned the embers of identity/ethnic tensions and land conflicts. Despite the return to calm and appeals for national reconciliation made by the new authorities and the international community, the social fabric remains fragile in some regions and urban areas. Wide disparities are observed between areas and regions. Regional disparities are flagrant and rural areas are the hardest hit by poverty. Similarly, the regions of the North, West and North-West experience similarly precarious conditions. Youths and women are particularly affected by socio-economic difficulties. Hence, it is necessary to pursue efforts for a lasting reconciliation, a return to social cohesion and inclusive growth, the guarantee of stability and prosperity for all Ivorians. Apart from that, the thorny issue of articulation between rural land and ethnicity feeds feelings of insecurity in local populations confronted by the illegal occupation and appropriation of their land. Thus, in spite of the law, control over land is a source of community and inter-generational tensions. This time bomb must be treated urgently at the political, legal and cultural levels to prevent it from becoming a source of another crisis in the country.</i></p>	<p><i>The Bélier Region Agro-Industrial Pole Project (2PAI-Bélier) provides answers to correct the spatial inequalities accumulated over the last twenty years and create a new impulse for balanced regional development. It will contribute to implement the 1998 land tenure law to reduce tension on land. Moreover, the project will strengthen the capacity of local authorities to fully play the role conferred on them by the law on decentralization.</i></p>
	<p><u>Sources of revenue:</u> <i>The economy's dependence on the cocoa-coffee sector is a source of fragility. Cocoa is Côte d'Ivoire's main economic resource, accounting for 40% of global</i></p>	<p><i>The Bélier Region Agro-Industrial Pole Project (2PAI-Bélier) focuses essentially on food sub-sectors,</i></p>

Fragility Factors Identified by the Fragility Assessment	Situation, Challenges and Resilience Measures Supported General State Policies with the Support of Technical and Financial Partners (TFP)	Measures supported by 2PAI-BÉLIER Bank Intervention for (2017-2022)
	<p><i>production. Coffee and cocoa contribute 20% and 40% respectively to GDP formation in export earnings. Both products are a stake for the survival of about 4 million people, or 25% of the Ivorian population. The sector occupies over half of the country's labour force, including a high proportion of women, and remains one of the key drivers of economic growth. Although the Ivorian State has re-instated the guaranteed price for producers, the volatility of world market prices of cocoa-coffee can always hurt the country's economy, with serious social consequences. Many studies have revealed that "countries whose economies depend on the export of a limited number of primary commodities are more likely to be politically fragile" and marked by conflicts. That has been demonstrated in Côte d'Ivoire where, in a context of scarcity of land, the race for the forest for the production of coffee and cocoa stands as one of the main causes of land conflicts and hence of the Ivorian social malaise.</i></p>	<p><i>which will contribute to diversifying the sources of revenue for the Ivorian economy. The high-potential agro-industrial sub-sectors targeted by the project (rice, maize, cassava, market gardening) will be the engines of growth with the processing of primary products, which will contribute to reducing the economy's dependence on the coffee-cocoa sector.</i></p>
	<p><u>Regulatory framework (Role of the State in the provision of services):</u> Côte d'Ivoire has the advantage of having a stock of infrastructure that has historically been of good quality even if its quality has deteriorated due to the conflict. Obstacles to the development of infrastructure to improve the quality of services provided by the State vary in importance depending on the sector of activity. Although progress is noted in the ICT sector despite still significant regional disparities, sectors referred to as public utilities (water, wastes, electricity and transport) are struggling to take off due to the absence of rapid and efficient actions and late financing. The unbalanced distribution of public services among the regions and segments of the population is another factor of fragility that can, in the long run, jeopardize the ongoing consolidation of social cohesion if corrective action is not taken.</p>	<p><i>The Bélier Region Agro-Industrial Pole Project (2PAI-Bélier) is in line with a multisector-based approach whose activities will increase the number of socio-economic infrastructure in the project area and the number of persons or households having access to public easements regarding drinking water, electricity, information and communication technologies, transport, education, health and markets.</i></p>

Annex IV Justification of the Level of Côte d'Ivoire's Counterpart Contribution to the Project Financing

The proposed project will be financed jointly by the Bank and the Ivorian Government. The Bank's contribution covers 82.5% of the total project cost, net of taxes and customs duty, through an ADB loan of UA 50.56 million, an ADF grant of UA 3.4 million and an ADF loan of UA 26.04 million. The counterpart contribution is estimated at UA 17 million, or about 17.5% of the project cost. The level of the counterpart contribution was determined by mutual agreement with the Government based on three criteria enumerated below, pursuant to the provisions of Section 4.2.2 of the Bank Group Policy on Expenses Eligible for Bank Group Financing (revised version of 19 March 2008) namely:

i) Country commitment to implement its development programme

After implementing the first National Development Plan (PND 2012-2015, extended to 2016) whose objective was to lay the foundation for emergence after the 2011 post-electoral crisis, Côte d'Ivoire recently adopted its second National Development Plan (PND 2016-2020) whose main objective is to take the country to emergence by 2020, thanks to a workable strategy. PND 2016-2020 hinges on the following strategic thrusts: (i) Strengthen the quality of institutions and governance; (ii) Accelerate human capital development and social welfare; (iii) Accelerate structural economic transformation through industrialization; (iv) Develop infrastructure harmoniously distributed across the country and preserve the environment; and (v) Strengthen regional integration and international cooperation. The cost of PND 2016-2020 is estimated at CFAF 30,000 billion.

Actions undertaken in the agricultural sector under PND 2012-2015 via the National Agricultural Investment Programme (PNIA), made it possible to strengthen the institutional framework, ensure the alignment of interventions and undertake infrastructure development works. Thus, 8 out of 12 dams and 130 of the 200 planned water catchment works were built, 1,050 ha of marshy areas developed and 21,100 km of roads rehabilitated. Furthermore, reforms in the cocoa-coffee and cotton-cashew nut sub-sectors allowed for their better structuring and higher income distributed to farmers who henceforth receive 60% of the CIF price. As part of land management, 969 land certificates representing a total surface area of 44,429 ha were issued. These reforms enabled the agricultural sub-sectors to register robust growth in terms of production, farmers' income and creation of direct jobs (633,562 jobs in 2014). Food production increased from 10,946,604 tonnes in 2011 to 15,256,030 tonnes in 2015, corresponding to an average annual growth rate of 13%. Cocoa exports rose from 1,429,011 in 2012 to 1,570,000 in 2015, and cashew nuts from 400,000 tonnes in 2011 to 661,000 tonnes in 2015 (which makes the country the world's leader). The agricultural sector benefited from 5% of public investments during the 2012-2015 period. The growth rate of the agricultural sector was about 5.7% between 2011 and 2015, and is getting close to the objective of 7% set by 2017.

ii) Financing that the country allocates to sectors targeted by Bank assistance

The estimated cost of PND 2016-2020 is CFAF 30,000 billion, of which CFAF 11,284 billion for the public sector (including non-profit-making institutions). Private investments absorb CFAF 18,716 billion or 62.4% of total investments. Strategic Thrust (iii) '*Accelerate the structural transformation of the economy through industrialization*' adopts agriculture as the growth-bearing sector that generates the most jobs and contributes to the structural transformation of the economy, especially through: (i) an improvement of the quality of products; (ii) agro-industrial activities with a greater potential to create jobs and value added; and (iv) acceleration of agricultural sector modernization and productivity improvement. For the 2016-2020 period, it envisages growth rates of 2.4%, 1.2% and 7.3% respectively for foodstuff, cash crops (coffee, cocoa, rubber) and agro-

food products with an objective of transforming 50% (against 30% currently) of agricultural produce by 2020, with the agro-food sector growing by 7.3%. The National Agricultural Investment Programme (PNIA-2010-2016) covers priority activities in development sectors for crop, livestock and fishery products. It falls within the global framework of the common ECOWAS/PDDAA agricultural policy, which aims to guide regional and national efforts in the agricultural sector so as to guarantee a 6% growth and at least 10% budgetary allocation to the sector (Maputo Commitment). PND resources to strategic thrust (iii) stand at CFAF 12,400 billion including CFAF 1,659 billion to the agricultural sector and CFAF 3,780 billion to agro-industry and mines.

iii) Country's budgetary situation and debt level

The fiscal policy, inscribed in a medium-term expenditure framework, is based on an increase in expenditure necessary for financing infrastructure and other development needs in a post-conflict context. The primary balance has virtually been at equilibrium over the last couple of years, while the global balance stands at around 3% of GDP, financed by recourse to regional and international financial markets. The country's post-conflict context will continue to overstretch public finances, given the enormous social and economic (re)construction and (re)integration works but also the accelerated development plans listed in the PND 2016-2020.

The tax pressure ratio estimated at 15.3% of GDP at end-2015 is expected to improve based on 2016 estimates. Revenue forecasts of the 2016 budget comprise 80.3% of domestic resources and 19.7% of external resources. Expected external resources are CFAF 988.5 billion – of which 69.8% from project loans and 30.2% from budget support.

Debt restructuring undertaken as part of the HIPC Initiative made it possible to keep the debt-to-GDP ratio at 45.6% in 2015, with external public debt servicing representing 12% of State receipts. The country's debt remains sustainable judging from the debt sustainability analysis undertaken by the IMF in 2015 and the country risk assessment conducted the same year by AfDB. The 2015-2019 Medium-Term Debt Management Strategy (SMDT), adopted in 2014, will help to preserve debt sustainability even if future accumulations, in particular of non-concessional debts, must take into account the need to avoid the concentration of maturities around the mid-2020, and explore solutions for mitigating the refinancing risk.

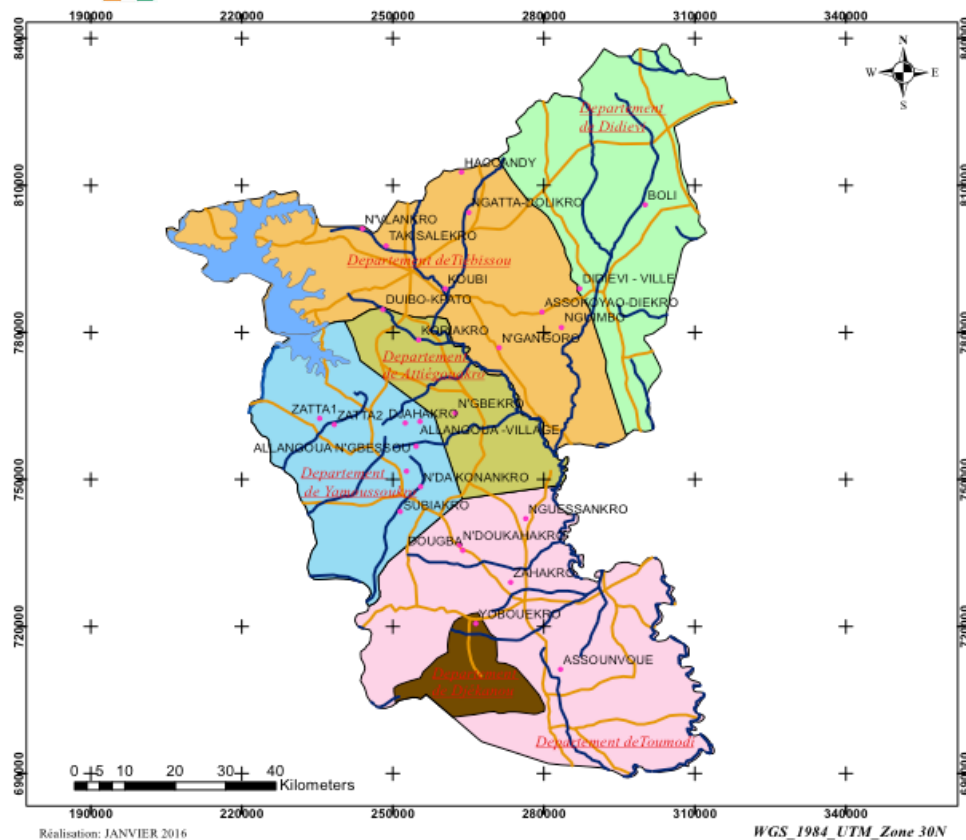
Côte d'Ivoire's financial resources will be insufficient to sustain its economic growth and make it an instrument for improving the living conditions of the population as planned by Government in PND 2016-2020, given the huge financing needs to fund necessary investments. More substantial contributions coming from development partners, including the Bank, will allow for mitigating the risk of not carrying projects through due to State budgetary difficulties.

Annex V Map of the Project Area

REPUBLIQUE DE COTE D'IVOIRE
Union-Discipline-Travail

CARTE DE SITUATION DE LA ZONE DU PROJET

MINISTERE DE L' AGRICULTURE
Projet de Pole Agro-Industriel dans
la region de Belier (2PAI-B)



Legende

- Sites
- Retenue d'eau
- Cours d'eau
- Routes
- Departement de Djékanou
- Departement de Yamoussoukro
- Departement de Attiéguakro
- Departement de Tiébissou
- Departement de Toumodi
- Departement de Didievi

Groupeement :

