



# Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 30-Sep-2021 | Report No: PIDA31342

**BASIC INFORMATION****A. Basic Project Data**

Country Gambia, The	Project ID P173070	Project Name Gambia Inclusive and Resilient Agricultural Value Chain Development Project (GIRAV)	Parent Project ID (if any)
Region AFRICA WEST	Estimated Appraisal Date 04-Oct-2021	Estimated Board Date 24-Nov-2021	Practice Area (Lead) Agriculture and Food
Financing Instrument Investment Project Financing	Borrower(s) Republic of The Gambia	Implementing Agency Ministry of Agriculture	

**Proposed Development Objective(s)**

The Project Development Objective (PDO) is to promote the development of inclusive, resilient, and competitive agricultural value chains, focusing on smallholder farmers and agribusinesses in project target areas.

**Components**

Component 1: Improving the business environment for commercial agriculture development  
Component 2: Building a productive and climate-resilient agri-food system  
Component 3: Mobilizing productive private investments along the value chains  
Component 4: Project coordination, monitoring and knowledge management  
Component 5: Contingency Emergency Response

**PROJECT FINANCING DATA (US\$, Millions)****SUMMARY**

<b>Total Project Cost</b>	47.91
<b>Total Financing</b>	47.91
<b>of which IBRD/IDA</b>	40.00
<b>Financing Gap</b>	0.00

**DETAILS****World Bank Group Financing**



International Development Association (IDA)	40.00
IDA Grant	40.00

**Non-World Bank Group Financing**

Counterpart Funding	7.91
Borrower/Recipient	4.00
Local Beneficiaries	3.92

Environmental and Social Risk Classification

Substantial

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)



## B. Introduction and Context

### Country Context

**1. The Gambia is among the poorest and most fragile countries in the world.** The country depends on foreign aid to balance its budget, and its poverty levels remain high (see the summary socio-economic data in Table 1). According to the last Integrated Household Survey (IHS) 2015/16, 48.6 percent of Gambian households are living below the poverty line of US\$1.25/day.<sup>1</sup> Rural poverty stands at 70 percent against 32 percent in urban areas. The Human Development index (HDI) ranking for The Gambia is 172 out of 189 countries.<sup>2</sup>

**2. The Gambia is emerging from a dire economic situation inherited from the previous regime.** Its recent economic performance has been good overall, revived by a more stable macroeconomic context, the recovery of trade and tourism, stronger investor interest, and a resumption of aid inflows.

**3. The Gambia's macroeconomic situation remains fragile amid the evolving COVID-19 pandemic.** The many severe economic impacts of the pandemic include: (i) the collapsed tourism sector, which delivered more than 20 percent of GDP prior to the pandemic but experienced a 62.4 percent drop in flight arrivals; (ii) the resulting closure of hotels and restaurants, which dragged down related services and industries; (iii) disruptions in import and export trade; (iv) declining food demand, as restrictions on mobility and disruptions in supply led to a year-over-year food price increase of 10.0 percent in 2021; and (v) delays in implementing investment projects. Growth in agriculture (5 percent) and industry (6.5 percent) over 2020 helped The Gambia to avert a recession, but with the trade disruptions and steep decline in tourist arrivals, GDP for 2020 is estimated at 0 percent compared to the projected 6.3 percent. The presidential elections scheduled for December 2021 could make it harder to implement difficult but necessary structural reforms, which could in turn exacerbate existing fiscal risks. COVID-19 threatens livelihoods and weakens dynamics that reduce poverty, including job creation and human capital accumulation. The economic crisis will most probably last through 2022. The recovery is projected to be slow while successive waves of the pandemic continue to create uncertainty.

**Table 1: Outlook in 2020: The Gambia**

Population, million	2.4
GDP, current US\$ billion	1.9
GDP per capita, current US\$	788.1
International poverty rate (\$ 19) <sup>a</sup>	10.3
Lower middle-income poverty rate (\$3.2) <sup>a</sup>	38.4
Upper middle-income poverty rate (\$5.5) <sup>a</sup>	72.7
Gini index <sup>a</sup>	35.9
School enrollment, primary (% gross) <sup>b</sup>	101.7
Life expectancy at birth, years <sup>b</sup>	61.7

Source: WDI, Macro Poverty Outlook, and official data.

Notes:

(a) Most recent value (2015), 2011 PPPs.

(b) WDI for school enrollment (2019); life expectancy (2018).

### Sectoral and Institutional Context

**4. The Gambian economy is heavily dependent on agriculture.** Even though its share of total GDP has decreased over the last decade, agriculture retains a crucial role in economic growth in The Gambia. The sector contributes around 20 percent of GDP and generates 30 percent of all foreign exchange earnings. Agriculture is the main source of livelihood for 80 percent of the rural population, and according to the last IHS, the sector employs nearly half—46 percent—of the country's labor force, including an estimated 72 percent of the poor and 91 percent of the extreme poor.

**5. The performance of the agri-food sector has been poor and erratic.** Between 2008 and 2019, average annual growth in agriculture value added was 1.46 percent, lower than in neighboring countries (6.93 percent in Senegal and 5.04 percent in Guinea). Yet the sector grew by 5 percent in 2020, when regular and sufficient rainfall coincided with improved access to quality inputs provided by the Government of The Gambia (GoTG) in response to the pandemic. Overall, agricultural growth has been driven by the expansion of cultivated land at an estimated 2 percent per year,

<sup>1</sup> Gambia Bureau of Statistics. 2017. Integrated Household Survey 2015/2016. Volume III: Prevalence and Depth of Poverty. Banjul.

<sup>2</sup> Gambia's 2019 HDI of 0.496 is below the average of 0.513 for countries in the low human development group and below the average of 0.547 for countries in SSA. See [http://hdr.undp.org/sites/all/themes/hdr\\_theme/country-notes/GMB.pdf](http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/GMB.pdf).



commensurate with the increase in the rural population.

**6. Agriculture in The Gambia is dominated by subsistence-oriented rainfed crop and livestock production systems.**

The national food supply is produced by smallholders, whose production systems are vulnerable to climate-related crises such as the droughts and floods that cause significant fluctuations in food availability and prices. Marketable surpluses are low, with a food self-sufficiency ratio of about 50 percent. Less than 3 percent was under irrigation, despite the availability of important water resources (Gambia River), and less than 1 percent was under permanent crops. The private sector still contributes very little to the development of agribusiness.

**7. An overly complex land tenure system prevents secure access to land.** Uncertainties regarding land acquisition and leasing for commercial purposes reduce the incentives for private investment in land-related businesses. These uncertainties also affect farmers' behavior, especially if they have borrowed or leased farmland. Customary land right systems are also highly inequitable from a gender perspective, and women's rights to land, although mandated by the Land Act, are not sufficiently implemented in rural areas. A top priority identified in The Gambia Land Governance Assessment Framework (Bensouda 2013) is to develop a clearly articulated and integrated national land policy, with proposals and implementing legislation to strengthen women's land rights.

**8. Women are key actors in the Gambian agri-food sector, but gender disparities constrain their productivity.**

Although the agricultural labor force is largely female (67 percent), gender disparities, socio-cultural pressures, and constraints in education, health, income, voice, and legal rights prevent rural women from participating effectively in Gambian agriculture and its development<sup>3</sup>. Despite progress in recent decades, women's voice/agency in policy making is still weak, and their representation in key rural institutions such as cooperatives and other value chain organizations is scant. Low female education levels<sup>4</sup> and binding constraints in women's agricultural activities—including lack of secure access to, ownership of, and control over land, along with limited access to quality inputs, technologies, innovations (including irrigation and equipment), finance, and markets—hamper women's capacity to initiate and expand viable agricultural enterprises.

**9. The Food and Agriculture Organization of the United Nations (FAO) classifies The Gambia as “a Low-Income Food Deficit Country” facing severe food security challenges from the household to the national level.**

Agricultural output covers only half of the country's domestic consumption needs, with decreasing food production per capita leading to increased food imports. Currently food imports represent about 30 percent of national imports, consisting mostly of rice, meat, and processed food valued at around US\$450 million.<sup>5</sup> Nearly 80 percent of national rice consumption is met through imports. In 2019, imports of milled rice amounted to over 200,000 metric tons for a value of US\$50 million, corresponding to 3.0 percent of total GDP. In contrast, agricultural exports are very small. Valued at US\$6 million, agricultural exports represent 33 percent of total exports and consist mostly of groundnuts (26 percent), fish (24 percent), and small but growing quantities of cashew nuts and fruits, particularly mangoes (14 percent).

**10. Beyond food security, malnutrition is a major public health problem in The Gambia, with especially serious consequences among women and children.**

Micronutrient deficiencies (iron, vitamin A, and iodine) are highly prevalent throughout the population. The majority of Gambian women, especially in rural areas, are persistently energy deficient due to poor diets, heavy workloads, and frequent infections. The government's comprehensive National Nutrition Policy for 2018–25 is aligned the second Sustainable Development Goal (SDG) and aims to end all forms of malnutrition. These efforts should be actively pursued by increasing domestic agricultural production and productivity, with a particular focus

<sup>3</sup> Agricultural production features a distinct gender division of labor. Men primarily grow sorghum, millet, maize, and groundnuts, while women primarily grow lowland rice. As noted, women are also very active in small-scale horticultural production for home consumption and sale at local markets to earn a little cash income. Women also raise and manage most of the small ruminants and rural poultry.

<sup>4</sup> Compared to 49 percent of men, 62 percent of Gambian women have no schooling. Adult female literacy is 34 percent.

<sup>5</sup> International Trade Centre (2019).



on women farmers.

**11. The COVID-19 pandemic could worsen food and nutrition security throughout The Gambia.** The pandemic has starkly demonstrated how critical it is for The Gambia, like other African countries, to invest in building a more resilient agricultural sector with the capacity to increase domestic production and reduce the dependency on imported food.

**12. In rural Gambia, agriculture and agribusiness could become robust engines of inclusive growth and job creation.** The country has the potential to achieve huge gains in productivity and market share, given its rich natural resource endowment and strong domestic, regional, and international demand for its agricultural products, including rice, groundnuts, cashews, vegetables, and fruits. With rapid population growth (2.94 percent), domestic demand for food will rise by an estimated 4–5 percent per year, and an increasingly urban and prosperous population will consume not only more staple foods (rice) but more high-value foods, such as fresh fruits, vegetables, and livestock products. The tourism sector presents an important market opportunity that can be satisfied by improving the conditioning, processing, packaging, and marketing of agricultural products. Other substantial and much-needed growth opportunities for Gambian agriculture and agribusiness include: (i) the substitution of domestically produced foods for imported foods; (ii) the further development of agricultural exports; and (iii) the heightened interest of private investors, with more than 50 micro, small, and medium enterprises (MSMEs) engaging in agribusiness and more than 20 organizations of agricultural producers and value chain actors. The National Export Strategy targets groundnuts, cashews, horticultural crops, and fish as the most promising sources of export growth. These commodities, with the inclusion of rice and poultry to substitute for imports, have also been identified as promising targets in the updated World Bank Diagnostic Trade Integration Study (2013) and the more recent World Bank/International Finance Corporation (IFC) Agribusiness Deep Dive (April 2019) and World Bank Agriculture Engagement Note (2019).

**13. To unlock the potential of the agriculture and agribusiness sector, The Gambia will need to address several constraints:** (i) a poor business environment with few incentives for private investment and weak value chain organization; (ii) limited access to finance for smallholders and SMEs; (iii) low productivity due to limited access to inputs, technologies and extension services; (iv) vulnerability to climate change; (v) the safety and quality control system for agricultural products cannot provide services for consumers or producers; (vi) inadequate marketing infrastructure for pooling, handling, storing, cooling, and shipping agricultural products; (vii) inadequate road transport infrastructure and services.

**14. The government has undertaken many efforts to address these challenges, often supported by development partners, but new approaches are needed to release agriculture and agribusiness from the vicious circle created by low productivity on small farms with limited market access.** National policy and strategy documents have consistently advocated the emergence of a commercially oriented agriculture, driven by market-oriented agri-firms that can provide the leadership to integrate smallholders in organized and efficient value chains. One of the eight strategies priorities in the more recent National Development Plan (NDP) 2018–21 is to develop “*a modern, sustainable, and market-oriented agriculture and livestock sector for increased food and nutrition security, income and employment generation, poverty reduction, and economic transformation.*” This goal is the central objective of the Second Generation National Agricultural Investment Plan—Food and Nutrition Security (GNAIP II–FNS) 2019–26 and of Gambia’s Agricultural Transformation Program (GATP 2020–30). It has acquired added urgency with the COVID-19 crisis.

### C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

The Project Development Objective (PDO) is to promote the development of inclusive, resilient, and competitive agricultural value chains, focusing on smallholder farmers and agribusinesses in project target areas.



## Key Results

**15. The PDO-level performance indicators are:** (i) Increase in the volume of marketed output by project direct beneficiaries (*percentage, disaggregated by gender, smallholders, and Small and Medium Enterprises–SMEs*); (ii) Increase in productivity of targeted agricultural commodities by project direct beneficiaries (*percentage*); (iii) Farmers and other value chain actors reached with agricultural assets or services (*core indicator–number, gender disaggregated*); and (iv) Farmers and other value chain actors using/adopting climate-smart technologies (*number, disaggregated by gender*).

**16.** *PDO indicators (i) and (ii) capture the competitiveness outcome, while indicators (iii) and (iv) measure the inclusiveness and resilience outcomes, respectively.*

## D. Project Description

**17.** The project will consist of three interlinked and sequenced technical components, organized to address the key binding constraints for the development of the agriculture and agribusiness sector: (i) Improving the business environment for commercial agriculture development; (ii) Building a productive and climate-resilient agri-food system; and (iii) Mobilizing productive private investments along the value chains. A fourth component (Project implementation and coordination) will focus on project operations. These are described below and further detailed in Annex 1.

**Component 1. Improving the business environment for commercial agriculture development (US\$19.5 million—US\$18 million from IDA and US\$1.5 million from GoTG)**

**18.** The objective of Component 1 is to establish an enabling environment that can foster private investment and build a competitive and sustainable commercial agriculture/agribusiness sector in The Gambia. This aim will be achieved by: (i) strengthening the capacity of the key organizations engaged in agri-food value chains and improving value chain coordination and partnership between actors; (ii) developing critical marketing infrastructure; (iii) improving rural connectivity; and (iv) strengthening quality and sanitary and phytosanitary control systems. In addition, this component will improve the capacity and resources available to enhance climate-informed decision making in the selected agri-food value chains through promoting climate-informed business plan development, prioritizing climate-smart investments, enhancing partnerships and encouraging dialogue on climate issues.

**19. Subcomponent 1.1: Strengthening the capacity of key organizations and improving value chain coordination and partnership (US\$2 million, IDA).** In cooperation with IFC, Subcomponent 1.1 will focus on the following activities:

- (a) **Strengthening producer and professional organizations.** This activity will provide technical assistance, training, coaching, and mentoring to men and women involved in the target value chains.
- (b) **Enhancing value chain coordination and partnership.** This activity will strengthen coordination along the target value chains to increase their efficiency and facilitate partnerships between their actors to respond to market demand/opportunities. In addition, this activity will assess climate risks impacting the selected value chains and prioritize adaptation and mitigation measures to address these risks and integrate climate considerations in value chain development.
- (c) **Strengthening the capacity of the Gambia Investment and Export Promotion Agency (GIEPA)<sup>6</sup> and GCCI for mobilizing, facilitating, and monitoring private investments in agriculture and agribusinesses.** This activity,

<sup>6</sup> GIEPA is the national agency responsible for promoting and facilitating investment, business, and export development and support to MSMEs and regulating designated export processing zones in The Gambia. Its nine-member [Board of Directors](#) consists of four representatives from the private sector and four from the Ministry of Commerce, Ministry of Finance, Ministry of Education, and Office of the President, as well as the [Chief Executive Officer](#) of GIEPA.



conducted in cooperation with IFC, will equip GIEPA to serve as an efficient one-stop shop to promote and support domestic and foreign investment in agriculture. This activity will specifically prioritize climate-smart investments to enhance adaptation to climate risks and measures to improve climate mitigation in the sector, specifically in the selected value chains.

(d) **Supporting public-private dialogue on specific issues and reforms required for the development of commercial agriculture.** Examples include, among others: (i) secure access to land by supporting women and youth to obtain official land transfer certificates from local land authorities, (ii) incentives for ensuring the competitiveness of agricultural value chains, enhancing climate resilience, improving the agribusiness environment, and promoting private investment; and (iii) infrastructure management and maintenance to ensure its sustainability and resilience to climate impacts.

**20.** This subcomponent will be implemented by the Central Projects Coordination Unit (CPCU) in partnership with GCCI, under the joint supervision of the Ministry of Agriculture and Ministry of Trade, Industry, Regional Integration, and Employment (MOTIE), and with support from IFC advisory services and a specialized service provision firm.

**21. Subcomponent 1.2: Developing critical marketing infrastructure (US\$4.5 million—US\$4 million from IDA and US\$0.5 million from GoTG).** Subcomponent 1.2 will support the establishment/improvement of aggregation/logistics platforms (bulking, storage, conditioning/processing) at critical locations in the project areas, based on key needs identified in consultations with value chain actors. Subcomponent 1.2 will finance: (i) the technical assistance for carrying out the feasibility studies of the proposed aggregation/logistics platforms; (ii) their construction; and (iii) tailor-made technical and financial assistance to bring these markets to their full operational capacity and breakeven points (possibly including support from the project, on a declining basis, of their operating costs during the start-up phase). This subcomponent will be implemented by the CPCU in partnership with GCCI, GIEPA, leaders of value chain organizations, and local authorities.

**22. Subcomponent 1.3: Strengthening quality and sanitary and phytosanitary control systems (US\$3 million—all from IDA).** Subcomponent 1.3 will contribute to establishing the minimum platform for a coherent food safety and quality control system, which is critical for Gambian agricultural products to access export markets and for managing food health risks for Gambian consumers. Planned investments will complement past and ongoing activities in food safety and quality and focus on three levels of activity: (i) strengthening the institutional and regulatory framework for food quality control and SPS management; (ii) improving key laboratories; and (iii) supporting value chain-specific compliance schemes. Subcomponent 1.3 will finance the technical assistance, equipment, training, and consultations/workshops required to support these activities. It will be implemented by the CPCU, in partnership with Food Safety and Quality Authority of The Gambia (FSQA) under the supervision of MOTIE. This subcomponent will provide a sound basis for the tailor-made support in this area given to specific investors/investments under Component 3.

**23. Subcomponent 1.4: Improving rural connectivity (US\$10 million—US\$9 million from IDA and US\$1 million from GoTG).** The Gambia's poor road network is a major constraint on access to markets for smallholders and SMEs, leading to high post-harvest losses and transportation costs. Feeder roads have been severely impacted by climate change impacts, such as excessive flooding. The project aims to alleviate these constraints by developing and rehabilitating feeder roads, accompanied by a maintenance program to ensure sustainability and adapt to climate change impacts. The project will finance the development/rehabilitation of about 200 km of feeder roads. Subcomponent 1.4 will be implemented by the National Roads Authority (NRA) through private civil works contractors recruited through competitive bidding under the coordination and fiduciary responsibility of the CPCU.

**Component 2: Building a productive and climate-resilient agri-food system (US\$10 million—US\$9 million from IDA and US\$1 million from GoTG)**



**24.** The objective of Component 2 is to increase agricultural productivity through climate-smart intensification of selected production systems, focusing on enhancing water management and fostering access to improved climate smart agriculture technologies and innovations. This objective will be attained through two subcomponents, as follows.

**25. *Subcomponent 2.1: Promoting modern irrigation in women and youth-led agribusiness firms (US\$5.7 million—US\$5 million from IDA and US\$0.7 million from GoTG).*** Building on GCAV achievements, this subcomponent will promote the development of new agribusiness firms led by women and youth (ages 18–35); these businesses will be equipped with greenhouses and modern irrigation technologies to produce horticultural crops using climate-smart practices. The special focus on women, who are already major actors in Gambian horticultural value chains, will help them shift from traditional subsistence-oriented community vegetable gardens to market-oriented firms producing high-quality horticultural products, leading to greater commercial activity in agriculture, improved climate resilience, and increased producer incomes. In the same vein, to attract young women and men to agribusiness, this subcomponent will promote modern youth-led firms, equipped with greenhouses and automatic irrigation and fertigation systems. Along with rural youth, young graduates from agricultural and business schools will be targeted, supported, and incubated in existing agribusiness SMEs to become agri-entrepreneurs. This subcomponent will fully equip 20 women-led agribusiness firms and 20 youth-led agribusiness firms, each operating 5 hectares (for a total of 200 hectares, 100 for women and 100 for youth). Secure access to land will be negotiated with local authorities. This subcomponent will be implemented by the CPCU, with support from the contracted firms and in partnership with the Soil and Water Management Service and National Entrepreneurship Development Initiative (NEDI), which gained experience as successful partners under Gambia Commercial Agriculture and Value Chain Management Project (GCAV - P125024).

**26. *Subcomponent 2.2: Increasing access to technology, innovation, and advisory services (US\$4.3 million—US\$4 million from IDA and US\$0.3 million from GoTG).*** Subcomponent 2.2 aims to increase access to and wide-scale adoption of improved climate-smart technologies, innovations, and advisory services adapted to the needs and scale of farmers and SMEs, to increase productivity, competitiveness, and resilience at the farm level as well as downstream in the target value chains. Building on the solid foundation established under WAAPP, and in partnership with West and Central Africa Council for Agricultural Research and Development (CORAF), local producer organizations, and research and extension services, this subcomponent will finance: (i) the introduction, distribution, and in some cases multiplication of genetic material to increase its availability and reduce its cost to producers, including certified seed of improved varieties for target value chains (rice, horticulture, maize, and so on), and improved genetic material for poultry (day-old chicks); (ii) strengthening of the public seed control/certification system; (iii) the transfer, demonstration, and dissemination of improved technologies and innovations developed across the region; (iv) technical assistance, scientific exchange visits, training, and equipment for the National Agricultural Research Institute (NARI), and public and private advisory services to strengthen technology transfer systems; and (v) the development of an e-extension platform using digital solutions to modernize advisory services and extend their outreach, particularly in this pandemic period. This subcomponent will be jointly implemented by National Seed Secretariat (NSS); the Directorates of Agriculture, Livestock, and Horticulture; NARI; and CORAF, in partnership with the organizations of producers and other value chain actors.

**Component 3: Mobilizing productive private investments along the value chains (US\$13.9 million—US\$10 million from IDA and US\$3.9 million from beneficiary contributions)**

**27.** Component 3 will support private investments in productive activities and related services by addressing the major market failures that constrain the financing of investments in agricultural value chains. It will: (i) develop the capacity of partner financial institutions (FIs) to scale up their financing of agri-food value chain actors by building FIs' knowledge of the sector and capacity to evaluate agricultural investment proposals; (ii) establish a matching grant instrument to co-finance competitively selected private productive investments; and (iii) provide technical assistance and capacity building to strengthen technical, entrepreneurial, and management skills of smallholders and SMEs.



**28. Subcomponent 3.1: Building the operating capacities of partner financial institutions (US\$0.5 million—all from IDA).** This subcomponent will enhance access to commercial credit for agri-food value chain actors. The project will identify partner FIs interested in growing this segment of their portfolio and help them, through technical assistance, to develop: (i) methodologies for more accurately assessing the creditworthiness of agricultural investments and investors, especially SMEs (for instance, innovative digital credit scoring mechanisms) and (ii) financing instruments better tailored to the cash-flow needs and other specific features of agricultural investments and SME investors (in particular appropriate repayment schedules, including grace periods if necessary). This subcomponent will finance the costs of the specialized service providers that will be recruited to deliver these capacity-building activities based on specific needs expressed by partner FIs. It will be implemented by the CPCU in close collaboration with the Central Bank of The Gambia.

**29. Subcomponent 3.2: Co-funding productive investments to leverage private capital mobilization (US\$12.9 million—US\$9 million from IDA and US\$3.9 million from beneficiary contributions).** Subcomponent 3.2 will co-finance competitively selected productive investment subprojects (PISs) developed by small private investors (individuals or groups) and agribusiness SMEs. These subprojects will focus on agricultural production, marketing, processing, or service provision in the target geographical areas and value chains. Additionally, on a case-by-case basis, this subcomponent will co-finance promising subprojects in any part of the country based on the investment's prospective impact on the local economy and contribution to the PDO. Subprojects using climate-smart technologies will be strongly encouraged and prioritized, with a target that at least 50 percent of the PISs will use these technologies. Project funding will be provided under a single grant mechanism composed of two separate windows:

**(a) Window 1 (US\$5 million of matching grants).** This window will target small investments by individuals or groups of producers, traders, processors, and service providers. It will be divided into two subsidiary windows accommodating PISs promoted by (i) individuals and (ii) groups. In total, window 1 will provide matching grants of up to 80 percent of the cost of the PIS, up to a maximum of US\$10,000 for the investment subprojects of individuals and US\$20,000 for those of groups. Beneficiaries will contribute at least 20 percent of the subproject cost in cash (either their own equity and/or a commercial loan). To receive funds, PIS beneficiaries will be required to have an account with a commercial bank or micro-finance institution (MFI). In total, it is estimated that window 1 will co-fund at least 500 PISs promoted by individuals and 100 PISs promoted by groups.

**(b) Window 2 (US\$4 million of matching grants).** This window will target larger investments by agribusiness SMEs all along the target value chains, particularly SMEs involved in processing and marketing high-value and high-quality produce for domestic and export markets. It will co-fund approximately 10 PISs promoted by SMEs and will provide matching grants of up to 60 percent of the total cost of the investment, up to a maximum of US\$500,000. The beneficiary SMEs will contribute at least 40 percent of the cost of the investment from their own equity or a commercial loan. Beneficiaries will be required to have an account with a commercial bank or MFI to receive matching funds from the project. SME business plans that incorporate contract farming to connect smallholders to markets will be strongly encouraged.

**30. Table 2 provides an overview of the matching grant structure, showing the estimated total costs of PISs, total matching grant funds provided by the project, and total private capital mobilized.** It is anticipated that the project will support about US\$12.91 million in PISs, financed by US\$9 million in matching grants from the project and US\$3.91 million of private capital mobilized by investors.

**31. Each window will have distinct eligibility criteria, application processes, guidelines for appraisal and approval, terms, and arrangements.** The grant windows will also particularly target investments with: (i) a clear impact on developing the domestic market, especially by forging links between agriculture and the tourism industry; (ii) an impact on developing export markets; and (iii) an impact on individuals or groups directly affected by the COVID-19 pandemic.



Operational modalities for grants will be detailed in a Matching Grant Implementation Manual (MGIM), which will be approved by the World Bank prior to disbursement under the matching grant subcomponent.

**32. The CPCU will manage the matching grant program and monitor its implementation with support from a specialized firm that will be competitively selected to provide this service.** The CPCU will maintain fiduciary responsibility for all aspects of this subcomponent. GIEPA, the Agribusiness Services Unit of the Directorate of Agriculture (Ministry of Agriculture), and NEDI will be the implementing partners supporting the CPCU, given their experience in managing matching grants under GCAV and other donor-funded projects. This institutional arrangement will build institutional capacity, create ownership, and ultimately ensure sustainability.

**33. Subcomponent 3.3: Technical assistance to smallholder and SME promoters of productive investment subprojects (US\$0.5 million—all from IDA). The matching grant mechanism will be sustained with technical assistance and capacity building.** This support is designed to strengthen the technical, entrepreneurial, and management skills of PIS promoters to (i) prepare, improve, or finalize their business plans and (ii) successfully implement their investments. Through cooperation with IFC, this subcomponent will leverage advisory services and funding opportunities for SMEs to scale up their agribusinesses. Investors will be supported from the pre-investment phase and throughout the investment and start-up phases, up to the end of the project. Partnership will be built with FIs to involve them in selecting the PISs to be financed. The CPCU will be responsible for managing the grant program and supervising technical assistance provided through the specialized firm hired for that purpose. The CPCU will maintain fiduciary responsibility for all aspects of this subcomponent. GIEPA, the Agribusiness Services Unit, and NEDI will be the implementing partners supporting the CPCU, in collaboration with the specialized firm.

**Component 4: Project coordination, monitoring, and knowledge management (US\$4 million—US\$3 million from IDA and US\$1 million from GoTG)**

**34.** This component aims to ensure that the project is efficiently managed and monitored, and that performance and outcomes are carefully tracked by the CPCU and implementing agencies. Under this component, the project will finance: (i) expenses incurred in implementing the project through the CPCU, the participating implementing agencies, and various service providers; (ii) technical assistance provided through consultancies, audits, and training to enhance implementation capacity of the CPCU; (iii) communication, knowledge production and sharing, and outreach activities; (iv) M&E of the project's financial performance, outcomes, and impacts; (v) citizen engagement; (vi) oversight of social and environmental safeguard policies; and (vii) institutional strengthening to ensure the sustainability of project results. All communication, outreach activities and technical assistance offered will also cover information on improved climate adaptation and mitigation initiatives through the project. This component will be implemented by the CPCU.

**Component 5: Contingency Emergency Response (US\$0 million)**

**35.** Given Gambia's vulnerability to shocks, the project includes a Contingency Emergency Response Component (CERC), with a zero-dollar provision, to create a mechanism within the project to finance a response to a natural disaster, disease, or other eligible emergency. If such crisis develops, GoTG may request the World Bank to reallocate project funds to cover some of the costs of emergency response and recovery.

Legal Operational Policies	
	Triggered?
Projects on International Waterways OP 7.50	TBD
Projects in Disputed Areas OP 7.60	No



## Summary of Assessment of Environmental and Social Risks and Impacts

**36.** The main risks and impacts identified in the ESMF include nuisance like dust and noise, waste management and traffic safety issues to the community as well as occupational health and safety concerns related to use of community workers and to the use of construction equipment and industry machinery. Other risks include (i) soil erosion and degradation, (ii) degradation of surface water quality due to the increased use of agro-chemicals, (iii) impact on biodiversity and protected species, (iv) occupational health and safety of workers, (iv) nuisances related to air and noise emissions, and (vi) community health and safety due to increased traffic and communicable diseases (e.g. COVID-19).

### E. Implementation

#### Institutional and Implementation Arrangements

##### *Project Oversight*

**37. The Ministry of Agriculture will be responsible for overall project implementation.** It will collaborate closely with other relevant ministries and their respective departments and agencies, including (i) MOTIE; (ii) the Ministry of Youth and Women; and (iii) the Ministry of Transport Works.

**38. An inter-ministerial Project Steering Committee (PSC) will provide strategic oversight of the project.** The PSC will be chaired by the Minister of Agriculture or designated representative and meet at least twice a year. The secretariat of the PSC will be headed by the CPCU in the Ministry of Agriculture. Membership of the PSC will include the project coordinator, with representatives from GCCI (vice-chair of the PSC); the Ministry of Finance and Economic Affairs; MOTIE; the Ministry of Youth and Women; the Ministry of Environment, Climate Change and Natural Resources; the Ministry of Transport Works and Infrastructure; GIEPA; Gambia Public Procurement Authority (GPPA); SMEs engaged in agribusiness; National Coordinating Organization for Farmers Association in The Gambia (NACOFAG); Gambia Women' Federation; youth organizations; and civil society organizations. The main functions and responsibilities of the PSC are: (i) provide strategic and policy guidance to the CPCU for implementation and coordination of activities; (ii) ensure overall conformity with government policies and strategies; (iii) review and assess project progress and performance; (iv) approve the annual work plan and budget (AWPB); (v) resolve implementation problems or conflicts; and (iv) assist the CPCU in obtaining, whenever needed, government assistance and contributions to the project.

**39. At the technical and operational level, a Project Technical Committee (PTC) will be established.** The PTC will be chaired by the Permanent Secretary of the Ministry of Agriculture. Its membership will consist of senior technical personnel of key implementing agencies and supporting partners. The PTC will assist the CPCU in day-to-day project management and coordination. it will meet every month during the first year of implementation to ensure a smooth start, and every two to three months as the project progresses.

**40. The CPCU within the Ministry of Agriculture will be responsible for project coordination and implementation.** In 2014, the Ministry of Agriculture established the CPCU for centralized coordination and implementation of all projects funded by development partners in the agricultural sector, to avoid a multiplicity of project implementation units, create synergies between projects, strengthen capacity, and build continuity in project management. CPCU staffing will be strengthened to meet the specific needs of GIRAV, with the addition of a director of operations; a



rural/civil engineer in charge of irrigation equipment, feeder roads, and marketing infrastructure; a grant management specialist to manage and implement the matching grant mechanism; an agribusiness specialist; a social development specialist in charge of social safeguards, GBV, SEAH, gender, and youth; an environmental specialist; a communication and knowledge management specialist; a digital technology specialist in charge of designing, updating, and implementing digital platforms; and support staff. The reinforced CPCU will coordinate overall project implementation on a day-to-day basis, prepare and consolidate AWPBs and oversee technical agencies involved in project implementation. It will be responsible for all fiduciary aspects of the project (procurement, disbursement, accounting, and financial reporting) and M&E. It will prepare bi-annual progress reports and ensure the annual auditing of all project accounts by independent auditors acceptable to IDA. Audit reports will be submitted to IDA no later than six months after the closing of the fiscal year. The CPCU will also act as the secretariat for the PSC.

### ***Project Implementing Agencies***

**41. As some of the project's activities would be executed by specialized public agencies (NRA, NARI, CORAF, etc.), the CPCU will sign agreements with these agencies.** These agreements will define the assigned objectives; annual action plan; obligations and responsibilities of contracting parties; administrative, technical, and financial implementation modalities; date of effectiveness and duration; allocated budget; and categories of eligible expenditures. Through these partnership agreements, the CPCU will delegate to the relevant directorate or partner the technical responsibility for component and subcomponent implementation while maintaining overall fiduciary responsibility. Implementation arrangements will be further specified in the project implementation manual. The latter will be prepared by the Government preparation team and reviewed by the Bank team. The finalization and adoption of this manual is a condition of effectiveness.

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