Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 12-Mar-2021 | Report No: PIDA31097

BASIC INFORMATION

A. Basic Project Data

Country	Project ID	Project Name	Parent Project ID (if any)
Cote d'Ivoire	P171613	Cote d'Ivoire Agri-Food Sector Development Project	
Region	**Estimated Appraisal Date**	**Estimated Board Date**	**Practice Area (Lead)**
AFRICA WEST	21-Apr-2021	17-May-2021	Agriculture and Food
Financing Instrument	**Borrower(s)**	**Implementing Agency**	
Investment Project Financing	Ministry of Economy and Finance	Ministry of Commerce and Industry, Ministry of Agriculture and Rural Development	

Proposed Development Objective(s)

The Project Development Objective (PDO) is to support the development of inclusive, resilient and competitive agri-food value chains; benefiting their actors in Project areas

Components

Improving the business environment and institutional strengthening
Building productive and resilient agri-food value-chains
Mobilizing productive private investments along the value chains
Project Management and Coordination

PROJECT FINANCING DATA (US$, Millions)

SUMMARY

Total Project Cost	300.30
Total Financing	300.30
of which IBRD/IDA	250.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	250.00
IDA Credit	250.00
Non-World Bank Group Financing	
Counterpart Funding	50.30
Borrower/Recipient	19.60
Local Beneficiaries	30.70

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

Côte d'Ivoire's growth has been impressive over the past decade, although the outlook has been weakened by COVID-19. From 2012 to 2019, Côte d'Ivoire was one of the fastest-growing economies in Sub-Saharan Africa and beyond, with average growth in real gross domestic product (GDP) of about 8%. This performance was driven by large public investments in infrastructure and by private investments, notably in the services sector (telecommunications, trade, transport), construction, and retail/consumption spurred by increasing incomes in the growing middle class. As a result, GDP per capita rose by over 5% per year and by 35% in total between 2012 and 2019.[1] With the COVID-19 pandemic, economic growth is projected to slow to 1.8% in 2020; although growth is expected to resume in 2021, its pace will be slowed by the global recession.[2]

Poverty reduction and social inclusion have not improved in parallel with Côte d'Ivoire's excellent economic performance. The national poverty rate fell from 55% in 2011 to 39.4% in 2018, but the reality is that the benefits of strong economic growth were concentrated in urban areas—Greater Abidjan is becoming ever more dominant in the national economy. In rural areas poverty remains very high (an estimated 57%). In 2019, the overall Human Development Index ranking for Côte d'Ivoire—165 of 189 countries—was lower than the average for Sub-Saharan Africa and far below neighboring Ghana, which ranked 142.[3] Awareness of the persistent disparities in income,

[1] Côte d'Ivoire per capita GDP has now surpassing that of Ghana, Nigeria and Kenya.
[2] Macroeconomic figures for 2020-2023 reflect the World Bank's estimates and projections.
[3] United Nations Development Programme (2019). Human Development Report 2019. *Beyond income, beyond averages, beyond today: Inequalities in human development in the 21st century.* New York. Available at http://hdr.undp.org/en/content/human-development-report-2019.

educational attainment, health services, and employment has sharpened during the COVID-19 crisis, which has acted as a "*a magnifying glass for inequalities.*"

Future growth in Côte d'Ivoire will need to be more inclusive to create employment on a large scale and reduce overall poverty. The Ivorian economy has started its structural transformation, and the share of agriculture in national GDP has declined from 32% in 1990 to 20% currently, while the proportion of agricultural employment has also gradually declined to about 45% of the total labor force (World Bank 2020). United Nations demographic projections indicate that the rural population—in large part agricultural—will continue to increase until at least 2050. As a result, the agricultural sector and wider agro-food system will remain critical engines of growth and providers of employment in the foreseeable future.

Sectoral and Institutional Context

Côte d'Ivoire's economic development has largely stemmed from its strong agricultural roots and diversification. The country is a powerhouse for the production of cash crops. It is now the world's largest producer of cocoa (40% of global output) and leading producer and exporter of raw cashew nuts. It is Africa's largest exporter of rubber, palm oil, bananas, pineapples, and copra, as well as the second-ranking African producer of Robusta coffee (7th in the world). Côte d'Ivoire is also self-sufficient in a variety of staple foods (maize, sorghum, millet, yam, cassava, plantain), which it increasingly exports to the subregion. The exception is rice, for which Côte d'Ivoire imports about 50% of its needs. This remarkable performance is the result of favorable agroclimatic conditions, the development of a dense road network that opened up large agricultural areas, the immigration of labor from neighboring countries, and relatively liberal economic policies. The agricultural sector is also is the main source of national foreign exchange earnings (60% of export revenues in 2018). In addition, a considerable share of manufacturing and transport depends on agriculture. Agro-industry represents about 7% of total GDP and 50% of the manufacturing sector.

Past agricultural growth has been satisfactory, but the sector's contribution to economic growth and poverty reduction has been below potential. On average, agricultural growth has been around 2.5% over the last decade (in line with population growth), with significant annual fluctuations due to the largely rainfed nature of farming systems and highly variable prices of agricultural exports. As important as agriculture remains for future growth in Côte d'Ivoire, its recent contribution to overall economic growth has been modest and fragile (World Bank 2019), averaging 1.3 percentage points per annum from 2012 to 2018. Growth in agriculture has largely been the product of an expansion in cultivated area rather than an increase in productivity, which is why agriculture has not driven a major reduction in rural poverty, has not spurred the development of a vibrant rural economy, and has occurred at the expense of the country's natural forests. Poverty among agricultural households is high; 4 out of 5 poor households are based in rural areas (2015).

The sector is dominated by poor smallholder producers—about 1.8 million small individual/family farms support 11 million persons (47% of the population). These farmers cultivate 95% of the land, against 5% devoted to industrial and large estates. Most family farms are diversified, producing a combination of cash crops and food crops (largely for own consumption, with about 25% of the surplus sold on average). Although some intensification is occurring, cropping systems are still mostly extensive, rely mostly on manual labor, and use limited modern agricultural inputs (fertilizer and improved seed), except for some cash crops (cotton, oil palm, pineapple) and irrigated rice. As a result, average yields are low.[4] There are pockets of intensification, however, and a small but

[4] Average rice yields range from 1 ton to 3 tons of paddy per hectare in rainfed and irrigated systems respectively (compared to 4.2 t/ha in Madagascar). Average yields for cassava are 8 t/ha, compared to 14 t/ha in Cameroon (FAOSTAT 2020).

growing number of medium-sized farms have more intensive production systems and produce exclusively for the market. This is the case for rice, maize, and cassava. The production of animal products has also increased over the past decades, although it has yet to meet national demand, and Côte d'Ivoire still imports large quantities of beef and pork as well as fish products.

The impact of COVID-19 on the agricultural sector has been limited and is essentially linked to the pandemic's impact on external markets. Demand declined for Côte d'Ivoire's main exports (cocoa and cashew, but mostly rubber and cotton), but the food crop subsector largely supplies the domestic market and has been affected relatively little. Confinement measures concerned only Greater Abidjan. The transport of food crops to supply the main domestic consumption markets was exempt from restrictions, although border closures affected food exports to neighboring countries. Agriculture has now received an important injection of support under the government's COVID-19 crisis response package (estimated at FCFA250 billion for the cash crop subsector and FCFA50 billion for the food crop subsector), which focuses on preserving the main productive assets.

Closing the remaining gender productivity gap in agriculture will yield significant economic benefits. Ivorian women mostly produce food crops, raise small livestock, and process and sell agricultural commodities on a small scale, whereas men have traditionally dominated cash crop production. Women provide more than 50% of the labor force in agriculture, but their productive activities are constrained by limited access to education, land, and critical inputs and services, and their productivity is significantly lower than that of men. Recent positive developments include the 1998 Rural Land Law; although not yet widely implemented, it grants women rights equal to those of men. Women have increasingly joined cooperatives, improving their access to inputs and markets. As a result, over the past decade Côte d'Ivoire has witnessed a remarkable decline of its gender productivity gap in both export and food crops. In food crops, the gap in agricultural productivity went from 40% in 2008 to 19% in 2016. Closing the remaining gender productivity gap will provide significant economic benefits.[5] Côte d'Ivoire could continue on this path in agriculture and the food crop subsector by strengthening women's land rights, expanding their access to education, labor, inputs, and services (technical and financial), and improving their inclusion in well-organized value chains.

Domestic and regional demand for food will be a major driver of future agricultural growth in Côte d'Ivoire. In view of its share in overall agricultural GDP and agricultural employment, growth in the food crop subsector will be key to Côte d'Ivoire's economic and social development. Demand should not be a constraint. Domestic demand for food crops and animal products should grow at a sustained pace (estimated at about 4–5% per annum, driven by population growth (about 2.0% per annum), rising incomes (4–5% per annum in the medium term), urbanization (from 50% currently to an estimated 66% in 2050), and demand for animal feed (maize, cassava, sorghum). The increase in per-capita income will also drive major dietary changes among domestic consumers, increasing the consumption of higher-value animal products, fruits, vegetables, and processed foods. Regional food production has struggled to keep up with the steady increase in regional demand over the last decade, and population growth in West Africa—where the total population is projected to reach 515 million by 2030 and 850 million by 2050—will increase this challenge. In the Economic Community of West African States (ECOWAS), dependency on food imports has risen considerably in recent years. The regional market can offer important opportunities to Ivorian producers if they can be competitive with other regional producers and imports (in price

[5] The World Bank fifth economic update for Côte d'Ivoire estimated that if Ivorian women achieved parity in labor force participation and earnings with men, their economic contribution would exceed US$6 billion. Although hypothetical, this calculation demonstrates the cost of gender inequality.

and quality). To realize the growth potential of the Ivorian agri-food sector, the government should address key challenges identified as binding constraints on growth, as discussed next.

Deficient logistics infrastructure, severely constraining producers' access to markets. Aside from the limitations of the road network, agriculture faces important challenges from the lack and dysfunction of marketing and logistics infrastructure, in both production areas and consumption centers. Markets have few quality control features, being poorly equipped with cold storage, warehouses, auction sheds, and waste disposal, sanitation, and weighing facilities, among others. This infrastructure ensures that post-harvest losses[6] and marketing costs remain high, that producer incomes remain low, and undermine incentives to improve quality. Outdated wholesale markets are challenged to implement health protocols that ensure safe market operations in a crisis like COVID-19. To address these constraints, the new decentralization policy of the Government of Côte d'Ivoire (GoCI) aims at rehabilitating the main road network, modernizing agricultural marketing infrastructure (including rural markets), and improving services through information and communication technology (ICT), which offers a better marketing experience for stakeholders and helps farmers achieve better returns on their investments. One focus of this policy is to make the main secondary towns dynamic centers for agglomerating agri-products and realizing the scale economies that can unleash agricultural potential in different regions. The main instruments for implementing this policy will be specific regional programs (*zones économiques intégrées/agropoles*) centered on the main regional cities. These programs will establish "industrial platforms" providing the basic infrastructure to attract private agro-industrial firms that can perform the operations required to anchor successful regional agricultural value chains—handling, packing, sorting, grading, precooling, processing—in compliance with standards such as Good Agricultural Practices (GAPs) and food safety and quality standards. The World Bank supports this strategy through the Infrastructure for Urban Development and Competitiveness of Secondary Cities Project (PIDUCAS, P151324) and will strengthen support through the proposed Agri-Food Development Project.

Inefficient market information systems, hindering the discovery of market opportunities and the development of commercial agriculture. The country has several public agricultural information systems—operated by MINADER, the National Agricultural Research Center (CNRA), the National Rural Development Support Agency (ANADER), and Agrometeorological Observatory—as well as agricultural market information systems (MIS) such as those operated for food crops by the National Office for Food Crop Commercialization (OCPV). Unfortunately, these systems (except for the system established specifically for the cashew subsector) cannot provide the crucial real-time information on produce availability and market prices required by private operators, even though the Ivorian ICT environment has improved dramatically since 2015. To extend rural coverage, GoCI is deploying a national 7,000-kilometer fiber-optic backbone and developing a "white zone" program. The recently approved E-Agriculture Project (P160418, US$70 million) supports the development of digital services for agricultural supply chain participants by setting up electronic platforms (e-agriculture) to deliver market information and advice on GAPs and climate-smart agriculture (CSA) technologies. These developments open opportunities to design internet-based MIS and productivity-enhancing services for agricultural producers (along the lines of the cashew information system) in the major agricultural value chains.

A weak national food safety and quality control system. Since 2010, several projects have helped to improve the national legal and regulatory framework for food safety and quality control and have provided assistance to producers to adopt GAPs. The country now has five accredited laboratories (two public, three private) that can serve producers. Yet at least four critical gaps in national institutional infrastructure remain to be addressed to ensure public food safety and meet quality requirements imposed by domestic and export markets. First, the legal and regulatory framework for inputs and products must be updated and fully aligned with international, regional

[6] For perishable products such fruits and vegetables, post-harvest losses as high as 30% of total production are registered.

(ECOWAS), and continental (African Union Commission) standards. Second, the human and physical resources of public institutions must be strengthened. A high priority is to upgrade current laboratory capacity—particularly the National Laboratory for Agricultural Development (LANADA), which is the reference laboratory of the Ministry of Agriculture and Rural Development (MINADER) and Ministry of Livestock and Fisheries (MIRAH)—to gain accreditation for the analysis of chemical residues, residues of veterinary drugs, heavy metals, histamine testing on fish products, and other critical food safety and quality parameters. Third, the coherence and coordination of the national system must improve to avoid overlaps and gaps in responsibilities and ensure the implementation of intersectoral control and monitoring plans based on risks (such as zoonotic diseases) in line with the "One Health" concept. In 2016 GoCI decided to create an apex institution—the National Food Safety Agency (*Agence de Sécurité Sanitaire des Aliments*)—to coordinate the national food safety system. The French Development Agency (AFD) funded detailed preparations for the agency's establishment, although it has yet to occur.[7] Fourth, the capacity of private actors at all levels of agricultural value chains must be strengthened if they are to adopt the good agricultural/industrial practices required to comply with the quality and strict social and environmental standards imposed by a growing number of domestic and overseas markets (such as GlobalGAP/Tesco NURTURE, ISO 22000, and BRC).[8]

An underfunded national system for agricultural research, technology dissemination, and adoption, which needs to be overhauled. According to the International Service for National Agricultural Research, agricultural research intensity in Côte d'Ivoire (defined as total public spending on research as a percentage of agricultural GDP) has been consistently low, even by West African standards. With urbanization on the rise, one farmer will need to feed two non-agricultural consumers in 2030 and probably at least four in 2050. Land constraints will also gradually become more binding. Farm-level productivity will have to increase substantially, and farming systems will also have to become more resilient to climate change (see the next paragraph). Given these important challenges ahead, increasing investments in agricultural research and technology dissemination (especially CSA) will be key to the future growth and sustainability of food production in Côte d'Ivoire.

The effects of climate change (already evident in Côte d'Ivoire and projected to worsen). Climate change scenarios for Côte d'Ivoire predict that temperatures will rise by about 1.6°C by 2040–59, with the north, east, and central regions being the most affected. These scenarios also predict a decrease in rainfall, a continued increase in rainfall variability, and persistent dry seasons. The volume of rainfall has already declined by 20% in some parts of the country, as rainy seasons grow shorter and dry spells more frequent. Agricultural production, mostly rainfed, will be particularly affected by these trends. Rising temperatures and changing rainfall patterns are forecast to decrease the yields of major crops and/or render certain areas less suitable or even completely unsuitable for specific crops. An assessment in 2016 revealed that 60% of the farmers in the north and northeast had lower yields because rainfall was poor and they had no money to buy inputs. The projected increase in pests and diseases will reduce crop quality and increase food losses and waste. The absence of water management technologies and adapted storage facilities already limits food availability during the dry season. Smallholders, who produce most of the crops, are the most vulnerable to these changes and least equipped to address them.

Limited access to credit, particularly for small enterprises and even more for farmers in the food crop subsector. Bank credit nearly exclusively goes to large companies in the cash crop subsector, and mostly for short-term loans for crop marketing. Financing constraints come from both the supply side and demand side. On the supply side, the rural banking network is limited, the cost of managing small loans is high, and the perceived risk of lending is high due to unstable revenue flows, lack of collateral, and limited legal avenues for enforcing contracts. While

[7] Establishment of the Agency is a pressing recommendation of the EU review of sanitary controls for livestock and fish products (2019).
[8] Only 36 firms have GlobalGAP certification, essentially large companies in the banana, pineapple, and mango subsectors.

leasing exists in Côte d'Ivoire, it is not offered for agricultural equipment due to the lack of collateral and secondary markets for agricultural equipment. There are a few examples of value chain financing (usually for cash crops), but it is virtually never provided for food crops, which are open to side-selling. On the demand side, farmers and small and medium agricultural enterprises lack financial knowledge to prepare business plans and apply for loans. Few experts in the country can help them prepare business plans of the quality required by financial institutions. Knowledge of investment opportunities and their associated costs, risks, and financial returns is generally lacking on both the demand and supply side. Some encouraging signs indicate that lending to agricultural value chains is growing, however. Greenfield micro-finance institutions (MFIs) such as Advans and Microcred play a growing role in offering credit to formal and informal micro and small and medium enterprises (MSMEs). Several innovative players aim to offer integrated service packages (access to information, inputs, and credit) to farmers in partnership with financial institutions.[9] Some (such as Baobab) have tripartite agreements under which input suppliers or off-takers guarantee part of the risk (about 10–20%). Even so, most financial institutions are reluctant to move beyond offering short-term credit for agriculture.

Weaknesses in the structure of food crop value chains, which preclude economies of scale and coordination among actors. Organized groups of agricultural producers could facilitate access to inputs and services (including technical support, finance, and information) and the bulking of products, reduce marketing costs, facilitate the emergence of modern, contractual agriculture, and increase the voice of producers in policy-making and contractual arrangements. Yet the structural organization of food crop value chains remains weak for a variety of reasons,[10] including difficulties in organizing a very large number of scattered actors with low knowledge of market mechanisms, which hampers consultation among the various stakeholders. Another factor is the limited capacity of national institutions responsible for providing the supervision, support, and services needed for the development of the food crop subsector, such as the Directorates of Producer Associations (DOPAs) of MINADER and MIRAH; OCPV, within the Ministry of Commerce and Industry (MCI); and ANADER. Change is underway, however. The rise of an important middle class and arrival of supermarkets with much higher quality standards now require the emergence of modernized enterprises that can respond efficiently to market signals. Supermarkets (Casino, Carrefour) are opening a growing number of outlets in the main cities and developing local supply arrangements for a variety of foods, particularly fresh produce (fruit, vegetables, fish, meat), with quality and traceability standards. These activities are driving the need for local producers to upgrade their operations and improve the coordination and efficiency of their value chains.

To support this development, GoCI has undertaken several initiatives to promote the emergence of modern enterprises, including MSMES in agriculture. A strong focus on SMEs is evident in the Investment Promotion Centre in Côte d'Ivoire (CEPICI), the establishment in 2016 of the Ivorian Agency for the Promotion of SMEs (Ag-CI PME), and the restructuring of the government's SME Partial Credit Guarantee Fund (FGPME)[11] in January 2020

[9] Advans finances cash crop cooperatives and is interested in expanding into other value chains if access to markets is secured (off-taker agreements) and risk-sharing mechanisms are in place. In addition, VISA has signed an MoU with MINADER to develop a digital platform for providing financing packages in partnership with three specialized providers: Avenews (specialized in financial transactions); Zowasel (specialized in facilitating business-to-business relationships between sellers and buyers, mobilizing transport services, and inventory credit); and Fafa (specialized in digital financial transactions).

[10] Some formal cooperatives and professional associations bring actors in the same value chain together (for example, in the onion value chain). These organizations are governed by the Uniform Act relating to the law of cooperatives adopted on December 15, 2010; Law No. 60-315 of September 21, 1960; and ordinance No. 2011-473 of December 21, 2011 and Inter-ministerial Decree No. 294 of August 20, 2013. These groups have very weak operational and managerial capacity, however.

[11] FGPME governance and management were restructured under the World Bank Emergency COVID19 Budget Support Operation (DPO), with operational assistance from PIDUCAS, to improve efficiency and management in line with the World Bank Group and OECD principles for corporate governance in public financial institutions supported. A July 2020 decree established FGPME as a public company with financial autonomy under the umbrella of the MSME Ministry. The FGPME now has an independent and competent board of directors largely comprising representatives of the private sector, and a resident technical adviser will assist in running the credit guarantee operations for two years. A compliance review of FGPME has concluded that it meets the requirements of WB OP 10 (Intermediary Financial Institution).

to limit the risk for financial institutions extending credit to SMEs. These institutions receive support from the World Bank Group through three projects. The first is PIDUCAS, which seeks to create the conditions for improved competitiveness of MSMEs in Bouaké and San Pedro, two of the largest cities in Côte d'Ivoire (and key nodes and global and national connectors for strategic economic and social development). The second, the Competitive Value Chains for Jobs and Economic Transformation Project (JET, P172425), supports Côte d'Ivoire's economic transformation through the promotion of more diversified and higher production of high-value crops. Its activities focus on improving the business climate and access to finance for women-led cooperatives and MSMEs around Bouaké, San Pedro, and Korhogo. The third, the We-Fi Project, focuses specifically on enhancing women-led cooperatives and SMEs' access to markets and finance in agricultural value chains. The proposed Agri-Food Sector Development Project will complement this support with a focus on the country's main food crop value chains.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

The Project Development Objective (PDO) is to support the development of inclusive and competitive agri-food value chains; benefiting smallholder farmers and agri-food enterprises in Project areas

Key results

Achievement of the PDO will be measured using the following four indicators: (i) Increase in yields (t/ha) in targeted agri-food value chains supported by the project (disaggregated by commodity—(a) cassava, (b) vegetables, and (c) aquaculture; (ii) Increase in private investment generated by the project in production, agro-processing, and related activities (US$ million, disaggregated by gender); (iii) Increase in volume of processed products (percentage) by project-supported beneficiaries in targeted agri-food value chains (disaggregated by gender); (iv) Number of farmers adopting CSA technology (number); and (v) Number of project beneficiaries (disaggregated by gender, smallholders, SMEs, and large operators).

D. Project Description

Approach and targeting principles. As noted, the project is designed to respond to the key challenges identified as binding constraints on the development of inclusive and competitive agri-food value chains in Côte d'Ivoire, namely: (i) deficient logistics infrastructure, severely constraining producers' access to markets; (ii) inefficient market information systems, hindering the discovery of market opportunities and the development of commercial agriculture; (iii) a weak national food safety and quality control system; (iv) an underfunded national system for agricultural research, technology dissemination, and adoption, which needs to be overhauled; (v) the effects of climate change (already evident in Côte d'Ivoire, and projected to worsen); (vi) limited access to credit, particularly for small enterprises and even more for farmers in the food crop subsector; and (vii) weaknesses in the structure of food crop value chains, which preclude economies of scale and coordination among actors. The project's approach reflects three core principles. The first principle is that project activities will be driven by the demand of the country's main consumption centers. The second principle is to focus on priority value chains—specifically, value chains for foods with high potential demand and high potential to generate major value-added and employment: cassava, horticulture (vegetables), and aquaculture.[12] The

[12] These value chains were selected based on findings of the diagnostics carried out under the Agriculture Sector Support Project (PSAC–P119308) and the sector scan performed by MINADER. See Annex 2 for details and a summary of the main characteristics of the targeted value chains.

third principle is to concentrate investments in high-potential areas (Agropoles) to address challenges and binding constraints, achieve greater economies of scale, and crowd-in economic activities

Geographic focus. Activities will focus on the main consumption centers and their supply areas. The main consumption centers for the selected food products are in southern Côte d'Ivoire (Abidjan, San Pedro, Bouaké) and the country's largest secondary cities (Man, Daloa, Gagnoa, Abengourou, Aboisso). These cities also anchor six of the nine Agropoles defined in the national agricultural development strategy as the country's main agricultural supply zones

Project financing. The project will be structured as an Investment Project Financing (IPF) over a period of 6 years from 2021 to 2027. Total project costs are set at US$300.3 million. The World Bank will fund the project through a credit from the International Development Association (IDA) of US$100 million and a loan from the IDA19 Scale-Up Window (SUW) of US$150 million.[13] These resources will be complemented by co-financing from GoCI (which will cover the waived taxes and duties) and beneficiaries, who will mobilize resources consisting mainly of: (i) in kind contributions (unskilled labor); and (ii) cash contributions through the MGs under component 3. Table 1 provides a summary breakdown of project costs by component. Detailed costs are provided in Annex 4, including the expenditure and disbursement account structure.

Project Components. The project clusters its activities around three interrelated technical components supporting soft and hard solutions to develop agri-food value chains: (i) improving the business environment and institutional strengthening; (ii) building productive and resilient agri-food value chains; and (iii) mobilizing productive private investments along agri-food value chains. The fourth project component focuses on project management and coordination.

Component 1: Improving the Business Environment and Institutional Strengthening. The objective of Component 1 is to establish an enabling environment that can foster the development of inclusive and competitive agri-food value chains in Côte d'Ivoire. It will be achieved by: (i) strengthening the capacity of key institutions (public and private) overseeing the food production and marketing sector; (ii) improving coordination along the targeted value-chains to increase their efficiency and facilitate partnerships between their actors; and (iii) developing the capacity of the national food safety and quality control system in line with international standards. Component 1 will essentially finance public provision of goods, expertise, and studies.

Component 2: Building Productive and Resilient Agri-Food value chains. The objective of Component 2 is to increase productivity and value addition for targeted value chains, while enhancing their access to markets and resilience to climate change. To achieve this objective, the project will finance: (i)increased access to climate-smart technology, innovation, and advisory services, including digital technologies, small-scale irrigation, and agricultural mechanization.; and (ii) the development of agri-food marketing and distribution infrastructure.

Component 3: Mobilizing Productive Private Investments in value chains. Component 3 will address key market failures in providing financing for investments in agriculture and agro-industry. It will facilitate access to agri-finance for private investors (individuals, groups, SMEs) by helping partner financial institutions (PFIs) to scale up outreach to agri-food value chain actors. Outreach to these actors will be improved through the three main interventions: (i) developing the capacity of PFIs to work with the sector by strengthening their knowledge of the sector and their credit appraisal and risk-mitigating instruments; (ii) establishing a matching grant (MG)

[13] The SUW makes available up to US$5.7 billion to Blend and IDA-only countries at low or moderate risk of debt distress, in addition to the regular concessional resources that countries will receive during the IDA19 period (July 1, 2020 to June 30, 2023). The SUW provides financing on International Bank for Reconstruction and Development (IBRD) lending terms.

instrument that will act as a risk-sharing equity investment in the sector, particularly in the three targeted value chains and six Agropoles; and (iii) supporting the partial credit guarantees available from FGPME by establishing a dedicated window for potential agri-food private investors. Both the MG and the FGPME instruments will be accompanied by specialized technical assistance for potential investors to prepare bankable business plans (investment proposals) and subsequent commercial loan applications. These instruments complement programs supported under PIDUCAS and the JET Project.

Component 4 : Project Management and Coordination. Component 4 will facilitate: (i) administrative, technical, and financial management of the project; (ii) coordination among all institutional partners to ensure the efficient flow of information and support to all value-chain actors; (iii) effective contractual arrangements with key State implementing partners—FIRCA, ANADER, CEPICI, and CNRA in particular—as well as private sector operators; (iv) monitoring and evaluation (M&E) of project performance in procurement, financial management (FM), and environmental and social impacts; and (v) development of communication activities to publicize and disseminate project results, best practices, and success stories. Component 4 will be implemented by the PCU under the oversight of MINADER and the Project Steering Committee (PSC).

Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Assessment of Environmental and Social Risks and Impacts

Most of supported activities are potentially associated with some significant environmental and social risks and impacts. Those identified at this stage of the preparation are:
- potential alteration or degradation of natural habitats and the ecological consequences of conversion and changes in ecosystem functions,
-soil and water pollution ,
-occupational health and safety issues, nuisances related to air and noise emissions,
-community health and safety issue (diseases transmission and security) ,
-Gender-based violence (GBV) and/or sexual exploitation and abuse (SEA)
-Child labor

E. Implementation

65. The institutional arrangements for the project (fully described in Annex 2) are organized around the following functions: (i) oversight and orientation by a steering committee (PSC); (ii) overall coordination of project activities and partners by MINADER, through a PCU; (iii) management of the Designated Account and fiduciary responsibilities, entrusted to FIRCA; and (iv) technical execution of project activities, vested with strategic public entities – Project

Implementation Agencies (PIAs). The Project Implementation Manual (PIM), to be prepared by MINADER and finalized by project effectiveness, will detail all coordination, management, implementation, M&E, and reporting functions.

66. The main functions and responsibilities of the PSC are to: (i) advise the project on strategic directions and supporting activities; (ii) approve the Annual Work Plan and Budget (AWPB); (iii) ensure effective collaboration and cooperation between all key stakeholders; and (iv) review the PCU's Implementation Progress Reports, advise on the effectiveness of ongoing activities, and advise on any adjustments needed in the Annual Work Plan. The PSC will be chaired by the Minister, MINADER or his/her designated representative. It will comprise officials from central and sector ministries (Ministry in charge of Finance, Ministry in charge of Animal Resources, and Ministry in charge of Commerce and Industry) and entities involved in project implementation. The committee will also include representatives of the private sector, producer organizations in the targeted value chains, and civil society so that they may contribute to good governance and voice their concerns as needed.

67. A self-standing PCU, with the support of dedicated personnel and PIAs, will oversee planning and budgeting of project activities and execute the approved AWPB. It will also oversee subproject agreements and Memorandums of Understanding (MoUs), technical supervision and quality control, gender inclusion, environmental and social safeguards (particularly resettlement), and M&E. To ensure rapid startup and avoid delays while the PCU is being established, FIRCA will initially have overall responsibility for managing and coordinating project activities, including procurement, FM, and daily management of the Designated Account. Thereafter, the newly established PCU within MINADER will assume all functions, apart from the fiduciary function, which will remain entrusted to FIRCA.

68. The PCU will be headed by a project coordinator who will be recruited on a competitive basis within MINADER, based on his/her experience and performance record in the design and management of agricultural projects. S/he will be assisted in day-to-day project operations by a technical operation manager with strong experience in value chain development. The technical operation manager will be externally recruited on a competitive basis. S/he will be assisted by technical focal units anchored in each sector ministry involved in project implementation, namely MINADER, MIRAH, and MCI. A technical specialist from the relevant ministry will be appointed to manage each focal unit, which will be responsible for the preparation, implementation, and reporting of activities falling under its mandate. The project coordinator will sign performance based MoUs, conventions, or contracts on behalf of MINADER, inter alia with FIRCA for fiduciary management (procurement and FM) and with PIAs for activities that fall under their mandates. The project will seek technical support from the following PIAs: CNRA (agricultural research and seed production), ANADER (extension activities), DOPA (support to professional organizations), the Industrial Infrastructure Development Agency (AGEDI) (agri-marketing infrastructure), and the National Bureau of Technical Studies and Development (BNETD) (preparation of technical studies). The project will maintain close coordination with Regional Councils and local municipalities of the targeted project areas to ensure local ownership and support of project activities. The PCU will also contract private service providers and existing value chain associations as needed for cross-cutting activities—for example, to promote produce marketing and investments, develop market infrastructure, provide training, support institutional development of various interprofessions, organize producer groups, and so on

69. A Project Preparation Advance (PPA) is being mobilized to pave the way for implementation by establishing the new PCU, drafting terms of reference for recruiting key project staff, and developing the PIM, which will include fiduciary procedures. FIRCA will manage the PPA, which will also be used to fund: (i) preparation of project manuals; (ii) competitiveness, market, and feasibility studies, (iii) engineering design studies for the marketing infrastructure; (iv) analytical studies; (v) environmental and social safeguard instruments; and (vi) the acquisition of IT equipment (including software), office furniture and supplies, and vehicles for the project.

Institutional and Implementation Arrangements

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