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Report No: PAD4339

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT
ON A

PROPOSED CREDIT
IN THE AMOUNT OF EURO 82.8 MILLION
(US$100.0 MILLION EQUIVALENT)

AND A

PROPOSED CREDIT
IN THE AMOUNT OF EURO 124.2 MILLION
(US$150.0 MILLION EQUIVALENT)
FROM THE IDA SCALE-UP FACILITY

TO THE

REPUBLIC OF CÔTE D'IVOIRE

FOR A

AGRI-FOOD SECTOR DEVELOPMENT PROJECT

May 12, 2021

Agriculture and Food Global Practice
Western and Central Africa Region

CURRENCY EQUIVALENTS

(Exchange Rate Effective April 30, 2021)

Currency Unit =	CFA Franc (XOF)
US$1 =	543 XOF
US$1 =	0.8278 Euros

FISCAL YEAR
January 1 - December 31

Regional Vice President:	Ousmane Diagana
Country Director:	Coralie Gevers
Regional Director:	Simeon Ehui
Practice Manager:	Chakib Jenane
Task Team Leaders:	Jean-Philippe Tre, Jeanne Coulibaly Y epse Oyolola

ABBREVIATIONS AND ACRONYMS

AFD	*Agence Française de Développement* (French Development Agency)
Ag-CI PME	*Agence Côte d'Ivoire PME* (Ivorian Agency for the Promotion of SMEs)
AGEDI	*Agence de Gestion et de Développement des Infrastructures Industrielles* (Industrial Infrastructure Development Agency)
ANADER	*Agence Nationale d'Appui au Développement Rural* (National Rural Development Support Agency)
AWPB	Annual Work Plan and Budget
BCEAO	*La Banque Centrale des États de l'Afrique de l'Ouest* (Central Bank of West African States)
BNETD	*Bureau National d'Études Techniques et de Développement* (National Bureau of Technical and Development Studies)
BOT	Build-Operate-Transfer
CEPICI	*Centre de Promotion des Investissements en Côte d'Ivoire* (Côte d'Ivoire Investment Promotion Center)
CNRA	*Centre National de Recherche Agronomique* (National Agricultural Research Center)
COVID-19	Coronavirus Disease
CPF	Country Partnership Framework
CPPP	Constant Purchasing Power Parity
CPSD	Country Private Sector Diagnostic
CQS	Consultant's Qualification Based Selection
CRI	Competitive Reinforcement Initiatives
CSA	Climate-Smart Agriculture
CV	Curriculum Vitae
DA	Designated Account
DOPA	*Direction des Organisations Professionnelles Agricoles* (Directorate of Producer Associations)
DOPAF	*Direction des Organisations Professionnelles Agricoles et de l'Appui au Financement* (Directorate of Producer Associations and Funding Support)
DPO	Development Policy Operation
DPVCQ	*Direction de la Protection des Végétaux et du Contrôle de la Qualité* (Directorate of Plant Protection and Quality Control)
DSV	*Direction des Services Vétérinaires* (Directorate of Veterinary Services)
ECOWAS	Economic Community of West African States
EEP	Eligible Expenditures Program
EFA	Economic and Financial Analysis
EHS/OHS	Environmental Health and Safety/Occupational Health and Safety
EIRR	Economic Internal Rate of Return
ENPV	Economic Net Present Value
ESCP	Environmental and Social Commitment Plan
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESMS	Environmental and Social Management System
ESRS	Environmental and Social Review Summary
ESS	Environmental and Social Standard
EU	European Union
EX-ACT	Ex-Ante Carbon-balance Tool
FCFA	*Franc Communauté Financière en* Afrique (West African CFA Franc)
FGPME	*Fonds de Garantie de Crédits aux PMEs* (SME Partial Credit Guarantee Fund)
FIG	Financial Institutions Group
FIRCA	*Fonds Interprofessionnel pour la Recherche et le Conseil Agricoles* (Interprofessional Fund for

	Agricultural Research and Extension)
FM	Financial Management
FMS	Financial Management Specialist
FY	Fiscal Year
GAPs	Good Agricultural Practices
GBV	Gender-based Violence
GDP	Gross Domestic Product
GEMS	Geo-Enabling initiative for Monitoring and Supervision
GHG	Greenhouse Gas
GI	*Inspection Générale* (General Inspectorate)
GIZ	*Deutsche Gesellschaft für Internationale Zusammenarbeit* (German International Cooperation Agency)
GoCI	Government of Côte d'Ivoire
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
I2T	*Société Ivoirienne de Technologie Tropicale* (Ivorian Technology Institute)
IBRD	International Bank for Reconstruction and Development
IC	Individual Consultant
ICB	International Competitive Bidding
ICT	Information and Communication Technology
IDA	International Development Association
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IFR	Interim Financial Report
IGF	General Finance Inspectorate (*Inspection Générale des Finances)*
IMF	International Monetary Fund
INDC	Intended Nationally Determined Contribution
IPF	Investment Project Financing
ISM	Implementation Support Mission
JET	Jobs and Economic Transformation
LANADA	*Laboratoire National d'Appui au Développement Agricole* (National Laboratory for Agriculture Development)
LCS	Least Cost Selection
LMP	Labor Management Procedures
M&E	Monitoring and Evaluation
MAS	Manufacturing, Agribusiness and Services
MCI	Ministry of Commerce and Industry *(Ministère du Commerce et de l'Industrie)*
MEF	Ministry of Economy and Finance (*Ministère de l'Economie, des Finances)*
MFD	Maximizing Finance for Development
MFIs	Micro-finance Institutions
MG	Matching grant
MINADER	Ministry of Agriculture and Rural Development (*Ministère de l'Agriculture et du Développement Rural*)
MIRAH	Ministry of Livestock and Fisheries (*Ministère des Ressources Animales et Halieutiques*)
MIS	Market Information Systems
MoU	Memorandum of Understanding
MSMEs	Micro, Small, and Medium Enterprises
NCB	National Competitive Bidding
NGOs	Non-governmental Organizations
NPV	Net Present Value
OCPV	*Office d'aide à la Commercialisation des Produits Vivriers* (National Office for Food Crop

	Commercialization)
OECD	Organization for Economic Cooperation and Development
OHADA	*Organisation pour l'Harmonisation en Afrique du Droit des Affaires* (Organization for the Harmonization of Corporate Law in Africa)
2PAI-Bélier	Agro-Industrial Pole Project, Bélier Region
PAD	Project Appraisal Document
PADFA	Agricultural Value Chains Development Support Program
PAO	Professional Agricultural Organizations
PASV	*Programme d'Appui au Secteur Vivrier* (Food Crops Sector Support Project)
PBC	Performance-Based Condition
PCU	Project Coordination Unit
PDMAS	*Programme de Développement des Marchés Agricoles du Sénégal* (Senegal Agricultural Markets and Agribusiness Development Project)
PDO	Project Development Objective
PFACI	*Plateforme des Femmes Agricultrices de Côte d'Ivoire* (Platform of Women Farmers of Côte d'Ivoire)
PFI	Partner Financial Institution
PIA	Project Implementation Agency
PIDUCAS	*Projet d'Infrastructures pour le Développement Urbain et de la Compétitivité des Agglomérations Secondaires* (Infrastructure for Urban Development and Competitiveness of Secondary Cities Project)
PIM	Project Implementation Manual
PMP	Pest Management Plan
PND	*Plan National de Développement* (National Development Plan)
PNIA	*Plan National d'Investissement Agricole* (National Agricultural Investment Plan)
PPP	Public-private Partnership
PPSD	Project Procurement Strategy for Development
PROPACOM	*Project d'Appui à la Production Agricole et à la Commercialisation* (Agricultural Production and Marketing Support Project)
PREMOPEF	*Projet de Renforcement des Moyens de Subsistance des Petits Exploitants et des Femmes dans la Région du N'zi* (Smallholders and Women Livelihood Strengthening Project in the N'zi Region)
PSAC	*Projet d'Appui au Secteur Agricole de Côte d'Ivoire* (Agriculture Sector Support Project)
PSC	Project Steering Committee
QCBS	Quality and Cost Based Selection
RFP	Request for Proposals
RPF	Resettlement Policy Framework
SBD	Standard Bidding Document
SEA/SH	Sexual Exploitation and Abuse/Sexual Harassment
SEP	Stakeholder Engagement Plan
SIPRA	*Société Ivoirienne de Productions Animales* (Ivorian Animal Production Company)
SoE	Statement of Expenditure
SORT	Systematic Operations Risk-Rating Tool
SPS	Sanitary and Phytosanitary
SSA	Sub-Saharan Africa
SUF/SUW	Scale-Up Facility/Scale-Up Window
tCO_2e	Tons of carbon dioxide equivalent
ToC	Theory of Change
ToR	Terms of Reference
UNDP	United Nations Development Programme
UNDB	United Nations Development Business
US$	United States dollar

WAEMU	West African Economic and Monetary Union
WAAPP	West Africa Agriculture Productivity Program
WBG	World Bank Group
We-Fi	Women Entrepreneurs Finance Initiative
WFM	Wholesale food markets
WOP	Without Project
WP	With Project
XOF	West African CFA Franc

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DATASHEET

BASIC INFORMATION

Country(ies)	Project Name
Cote d'Ivoire	Cote d'Ivoire Agri-Food Sector Development Project

Project ID	Financing Instrument	Environmental and Social Risk Classification
P171613	Investment Project Financing	Substantial

Financing & Implementation Modalities

[ ] Multiphase Programmatic Approach (MPA)	[ ] Contingent Emergency Response Component (CERC)
[ ] Series of Projects (SOP)	[ ] Fragile State(s)
[✓] Performance-Based Conditions (PBCs)	[ ] Small State(s)
[✓] Financial Intermediaries (FI)	[ ] Fragile within a non-fragile Country
[ ] Project-Based Guarantee	[ ] Conflict
[ ] Deferred Drawdown	[ ] Responding to Natural or Man-made Disaster
[ ] Alternate Procurement Arrangements (APA)	[ ] Hands-on Enhanced Implementation Support (HEIS)

Expected Approval Date	Expected Closing Date
03-Jun-2021	31-Aug-2027
Bank/IFC Collaboration	Joint Level
Yes	Complementary or Interdependent project requiring active coordination

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

Component Name	Cost (US$, millions)

Improving the business environment and institutional strengthening	34.60
Building productive and resilient agri-food value-chains	138.00
Mobilizing productive private investments along the value chains	88.00
Project Management and Coordination	34.40

Organizations

Borrower:	Republic of Cote d'Ivoire
Implementing Agency:	Ministry of Commerce and Industry Ministry of Agriculture and Rural Development Ministry of Animal Resources and Fisheries

PROJECT FINANCING DATA (US$, Millions)

SUMMARY

Total Project Cost	295.38
Total Financing	295.10
of which IBRD/IDA	250.00
Financing Gap	0.28

DETAILS

World Bank Group Financing

International Development Association (IDA)	250.00
IDA Credit	250.00

Non-World Bank Group Financing

Counterpart Funding	45.10
Borrower/Recipient	14.40
Local Beneficiaries	30.70

IDA Resources (in US$, Millions)

	Credit Amount	Grant Amount	Guarantee Amount	Total Amount
Cote d'Ivoire	250.00	0.00	0.00	250.00
National PBA	100.00	0.00	0.00	100.00
Scale-up Facility (SUF)	150.00	0.00	0.00	150.00
Total	**250.00**	**0.00**	**0.00**	**250.00**

Expected Disbursements (in US$, Millions)

WB Fiscal Year	2021	2022	2023	2024	2025	2026	2027	2028
Annual	0.00	3.13	15.46	16.87	22.13	66.97	66.84	58.60
Cumulative	0.00	3.13	18.59	35.46	57.59	124.56	191.40	250.00

INSTITUTIONAL DATA

Practice Area (Lead)

Agriculture and Food

Contributing Practice Areas

Environment, Natural Resources & the Blue Economy, Finance, Competitiveness and Innovation, Transport

Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Rating
1. Political and Governance	Moderate
2. Macroeconomic	Moderate
3. Sector Strategies and Policies	Moderate
4. Technical Design of Project or Program	Substantial
5. Institutional Capacity for Implementation and Sustainability	Substantial
6. Fiduciary	Substantial

7. Environment and Social	Substantial
8. Stakeholders	Low
9. Other	Moderate
10. Overall	Substantial

COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

[ ] Yes [✓] No

Does the project require any waivers of Bank policies?

[ ] Yes [✓] No

Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards	Relevance
Assessment and Management of Environmental and Social Risks and Impacts	Relevant
Stakeholder Engagement and Information Disclosure	Relevant
Labor and Working Conditions	Relevant
Resource Efficiency and Pollution Prevention and Management	Relevant
Community Health and Safety	Relevant
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Relevant
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Relevant
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not Currently Relevant
Cultural Heritage	Relevant
Financial Intermediaries	Relevant

NOTE: For further information regarding the World Bank's due diligence assessment of the Project's potential environmental and social risks and impacts, please refer to the Project's Appraisal Environmental and Social Review Summary (ESRS).

Legal Covenants

Sections and Description
The PCU shall, at all times during Project implementation, recruit and retain the following staff, inter alia, each with terms of reference, qualifications and experience satisfactory to the Association: no later than two (2) months (i) a technical operations manager , (ii) a monitoring and evaluation specialist, (iii) a gender and social inclusion specialist/social safeguard specialist, and (iv) an environmental safeguards specialist

Sections and Description
The Recipient shall ensure that FIRCA appoints an external auditor, with qualifications and experience satisfactory to the Association and no later than six (6) months after the Effective Date

Sections and Description
The Recipient shall ensure that FIRCA updates the accounting software and its fiduciary procedures manual no later than three (3) months after the Effective Date

Sections and Description
The Recipient shall ensure that FIRCA no later than three (3) months after the Effective Date, signs a protocol with IGF and MEF which will allow IGF to include the Project in the scope of its work

Sections and Description
A SEA/SH action plan will be prepared and disclosed 30 days after effectiveness

Conditions

Type	Financing source	Description
Effectiveness	IBRD/IDA	The Recipient has recruited (i) a project coordinator, (ii) a financial management specialist, (iii) a procurement specialist, (iv) a principal accountant and (v) an assistant accountant, all with terms of reference, qualifications and experience satisfactory to the Association
Effectiveness	IBRD/IDA	The Recipient has signed a fiduciary management agreement with FIRCA to entrust FIRCA with the financial management and procurement of the Project
Effectiveness	IBRD/IDA	The Implementation Framework Contracts have been duly executed, on terms and conditions acceptable to the Association, between the Recipient, acting through the Project Coordination Unit, and each of the Specialized Implementing Agencies
Effectiveness	IBRD/IDA	The Recipient has adopted the PIM, and the PBC Manual, with the specifications described in Section 1.B of Schedule 2 and as approved by the Association
Effectiveness	IBRD/IDA	The fiduciary management agreement has been duly authorized, approved or ratified by the Recipient, on the one hand, and FIRCA, on the other hand, and is legally binding upon the Recipient and FIRCA, in accordance with its terms

Type	Financing source	Description
Disbursement	IBRD/IDA	No withdrawal shall be made for payments under Categories (2) (a) to (d), (3) (a) to (f), (4) (a) to (c) and (5) (a) to (b) unless the Recipient has hired the Independent Counter-Verification Entity
Type	Financing source	Description
Disbursement	IBRD/IDA	No withdrawal shall be made for payments under Category (6) (a) unless and until the Association has received evidence satisfactory in form and substance that the first Partial Credit Guarantee Agreement has been signed
Type	Financing source	Description
Disbursement	IBRD/IDA	No withdrawal shall be made for payments under Categories (2) (a) to (d), (3) (a) to (f), (4) (a) to (c) and (5) (a) to (b) unless the Association has received evidence acceptable to the Association in its form and content and following the requirements set forthin the PBC Manual and the Disbursement and Financial Information Letter, confirming the achievement of the respective PBCs; and evidence, in form and content acceptable to the Association confirming that expenditures under the relevant Eligible Expenditures for the PBCs in an amount equal to at least the amount to be withdrawn under each Category in respect of each PBC, have been incurred, and that said expenditures have not been presented before to the Association as satisfactory evidence for withdrawals under the Financial Agreement
Type	Financing source	Description
Disbursement	IBRD/IDA	No withdrawal shall be made for payments under Category (6) (a) unless and until the Recipient has prepared and adopted the FGPME Manual referred to in Section I.B 4 of Schedule 2 to the Financial Agreement, in a form and substance satisfactory to the Association
Type	Financing source	Description
Disbursement	IBRD/IDA	No withdrawal shall be made for payments under Category (6) (a) unless and until the Recipient has prepared an Environmental and Social Management System in form and substance satisfactory to the Association
Type	Financing source	Description
Disbursement	IBRD/IDA	No withdrawal shall be made for payments under Category (6) (b), unless and until the Association has received evidence satisfactory in form and substance that 80% of the funds under Category (6) (a)

		have been committed as Partial Credit Guarantees
Type	Financing source	Description
Disbursement	IBRD/IDA	No withdrawal shall be made for payments under Category (7) unless the Recipient has adopted the MG Manual

I. STRATEGIC CONTEXT

A. Country Context

1. **Côte d'Ivoire's growth has been impressive over the past decade, although the outlook has been weakened by Coronavirus disease (COVID-19)**. From 2012 to 2019, Côte d'Ivoire was one of the fastest-growing economies in Sub-Saharan Africa (SSA) and beyond, with average growth in real gross domestic product (GDP) of about 8 percent. 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 percent per year and by 35% in total between 2012 and 2019.[1] With the COVID-19 pandemic, economic growth is estimated to have slowed to 1.8 percent in 2020; although growth is expected to resume in 2021, its pace will be slowed by the global recession.[2]

2. **Poverty reduction and social inclusion have not improved at the same pace as Côte d'Ivoire's excellent economic performance**. The national poverty rate fell from 55 percent in 2011 to 41.5 percent in 2020, but benefits of strong economic growth were concentrated in urban areas, as the Greater Abidjan area is becoming ever more dominant in the national economy. In rural areas poverty remains very high (an estimated 57 percent) with four out of five poor households based in rural areas (2015). In 2020, the overall Human Development Index ranking for Côte d'Ivoire—162 of 189 countries—was lower than the average for SSA and far below neighboring Ghana, which ranked 142.[3] Awareness of the persistent disparities in income, educational attainment, health services, and employment has sharpened during the COVID-19 crisis, which has acted as a "*magnifying glass for inequalities.*"

3. **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 percent in 1990 to 20 percent currently, while the proportion of agricultural employment has also gradually declined to about 45 percent 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 agri-food system will remain critical engines of growth and providers of employment in the foreseeable future.

B. Sectoral and Institutional Context

4. **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 percent of global output) and a 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 (seventh 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

[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 (2020). Human Development Report 2020. *The next frontier: Human development Report*. Côte d'Ivoire.

exports to the subregion. The exception is rice, for which Côte d'Ivoire imports about 50 percent 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 the main source of national foreign exchange earnings (60 percent of export revenues in 2018). In addition, a considerable share of manufacturing and transport depends on agriculture. Agro-industry represents about 7 percent of total GDP and 50 percent of the manufacturing sector.

5. **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 percent per annum[4] 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[5], 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.

6. **The sector is dominated by poor smallholder producers—about 1.8 million small individual/family farms support 11 million persons (47 percent of the population).** These farmers cultivate 95 percent of the land, against 5 percent 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 percent 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.[6] There are pockets of intensification, however, and a small but 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.

7. **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 which largely supplies the domestic market has been affected relatively little. Confinement measures concerned only the Greater Abidjan area. 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 FCFA 250 billion for the cash crop subsector and FCFA 50 billion for the food crop

[4] Source: Ivorian authorities; Bank and IMF staff estimates and projections, December 2019.

[5] Cote d'Ivoire Economic Update, June 2019:

[6] 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).

subsector), which focuses on alleviating the impact of the crisis on producers and preserving the main productive assets.

8. **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 percent 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 percent in 2008 to 19 percent in 2016. Closing the remaining gender-productivity gap will provide significant economic benefits.[7] 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. An increased participation in cooperatives would help women achieve parity in productivity and earnings with men.

9. **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 percent per annum, driven by population growth (about 2.0 percent per annum), rising incomes (4–5 percent per annum in the medium term), urbanization (from 50 percent currently to an estimated 66 percent 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), dependence 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 and quality). To realize the growth potential of the Ivorian agri-food sector, the government should address key market and coordination failures (access to markets, access to technologies/inputs, access to finance, weak structure of value chains) which are binding constraints on growth, as discussed next.

10. **Deficient logistics infrastructure severely constrains 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. The road network, particularly in rural areas, is currently in poor condition. There is a lack of adequate

[7] 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.

marketing/logistics infrastructure both in production areas and consumption centers (assembly points, relay and wholesale markets, storage facilities). The absence of 'first mile' infrastructures to handle agricultural produces results in high post-harvest losses, especially for perishable agricultural products.[8] In consumption centers, outdated wholesale 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 and marketing costs remain high, that producers' incomes remain low, and undermines 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 critical services through information and communication technology (ICT), to promote more efficient operations of the value chains' main stakeholders. A key 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 (*Projet d'Infrastructures pour le Développement Urbain et de la Compétitivité des Agglomérations Secondaires,* PIDUCAS, P151324) and will strengthen support through the proposed Agri-Food Sector Development Project.

11. **Inefficient market information systems (MIS) hinder 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 (*Centre National de Recherche Agronomique,* CNRA), the National Rural Development Support Agency (*Agence Nationale d'Appui au Développement Rural,* ANADER), and Agrometeorological Observatory—as well as agricultural MIS such as those operated for food crops by the National Office for Food Crop Commercialization (*Office d'aide à la Commercialisation des Produits Vivriers,* 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 to increase rural coverage. The recently approved E-Agriculture Project (P160418, US$70 million) is using this improved infrastructure to support 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 develop internet-based MIS and productivity-enhancing services for agricultural producers (along the lines of the cashew information system) in the major agricultural value chains.

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

12. **A weak national food safety and quality control system needs to be strengthened throughout the value chains.** 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 has five accredited laboratories (two public, three private). Yet at least four critical gaps in the national institutional setup remain to be addressed to ensure public food safety and efficiently meet quality requirements required by domestic and export markets. First, the legal and regulatory framework for inputs and products must be updated and fully aligned with international, regional (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 (*Laboratoire National d'Appui au Développement Agricole,* 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.[9]. Third, the coherence and coordination of the various institutions involved in the national food safety and quality-control 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 (*Agence Française de Développement,* AFD) funded detailed preparations for the agency's establishment, although it has yet to occur. 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).[10]

13. **An underfunded national system for agricultural research, technology dissemination, and adoption 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.

14. **The effects of climate change are already evident in Côte d'Ivoire and are projected to worsen**. Climate change scenarios for Côte d'Ivoire predict that temperatures will rise by about 1.6°C by 2040–2059, 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 percent 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

[9] This is a recommendation of the audit report on the existing control systems governing the production of fishery products intended for export to the European Union (Health and Food Safety, European Commission, October 2019).
[10] Only 36 firms have GlobalGAP certification, essentially large companies in the banana, pineapple, and mango subsectors.

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 percent 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 limit 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.

15. **Limited access to credit is a binding constraint, particularly for small enterprises and even more for farmers in the food crop subsector.** Commercial banks 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 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.[11] Some (such as Baobab) have tripartite agreements under which input suppliers or off-takers guarantee part of the risk (about 10–20 percent). Even so, most financial institutions are reluctant to move beyond offering short-term credit for agriculture.

16. **Weaknesses in the structure of food crop value chains 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,[12] including: (i) difficulties in organizing a very large number of scattered actors which hamper consultation among the various stakeholders; (ii) most actors'

[11] 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).

[12] 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.

low appreciation of the benefits of collective action; and (iii) the limited capacity of the national institutions responsible for providing the supervision, support and services needed for structuring the development of the food crop sector, such as the Directorates of Producer Associations (*Direction des Organisations Professionnelles Agricoles,* DOPA and *Direction des Organisations Professionnelles Agricoles et de l'Appui au Financement,* DOPAF) 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 in terms of quality and reliability. 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.

17. **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 (*Centre de Promotion des Investissements en Côte d'Ivoire,* CEPICI), the establishment in 2016 of the Ivorian Agency for the Promotion of SMEs (*Agence Côte d'Ivoire PME,* Ag-CI PME), and the restructuring of the Government's SME Partial Credit Guarantee Fund (*Fonds de Garantie de Crédits aux PMEs,* FGPME)[13] in January 2020 to limit the risk for financial institutions extending credit to SMEs. These institutions receive support from the World Bank Group (WBG) through three projects: (i) 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 as well as global and national connectors for strategic economic and social development); (ii) the Competitive Value Chains for Jobs and Economic Transformation (JET) Project (P172425), which 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; and, the Women Entrepreneurs Finance Initiative (We-Fi) Project (P164518), which 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. Relevance to Higher-Level Objectives

18. **The proposed project is fully aligned with GoCI strategy and programs.** The Government's longstanding recognition of agriculture's key role in poverty alleviation and economic growth is reflected in successive Poverty Reduction Strategy Papers and Economic Development Plans, operationalized by National Agricultural Investment Plans (*Plan National d'Investissement Agricole,* PNIAs). The first PNIA (2010–2015) strengthened the institutional framework for revitalizing the agricultural sector after the 2010 crisis through improved regulation, sectoral policies, and governance of agricultural industries. The second PNIA (2016–2021) focuses very strongly on the structural transformation of agriculture by building

[13] FGPME governance and management were restructured under the World Bank Emergency COVID-19 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 World Bank IPF Policy (Intermediary Financial Institution).

the momentum to shift toward a modernized, market-oriented sector, based on: (i) the development of integrated value chains that can respond efficiently to market opportunities; (ii) the development of high-potential geographical areas (Agricultural Growth Poles or "Agropoles")[14] that competitively supply the country's main consumption markets; and (iii) a particular focus on setting the country's food system on a path of inclusive, sustainable growth while generating employment and ensuring national food security.

19. **The proposed project is aligned with the Country Partnership Framework (CPF)[15] .** The project is aligned particularly with Focus Area 1 (*Accelerating sustainable private sector-led growth in Côte d'Ivoire*) and its Strategic Objective 1 (*Improve productivity in agriculture/agribusiness value chains*) to achieve inclusive growth and reduce poverty. It will also contribute to Focus Area 2 (*Building Human Capital for Economic Development and Social Cohesion*) by creating employment, especially for women and youth. Specifically, the project will support three key agendas: (i) *Economic transformation and job creation*—by achieving sustained increases in agricultural productivity, a shift toward commercial enterprises, stronger and more efficient value chains, and the development of a thriving rural economy that creates quality employment in upstream and downstream activities servicing agriculture; (ii) *Resilience building and food security*—by promoting CSA to enhance the resilience of domestic agricultural production systems;[16] and (iii) *Gender inclusion*—by lifting constraints that prevent women from accessing and owning productive resources, and by expanding women's access to information, financial services, and technologies (for production, processing, and marketing).

20. **The project also builds on the recently completed Country Private Sector Diagnostic (CPSD).** The CPF aims to promote strong, inclusive economic growth that sustains the creation of decent jobs in sufficiently large numbers to reduce poverty rapidly. To achieve this objective, the CPF: (i) focuses on accelerating private sector-led growth by improving the business policy/regulatory framework and access to finance, particularly for SMEs; and (ii) specifically targets the inclusive development of agricultural value chains because of their large potential impact on value addition and employment creation. The CPSD identifies agricultural sectors with high growth potential that could increase diversification and domestic value addition—horticulture, cashew, cotton, rubber, and palm oil—and recommends closing gaps in five key areas: business environment, finance, transport and logistics, digital connectivity, and skills. The project reflects these strategic orientations through its efforts to develop a vibrant rural economy based on the rapid, inclusive development of value chains for priority food crops that offer large opportunities—driven by domestic, regional, and international markets—for growth, value addition, and employment, particularly for women (including in upstream and downstream activities). The proposed project also aligns with the WBG COVID-19 Crisis Response Approach Paper. It contributes to a quick and sustained recovery by promoting productive, competitive, and resilient food value chains leading to sustainable private sector-led growth and job creation, in particular for the most vulnerable households. Annex 9 presents the adjustments made to the WBG program in Côte d'Ivoire in response to the COVID-19 pandemic.

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[14] Each of the nine Agropoles focuses on a set of high-potential food crops and animals: Agropole 1 (maize, rice, onions, fruits, ruminants); Agropole 2 (yams, vegetables); Agropole 3 (cassava, plantains, vegetables); Agropole 4 (yams, cassava, rice); Agropole 5 (rice, cassava, vegetables, poultry, aquaculture); Agropole 6 (rice, yams, cassava); Agropole 7 (rice, plantains, cassava); Agropole 8 (rice, soybeans); Agropole 9 (rice, aquaculture).

[15] Côte d'Ivoire – CPF for the period FY16-FY19, report No. 96515-CI, was presented to the Board of Executive Director on September 29, 2015. The May 2018 Performance and Learning Review (PLR) extended the CPF period through FY21.

[16] The project will also contribute to the World Bank Group Africa Climate Change Business Plan and to reaching the climate change mitigation and adaptation targets articulated in Côte d'Ivoire's Intended Nationally Determined Contribution (INDC).

21. **Côte d'Ivoire is an IDA-eligible country with a moderate risk of debt distress,[17] and the proposed project is anticipated to deliver a high return on investment while contributing to poverty reduction, job creation, and private sector-led growth.** Following the Maximizing Finance for Development (MFD) approach, the project will build on a transformational partnership between the public and private sectors to remove market failures, provide the public goods needed to crowd-in private investment in the targeted value chains, and create economic opportunities and jobs, especially for women and youth. The project will also widen access to the climate-smart technologies and practices that help agri-food value chains to withstand climate change. Considering these characteristics, the project will also be financed by IDA19's Scale Up Window (SUW).

II. PROJECT DESCRIPTION

A. Project Development Objective

22. **The Project Development Objective (PDO)** is to support the development of inclusive, resilient, and competitive agri-food value chains,[18] benefiting their actors in project areas.

23. **Achievement of the PDO will be measured using the following six indicators:** (i) Direct project beneficiaries (disaggregated by gender, youth, smallholders, MSMEs, SME, and large operators) (number); (ii) Increase in the value of products marketed (domestically and regionally) by project supported beneficiaries in targeted agri-food value chains (percentage); (iii) Yields, (ton/ha), in targeted agri-food value chains supported by the project (disaggregated by commodity—(a) cassava; (b) tomatoes; and (c) aquaculture (metric/ton); (iv) Number of farmers adopting CSA technology (number); (v) Increase in private investment generated by the project in production, agro-processing, and related activities, (disaggregated by gender) (US$ million); and (vi) Increase in value chain-supported products inspected in domestic markets that comply with sanitary and/or phytosanitary standards (percentage). The project outcome-, intermediate-, and output-level indicators are detailed in the Results Framework (Section VII).

B. Project Beneficiaries

24. **The project's primary beneficiaries are smallholder farmers involved in food production, trading, and processing, individually or as members of cooperatives, and MSMEs in the food-crop value chains.** They will benefit directly from project interventions to improve access to modern technologies and finance, improve their skills and practices, upgrade and modernize their processing units, and gain better access to markets through their inclusion in more efficient value chains. They are expected to increase their productivity and the quality of their products and thus significantly improve their incomes and generate jobs in rural areas. It is expected that the project will reach at least 600,000 farmers (of whom 50 percent are women) and 150 SMEs.

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[17] According to the latest Debt Sustainability Analysis for Low-Income Countries (LIC-DSA) in November 2020; Cote d'Ivoire: Seventh and Eighth Reviews under the Extended Credit Facility Arrangement and the Extended Arrangement under the Extended Fund Facility, December 2020.

[18] Competitive value chains are defined as those able to produce and sell products/services that meet the quality standards of the markets at the same or lower prices than competitors and provide their actors decent employment opportunities and adequate returns on investments. The World Economic Forum defines competitiveness as "the set of institutions, policies and factors that determine the level of productivity of a country."

25. **Key institutions overseeing food production and marketing in the country will also benefit from project interventions**. Benefits include strengthening the capacity of institutions such as: (i) the Ministries of Agriculture and Livestock, OCPV, CEPICI, and Ag-CI PME, as well as the institutions responsible for agricultural research—CNRA, ANADER, and the Interprofessional Fund for Agricultural Research and Extension (*Fonds Interprofessionnel pour la Recherche et le Conseil Agricoles,* FIRCA)—and for food safety/quality control (and thus the consumers of these products); (ii) the apex institutions of the value chains (producer cooperatives and federations and interprofessional bodies); and (iii) service providers involved in project implementation, to deliver efficient agribusiness-oriented services.

C. Project Approach

26. **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 MIS, 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 to generate major value-added and employment: cassava, horticulture (vegetables), and aquaculture.[19] The 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.

27. **The project will adopt an inclusive agricultural value-chain development approach to address these challenges throughout all segments of the targeted value chains.** Project interventions will include both cross-cutting and value-chain targeted activities. Cross-cutting interventions will include: (i) the improvement of the business environment; (ii) the capacity strengthening of key public and private institutions overseeing the agri-food system (public agencies, cooperatives and interprofessional bodies); and (iii) the provision of hard infrastructure to strengthen modern production and agri-processing environments (wholesale markets in the largest cities and smaller aggregation centers/logistics platforms in secondary regional towns) and collective production infrastructure (mechanization, storage facilities, and others) that can catalyze private investment in value-adding activities, stimulate product and process innovation, and create accessible, structured marketing arrangements through organized linkages between farmers and processors. Targeted interventions will be tailored to address key specific constraints of selected value chains (crop specifics, stakeholders' characteristics and organizational level, value-chain structuring) for strengthened vertical and horizontal coordination. They will also include targeted support to individual value-chain actors in gaining access to services and financing.

[19] These value chains were selected based on findings of the diagnostics carried out under the PSAC Project (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.

28. **The project also incorporates World Bank cross-cutting priorities into its activities**. For example, because climate change is a severe and intensifying production constraint, project activities emphasize climate change mitigation/adaptation strategies and adherence to environmental safeguards. Both the soft and hard investments funded under this project will integrate climate change considerations in their design. To address the cross-cutting priorities of gender, the empowerment of vulnerable groups, and adherence to social safeguards,[20] the project will enable more excluded groups—particularly women and youth—to access productive resources and new job opportunities in product aggregation, storage, processing, and maintenance of infrastructure and other common-use assets. It will also facilitate access to finance for women entrepreneurs to build or upgrade their enterprises and strengthen their market linkages through technical assistance in the development of their business plans and provision of tailored MGs and credit guarantees. Another cross-cutting priority emphasized in the project is public health and nutrition, bearing in mind that processed food currently does not meet the required safety standards. Figure 1 in Section E illustrates the project's Theory of Change (ToC).

29. **The project will seek to enhance results-oriented outcomes, geared towards improving both access to markets and food safety standards.** It will help promote institutional and policy reforms in the agri-food sector using performance-based conditions (PBCs). The implementation of PBCs has supported borrowers/recipients to achieve sustainable results through conditional disbursements on improvements in the quality of services delivery and improved regulatory environment. The project will adopt such an approach to support key reforms aimed at strengthening the food-safety and quality-control system and improving the wholesale marketing of food commodities.

30. **Project geographic focus.** Project 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 (see map in Annex 10).[21]

31. **Building synergies and bringing impacts to scale through complementarity with other World Bank projects**. The proposed project builds on the achievements of the West Africa Agriculture Productivity Program in Côte d'Ivoire (WAAPP-1B, P117148) by scaling up its research findings and mechanisms for generating and disseminating technology. Working with the E-Agriculture Project (P160418), the proposed project will leverage digital technologies for more accessible market/technology information and extension services. It will also leverage the previously mentioned WBG operations supporting SME development and the Government's employment and economic transformation agenda—PIDUCAS, JET, and We-Fi—and sustain strong synergies with the Cocoa Integrated Value Chain Development Project by offering opportunities for cocoa farm diversification (P168499, under preparation).

32. **MFD, collaboration with the International Finance Corporation (IFC), and private sector**

[20] This also includes measures to prevent the risk of child labor, monitor and provide remedy measures when needed. This is further expanded in Section IV- D relative to support for safeguards implementation.

[21] The six targeted Agropoles are: (i) **Agropole 5,** covering Abidjan District and the regions of Grands Ponts and Agneby Tiassa; (ii) **Agropole 7,** covering the regions of San Pedro, Nawa and Gbokle; (iii) **Agropole 4,** covering the Center Region (Bouaké, Yamoussoukro); (iv) **Agropole 3,** covering the regions of Indénié-Djuablin, La Mé and Sud Comoé (Abengourou, Aboisso); (v) **Agropole 6,** covering the regions of Marahoué, Haut Sassandra, Goh and Loh Djboua (Daloa, Gagnoa); and (vi) **Agropole 9,** covering the region of Man.

involvement. Consistent with the National Development Plan (*Plan National de Développement,* PND) and PNIA II, the project recognizes the private sector's central role in developing the country's food value chains. To lift constraints on private domestic and foreign direct investment in these value chains, the project supports mutually reinforcing activities that include: (i) improving the policy and regulatory environment for private sector investments (for instance, by strengthening the food-safety/quality-control system and building the capacity of key public and private institutions overseeing food production and marketing); (ii) investing in critical marketing infrastructure to encourage private sector activity and investment in agri-food value chains; (iii) structuring the value chains and ensuring that small producers and other small private actors are fully included in their development; (iv) creating the conditions to leverage private commercial finance (for instance, making it easier for value-chain actors to obtain credit by supporting the FGPME, which reduces the risks to financial institutions that lend to SMEs); and (v) strengthening collaboration with the IFC program to improve the business climate and promote private investment in Côte d'Ivoire.

33. **Climate Change.** In developing these interventions, the project seeks to derive at least 50 percent of climate co-benefits through enhanced diffusion of mitigation practices and promotion of climate-smart technologies throughout the value chains. Such activities will include: (i) training and awareness on climate mitigation and adaptation practices; (ii) use of climate-resilient varieties and adoption of higher yielding varieties; (iii) uptake of soil management practices to reduce greenhouse gas (GHG) emissions from the soil and improve organic matter; (iv) use of integrated pest and disease management, (v) adoption of irrigation practices; and (vi) access to advisory services for farmers' adaptation to climate change and variability; including climate information services. Additional climate co-benefits will be derived from (i) climate-proofing and energy efficiency considerations in the rehabilitation/construction of marketing infrastructures including improved storage facilities and efficient waste- management systems; and (ii) climate-resilient investments when facilitating access to finance for value- chain private actors.

D. Project Components

34. Reflecting the approach and targeting principles discussed above, the project clusters its activities around three interrelated and sequenced technical components supporting soft and hard solutions to develop agri-food value chains. Annex 1 provides a detailed description of the project, including implementation arrangements and responsibilities.

COMPONENT 1: IMPROVING THE BUSINESS ENVIRONMENT AND INSTITUTIONAL STRENGTHENING (TOTAL: US$34.6 MILLION; IDA: US$34.6 MILLION EQUIVALENT)

35. 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. Component 1 will essentially finance public provision of goods, expertise, and studies.

Subcomponent 1.1: Strengthening the capacity of key public entities overseeing the sector

36. This subcomponent will strengthen the capacity of key public institutions (MINADER, MIRAH, OCPV, CEPICI and Ag-CI PME) overseeing the development of targeted agri-food value chains, focusing on improving the quality and efficiency of their services and raising their awareness of climate change mitigation practices**.** Training and capacity building will cover topics essential for understanding climate

change and its impact on the food-crop subsector, as well as tools and techniques to facilitate the design and implementation of climate adaptation and mitigation approaches. Capacity strengthening activities of key public entities will also consider creating an enabling environment for integration of climate-smart practices and standards into existing GAPs to enhance climate-proofing of targeted agri-food value chains. Support will consider mainstreaming of a climate risk management in agri-food value chains as a tool to enhance understanding of climate risk and impacts across the various agencies. It will also focus on highlighting key opportunities and entry points to reduce GHG emissions and address climate change mitigation. Capacity building will involve the following institutions and activities:

- *The DOPA of MINADER and DOPAF of MIRAH.* DOPA and DOPAF are responsible for establishing and monitoring the regulatory frameworks for Professional Agricultural Organizations (PAOs), agricultural producer associations, and cooperatives and the conditions for their development into federations and interprofessional bodies. This subcomponent will finance: (i) an institutional audit of these entities; (ii) the design and implementation of a program (internal procedures, staff training) to improve their capacity to fulfill their core responsibilities (among others, auditing producer cooperatives and upgrading to OHADA[22] standards); and (iii) targeted support/equipment to strengthen DOPA offices (*antennes*) in San Pedro, Man, Daloa, and Abengourou. Capacity building of PAOs will include raising awareness to climate hazards, improving knowledge on climate-risk management and adaptation options to climate change.

- *OCPV.* Based within MCI, OCPV is responsible for supporting the domestic marketing of food crops. This subcomponent will complement support provided by PIDUCAS and We-Fi by financing: (i) implementation of the OCPV institutional audit recommendations to improve its effectiveness in promoting food-crop marketing (procedures, staffing, equipment); (ii) strengthening the OCPV offices in Man, Daloa, and Abengourou; and (iii) funding the operational costs of OCPV's new digital platform. Provision of market information will account for the impact of climate risks on production and the market system to enable stakeholders to adopt preventive or pro-active measures to increase their climate resilience.

- *CEPICI.* This public institution is a one-stop shop to promote and support direct domestic and foreign investment in Côte d'Ivoire. Subcomponent 1.1 will strengthen CEPICI's capacity to: (i) identify promising investments in food value chains for which Côte d'Ivoire offers competitive conditions. The selection of these investments will prioritize those with high mitigation and adaptation potential to build the resilience of the agricultural sector; (ii) promote and facilitate domestic and international investment in agricultural/food-crop value chains by developing an effective communication strategy, planning and implementing targeted outreach campaigns, and establishing a Private Investor Support and Tracking System to track projects and monitor impacts; and (iii) set up a Grievance Redress Mechanism (GRM) to address and remove administrative constraints that agribusiness investors may face in establishing or expanding their business. In addition to financing the technical assistance, equipment, and training needed to building capacity in those key areas, this subcomponent will finance the competitive recruitment of a specialized agribusiness firm to strengthen CEPICI's capacity to generate a steady flow of investment opportunities in the agricultural/food sector.

[22] Organization for the Harmonization of Corporate Law in Africa (O*rganisation pour l'Harmonisation en Afrique du Droit des Affaires*).

- *Ag-CI PME.* This agency supports Ivorian SMEs to strengthen their technical and managerial capacity and improve their access to financing. Subcomponent 1.1 will strengthen the agency's capacity to analyze proposals for investments in production and processing of food crops. It will also mobilize specialized service providers to provide a full range of support for eligible investors to strengthen their planning, technical, and financial capacity and implement their projects, from the development of a business plan to the financing, investment, and start-up phase. To this effect, it will establish and maintain a roster of high-quality, accredited Technical Service Providers (TSP)[23] to be selected by private investors for delivering the assistance needed for implementing their sub-projects (Component 3). The subcomponent will finance the competitive recruitment, for a period of two years, of a specialized agri-business firm to strengthen Ag-CI PME's capacity for screening promising investments and providing the necessary assistance to selected investors for the detailed preparation and the launch of their investments/operations. The firm will also be responsible for the training of the Agency's counterpart staff.

37. Additionally, Subcomponent 1.1 will deepen national agricultural services' capacity (CNRA and ANADER) to fulfill their mandates and to design and implement sound policies and programs for the sustainable development of the agri-food sector. This subcomponent will fill critical gaps in skills and knowledge and reinforce monitoring and evaluation (M&E) by providing technical expertise, logistics, equipment, and training, including the use of tools and techniques to design and implement climate change adaptation and mitigation measures. ANADER's decentralization strategy will be supported by supplying its regional offices with digital equipment and tools to enhance outreach to farmers and the rural community more broadly. Subcomponent 1.1 will be implemented under the oversight of the Project Coordination Unit (PCU), in partnership with MINADER, MIRAH, and MCI (each ministry with regards to the institutions under its purview).

Subcomponent 1.2: Enhancing value-chain coordination and partnerships

38. Subcomponent 1.2 will strengthen coordination along the targeted value chains to increase their efficiency and facilitate partnerships between their actors.

39. Support under this subcomponent will include: (i) a detailed assessment of the targeted agri-food value chains, along the lines of the Competitive Reinforcement Initiatives (CRIs) adopted under the Competitive Value Chains for JET Project (P172425) with attention to climate change adaptation mitigation opportunities as well; (ii) the participatory preparation and implementation of a detailed development program for each value chain to improve efficiency at all levels, including the necessary reforms, institutional/capacity-building support, and common services and productive assets to fill gaps along the value chains, increase their resilience to climate change and adopt climate change mitigation practices; (iii) the preparation of a catalogue of promising investment opportunities—such as greenhouses, production of animal feed or fish fry, and aquaculture "'cages"' for intensive production, to cite a few examples—which will include information on costs, expected financial return, risks, expected social and environmental impacts, as well as contributions to resilience and mitigation, and prerequisites for success; (iv) the institutional audit of producer organizations and their apex organizations in the

[23] ANADER will be a major service provider. Other TSPs will be selected following a call for interest on the basis of criteria including their existing ability to meet minimum technical quality standards and their potential (human) capacity. If necessary, training programs will be organized by Ag-CI-PME and delivered by a specialized firm recruited competitively by the Project Coordination Unit (PCU) that will prepare and deliver specific training modules.

targeted value chains, and the preparation and implementation of capacity-building programs providing technical and managerial training on governance, negotiations, operational and financial management (FM), business development (including mainstreaming gender and climate change in business plans), and the preparation of bankable investment proposals; (v) the gradual establishment of interprofessional organizations to oversee the functioning of the value chains;[24] (vi) the preparation, establishment, and operation of a digital MIS for each targeted value chain, linked to the OCPV Digital Platform, to provide value-chain actors with real-time market information (availability, prices, transport services) connecting sellers and buyers to increase the overall efficiency of the value-chain in distributing agri-food products, reduce transportation costs, and reduce emissions, thus improving climate change resilience and mitigation; and (vii) strengthening the public-private dialogue on specific issues that are key to developing the targeted agri-food value chains. Subcomponent 1.2 will be implemented under the joint supervision of the DOPA (MINADER), DOPAF (MIRAH) and OCPV.

40. Activities under this subcomponent will promote the adoption of climate-smart technologies and climate mitigation and throughout the value chains. Such activities will include: (i) training and awareness on climate mitigation and adaptation practices; (ii) use of climate-resilient varieties and adoption of higher-yielding varieties; (iii) uptake of soil-management practices to reduce GHG emissions from the soil and improve organic matter; (iv) use of integrated pest and disease management; (v) adoption of irrigation practices; and (v) access to advisory services for farmers' adaptation to climate change and variability, including climate information services that are equitable and tailored to local contexts.

41. To address the gender gap in productivity that is partly linked to women's limited inclusion in value-chain organizations, Subcomponent 1.2 will: (i) support specific training for women leaders of producer organizations and women's organizations to promote their inclusion in decision-making, access to finance as well as their economic and social empowerment; and (ii) facilitate the networking of rural women entrepreneurs at the departmental, regional, interregional, and national level (nationally through the Platform of Women Farmers of Côte d'Ivoire, *Plateforme des femmes agricultrices de Côte d'Ivoire,* PFACI). The effectiveness of this activity will be measured by a specific indicator: increase in women's organizations trained that benefited from access to finance.

Subcomponent 1.3: Addressing food safety and sanitary and phytosanitary (SPS) issues

- Subcomponent 1.3 will support ongoing efforts to strengthen the national food-safety and quality-control system, which will give Côte d'Ivoire full access to regional and international markets and unlock its export potential, especially for fruit and vegetable products. Climate change is likely to introduce emerging food- safety and SPS risks, which may exacerbate existing inadequacies in the current SPS system particularly compliance with international standards. This sub-component will finance: *Strengthening the institutional and regulatory framework for food quality control and SPS management.* Subcomponent 1.3 will provide technical and financial assistance for: (i) updating the national food-quality and safety regulatory framework to align with international, regional (ECOWAS), and continental standards; (ii) establishing and operationalizing the National Food Safety Agency (*Agence Nationale de Sécurité Sanitaire des Aliments*) in charge of coordinating the activities of the national food- safety system, in relation with the competent authorities of the different sub-actors;

[24] For the cassava value-chain, the project will complement the ongoing process to build the interprofessional organization supported by the Food Sector Support Program (*Programme d'Appui au Secteur Vivrier*, PASV) funded by the European Commission.

(iii) developing the standard-setting system to incorporate international guidelines (Codex Alimentarius/IPPC and OIE) with respect to all SPS measures;[25] (iv) promoting a preventive, risk-based inspection system in food safety, plant health, and animal health that encompasses all dimensions of official control, including procedures related to food imports and exports; (v) implementing programs to strengthen the capacity of public quality- control and certification services for plants Directorate of Plant Protection and Quality Control (*Direction de la Protection des Végétaux et du Contrôle de la Qualité*, DPVCQ), animals *Direction des Services Vétérinaires* (Directorate of Veterinary Services, DSV), and aquaculture (Direction de l'Aquaculture); and (vi) designing a national framework for the development of digital traceability systems for domestic producers. As a result, food value chains are expected to become more resilient (e.g., due to improved risk-based inspections systems and reduce food loss and waste due to improved control systems and traceability mechanisms.

- *Improving the infrastructure of inspection services and official control posts.* Subcomponent 1.3 will provide support to upgrade the facilities and equipment of key food-safety laboratories—LANADA (national food testing and analysis), the Central Veterinary Laboratory of Bingerville, the Regional Laboratories in Bouaké and Korhogo, and private laboratories (the latter based on the principle of shared costs)—to improve the national testing capacity and laboratory accreditation, with priority given to the analysis of pesticide residues, veterinary drug residues, and heavy metals. Infrastructure improvements and facilities upgrading will include energy-efficiency considerations and climate-resilient design principles.
- *Support for value chain-specific compliance schemes.* This subcomponent will finance two main activities. The first is to develop and pilot a food safety and quality certification initiative (with a corresponding certification mark) for two priority lines of products: vegetables and aquaculture. In collaboration with CODINORM, products will be certified based on international standards and best practices, and the certification mark ("national mark of conformity to Ivorian standards") will be issued in conformity with ECOWAS product-certification requirements. The second activity is to improve the capacity of professional organizations and service providers (including ANADER) to assist private value-chain operators in complying with the certification requirements. Both activities will maintain a focus on women-owned agri-enterprises to ensure that they benefit from the food safety and quality certification and branding. The certification requirements are also expected to significantly contribute to enhanced resilience due to increased incentives to adopt improved adaptation practices as well as reduce emissions due to improved traceability mechanisms, including through expected reductions in food loss and waste.

42. Subcomponent 1.3 will also support nationwide campaigns on food safety awareness for policymakers and consumers through public media, in addition to a platform for donors to coordinate investment in food safety and SPS. An important task of the awareness campaign is to communicate how climate change—including higher average temperatures and more extreme temperatures—threatens food safety, particularly through the proliferation of bacterial and viral pathogens that contaminate food and provoke foodborne illness. Value chain-specific compliance schemes will include compliance with CSA-related certifications and/or standards.

[25] IPPC is the International Plant Protection Convention; OIE is the World Organisation for Animal Health. Despite membership in the Codex Alimentarius Commission since 2005, Côte d'Ivoire still has huge gaps in setting and implementing the Codex-based standards that are essential for a strong national food safety system.

43. The project will finance the technical assistance, equipment, training, and consultations/workshops required to support activities under this subcomponent, which will be coordinated by MINADER in partnership with the relevant ministries and agencies and implemented under PCU oversight. Two Performance Based Conditions (PBCs) will be used to fund the implementation of major reforms under this subcomponent. The first one relates to the operationalization of the agency in charge of food safety and the strengthening of its regulatory framework (US$3.80 million) through support for the establishment of a decree of creation of the national agency in charge of food safety and the elaboration of its business plan, and the implementation of the reinforcement plan on food safety for technical directorates. The second PBC targets the upgrade of the food-safety laboratories and inspection services and the improved capacity of value-chain professionals and service providers in food-safety and quality management (US$4.75 million) It will support rehabilitation works and equipment of public laboratories as well as training sessions for national service providers.. More detailed information on related indicators, expenditure program and verification procedures are reported in Annex 7.

COMPONENT 2: BUILDING PRODUCTIVE AND RESILIENT AGRI-FOOD VALUE CHAINS (TOTAL: US$138.0 MILLION; IDA: US$138.0 MILLION EQUIVALENT)

44. 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.

Subcomponent 2.1: Increasing access to climate-smart technology, innovation, and advisory services

45. Subcomponent 2.1 will improve productivity in production and processing throughout the targeted value chains through interrelated interventions: (i) adaptive research to fine-tune technologies previously tested in Côte d'Ivoire and/or West Africa under the IDA-financed WAAPP and other programs; and (ii) key advisory services. Adaptive research and advisory services will focus on innovations that reinforce the adaptation of agriculture to the main climate risks in Côte d'Ivoire as well as contribute to mitigation. Specifically, this subcomponent will support:

- *Targeted adaptive research programs for*: (i) cassava, to adapt high-yielding, climate-resilient varieties to local agroecosystems and the requirements of end-users; (ii) horticultural crops, to adapt high-yielding, climate-resilient cultivars of local African vegetables, including those suitable for production in the off-season; (iii) aquaculture, focusing on improved genetic material for the most popular species—tilapia and *machoiron* (African sea catfish)—as well as lesser-known species with high market potential (such as other catfish species and Nile perch); and (iv) mechanized equipment (plows, seeder, harvesters, post-harvest and processing equipment), to be adapted to the needs and scale of farmers and small and medium entrepreneurs, particularly women. This equipment will include energy-efficient and waste-reducing machines to reduce net GHG emissions and post-harvest losses. They will also contribute to secure food supply under a changing climate.
- *Increased access of producers to technologies adapted to the needs and scale of farmers and small and medium entrepreneurs,* through: (i) targeted training programs, including for local artisans to learn to make and maintain agricultural equipment, delivered by existing agricultural training centers and/or service providers; (ii) the development of climate prediction services to provide climate information tailored to farmers' needs; and (iii) the development of e-extension services by operationalizing the pilot e-extension platform to support the professionalization of value-chain actors (from producers to seed multipliers and processors) with a focus on CSA.

- *The detailed preparation of a program to increase the production of improved plant and fish genetic material, adapted to climate change,* including an analysis of the current structure and efficiency of these efforts, the main issues, and appropriate actions for improvement. The program's objective will be to strengthen the networks of licensed private operators or cooperatives for the multiplication of improved seed/genetic material for cassava and vegetable crops and the production of fish fry. This activity will complement investment subproject funding provided to individual private operators under Component 3 to establish/develop plant nurseries, fry multiplication facilities, and enterprises to make and maintain agricultural equipment and provide mechanization services.

46. Subcomponent 2.1 will be implemented by CNRA, ANADER and relevant producer organizations under the oversight of MINADER and MIRAH . It will finance: (i) the adaptive research programs (cassava, horticultural crops, aquaculture, mechanization), based on specific needs identified by professional associations with assistance from FIRCA; (ii) the rehabilitation of facilities (laboratories, equipment) for cassava, horticulture, and mechanization in national research institutions—CNRA, the Ivorian Technology Institute *(Société Ivoirienne de Technologie Tropicale,*I2T), and others—selected to carry out these research programs; (iii) the technical assistance and equipment necessary for: (a) the detailed design and implementation of climate forecasting services; (b) operationalizing the e-extension platform (ICT equipment, reinforcing the e-lab, call center, voice message services); (c) designing the program to strengthening networks for the commercial production of improved plant genetic material/fry; and (d) the design and delivery of targeted training programs, including for local artisans to make and maintain agricultural equipment.

Subcomponent 2.2: Developing agri-food marketing and distribution infrastructure

47. Subcomponent 2.2 will support the phased implementation of the government's ambitious strategy to develop agricultural marketing infrastructure that is adequate to meet national needs, including wholesale food markets (WFM) for the main cities, each with its network of aggregation/relay markets. Climate proofing and energy efficiency considerations will be adopted in the rehabilitation/construction of marketing infrastructures. The subcomponent will finance:

- *Updating the national legal and reglementary framework* for the establishment, management, and financing of WFM and the wholesale trade of agriculture products.
- *Developing regional relay markets* in specific locations identified through the detailed diagnostic of the targeted value chains (the CRIs described previously). The relay markets will be located in secondary cities close to main production areas and will strengthen the supply of WFMs near the main urban centers (Abidjan, Bouaké, San Pedro, Abengourou and Daloa). These relay markets will also serve as local suppliers for retail markets in the secondary cities. Relay markets will include: (i) building warehouses for (cold) storage and collection of local production; (ii) establishing pre-cooling, sorting, grading, and packing lines; (iii) providing additional processing units for products eliminated during sorting; and (iv) administrative/extension services (tax services and customs, for example). Subcomponent 2.2 will finance the engineering design of the relay markets, related environmental and social studies, and construction, all of which will consider climate resilient and energy efficiency design standards. This activity will also support small producers, particularly women, and their cooperatives to market their products and integrate into commercial value chains.

- *Conducting pre-feasibility studies on establishing or rehabilitating large-scale WFMs serving the main cities* (including Abidjan, Abengourou, Daloa). These studies will include: (i) market assessment; (ii) preliminary design, including programming of climate-proof and energy-efficient construction; (iii) the study of options for optimal financing and management models—public-private partnerships (PPPs), build-operate-transfer (BOT) arrangements, or other concessionary agreements); and (iv) related Environmental and Social Impact Assessments (ESIAs).
- *Implementing the first phase of establishing a modern WFM in Abidjan.* The development of a sustainable food supply system for Abidjan (more than 5 million inhabitants) is a complex undertaking. It will require the construction of a large WFM to organize wholesale trading activities on the outskirts of the city, giving attention to reducing the environmental impacts of the market's construction and operation. This subcomponent will finance: (i) the detailed design and supervision of works; (ii) the construction of the first phase of the WFM based on the masterplan of the project; and (iii) tailor-made technical and financial assistance to bring the WFM to full operational capacity. The design and construction of the Abidjan WFM will incorporate Eco-Industrial Park Guidelines, focus on mitigating climate change through resource-efficient technologies and buildings (generating renewable photovoltaic energy, for instance), and therefore reduce GHG emissions.[26]

48. The MCI will oversee implementation of this subcomponent in collaboration with local authorities and relevant interprofessional bodies. Activities for the establishment of wholesale markets will be implemented through a PBC on the improvement in the national legal and regulatory framework through supporting the preparation and transmittal to the parliament of a draft law and preparation of accompanying regulatory texts on framework for the establishment and management of the market, and the design, supervision works, construction, equipment and operationalization of the Abidjan wholesale market to be supported by the project (US$30.0 million). More detailed information on related indicators, eligible expenditure program and verification procedures are reported in Annex 7.

COMPONENT 3: MOBILIZING PRODUCTIVE PRIVATE INVESTMENTS ALONG THE VALUE CHAINS (TOTAL: US$88.0 MILLION; IDA: US$57.3 MILLION EQUIVALENT; BENEFICIARIES: US$30.7 MILLION)

49. 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.

Subcomponent 3.1: Building the operating capacities of PFIs

50. This subcomponent will enhance access to commercial credit for agri-food value chain actors by working with PFIs to scale up financing instruments and develop new financing instruments and risk assessment systems. The project will identify PFIs interested in growing this segment of their portfolio and work directly with them, using dedicated technical assistance to develop: (i) methodologies for more accurately assessing the creditworthiness of agricultural investments and investors, especially SMEs (for instance, innovative IT-based credit scoring mechanisms). The assessment criteria will be sensitive to the integration of climate smart practices and risk mitigation approaches in the proposals; and (ii) financing instruments better tailored to the cash-flow, liquidity needs, and other specific features of agricultural investments and SME investors. The project will build on the technical assistance provided to microfinance

[26] World Bank Group (2016), Mainstreaming Eco-Industrial Parks.

institutions as part of the Competitive Value Chains for Jobs and Economic Transformation Project (JET, P172425) in Cote d'Ivoire to support the digital financial infrastructure.

Subcomponent 3.2: Facilitating access to finance for private investment in agri-food value chains

51. Subcomponent 3.2 will support private investments all along the agri-food value chains through a program of three mutually reinforcing activities: (i) the promotion, mobilization, and pre-screening by CEPICI of investments proposals, both international and domestic; (ii) the establishment of an agriculture window within the FGPME; and (iii) the establishment of an MG mechanism to partially finance the cost of eligible investments and the technical assistance provided by Ag-CI PME for detailed business plan preparation and implementation. Specific focus will be given to support investment proposals that contribute to resilience as well as climate change mitigation. MGs and guarantees are complementary instruments addressing together various constraints to agriculture finance. MGs address mainly demand-side constraints (e.g., limited capacity to prepare business plans, lack of formal registration, lack of collateral, lack of willingness to invest in business development services, or in technology which has uncertain results). On the other hand, the agriculture window within the FGPME is an internal risk management tool for financial institutions interested in financing agriculture but requiring support while they expand into new segments. In addition, technical assistance provided through MGs will prepare the beneficiaries to be eligible to bank credit, particularly from the Financial Institutions affiliated to the Guarantee Fund Mechanism. Hence, MGs will add to the portfolio guarantee by helping small stakeholders reach a maturity level necessary to transition to a more sustainable source of funding. This will also ensure financial inclusion of the most vulnerable segment of the value chains.

52. *Mobilizing investment proposals.* CEPICI will mobilize investment proposals from two sources: (i) directly, through its promotion campaigns (usually larger investments);[27] and (ii) through Regional Councils, which are mandated to play a key role in identifying and supporting smaller-scale investment proposals from individuals or groups, particularly youth and women. Under this subcomponent, CEPICI will: (i) pre-screen investment proposals to assess their potential viability and their eligibility for benefits under the Investment Code or other assistance mechanisms. Screening and selection criteria will prioritize investment on climate smart agriculture practices; and (ii) develop a knowledge database to mobilize and disseminate information on market and financing opportunities in the targeted value chains (and the agri-food sector in general). This database will include the information generated by the assessment of the targeted value chains carried out under Subcomponent 1.2, information on typical investment opportunities, and more general data on markets, agronomic conditions, and access to irrigation, utilities, services, industrial land, and so on. CEPICI will establish and maintain the database and make it freely available to public institutions, PFIs, and potential investors. This subcomponent will finance technical assistance to design the database and will equip and train CEPICI for its operation.

53. *Agriculture window within the FGPME (SME Partial Guarantee Fund).* This subcomponent will finance the establishment of a specific agriculture window within the FGPME, tailored to the agricultural sector (eligibility criteria, coverage). This window will be: (i) under the joint strategic supervision of MINADER, MIRAH, and MCI; (ii) provide a portfolio guarantee (not a guarantee for each credit/subproject) of 70 percent to the participating PFIs; (iii) operated by the existing manager of the FGPME (according to specific agreed-upon procedures); and (iv) cover its costs through a commission of 3–4 percent on the

[27] CEPICI already has a significant number of investment proposals that may be eligible for support under the project.

guarantees provided and the return on its capitalization. The FGPME agriculture window will require capitalization of up to US$10.0 million.[28] A specific FGPME Partial Credit Guarantee Scheme manual will be prepared, specifying the operational procedures of the agriculture window within the FGPME.

54. *MG mechanism.* The MG mechanism (to be embedded in and managed by the PCU) will finance the assistance necessary to prepare and implement eligible private investments in production, processing, storage, and marketing of products in the targeted value chains. It will have separate windows for three categories of investments/investors, with specific levels of assistance as shown in Annex 1, Table A1.1. Project assistance may include grants to: (i) prepare/finalize investors' business plans; and (ii) implement their investments (develop their market, establish production facilities, establish their accounting and financial systems, access inputs and technology, secure the required specialized services (SPS, traceability), organize their supply through contract farming, and other activities). Climate-resilient investments will be encouraged as part of MGs; Eligible investments will be provided with technical assistance to mainstream climate risks considerations with a focus on adaptation and/or mitigation measures. Selection criteria of eligible investments will include climate smart indicators selected to assess the mitigation and adaptation benefits of the investments. The objective is that at least 50 percent of supported subprojects are expected to have climate co-benefits.

55. The MGs will be designed in a way that ensures long-term sustainability, applying the following principles: (i) investment proposals will include detailed environmental and social management mechanisms in line with World Bank policies; (ii) technical assistance will be provided during the start-up period (a critical phase) to improve sustainability and reduce perceived risk by PFIs; (iii) formal business registration will be promoted; and, (iv) beneficiaries will be incentivized to save part of the proceeds in an account at a financial institution. Finally, to close gender gaps in entrepreneurship and access to finance, Subcomponent 3.2 will also support specific business training for women, with a focus on psychosocial skills, business development and management, and business leadership. The effectiveness of this support will be measured by a specific indicator in the Results Framework: Increase in women organizations trained that benefited from access to finance. The design of the MG mechanism will build on successful experiences such as the MGs mechanism projects of the Madagascar Integrated Growth Pole and Corridor Project (P164536).

56. Total investments through MGs are estimated at US$77.0 million with support of an IDA envelope of US$46.1 million. The number of investments to be supported under the project will comprise: (i) 400 small investments from producer organizations (of which at least 75 percent from women groups) at a total cost of US$22.0 million; (ii) 150 medium investments from SMEs at a total cost of US$33.0 million; and (iii) 10 larger-scale investments at a total cost of US$22.0 million.

57. The FGPME agricultural window is a sustainable fund which will continue operating after the disbursement of MGs. It will be extended to agricultural loans in general and not be limited to the project targeted value chains. With capital of US$10 million, it will cover US$28 million of agricultural credit including: (i) loans required for beneficiaries of the MGs window A; (ii) loans that may be requested by beneficiaries of MGs Windows B and C; and (iii) loans for non-MGs beneficiaries. Nevertheless, before disbursement, these loan requests will have to fully meet PFIs requirements for credit. It is also expected

[28] With capital of US$10 million, it will leverage US$28 million of agricultural credit, with a 70 percent guaranty overage and a multiplier of two.

that the project, through the programs established by CEPICI under subcomponent 1.1, will generate opportunities for IFC to support large investments in the agri-food value chains of Côte d'Ivoire. US$5.0 million will be disbursed immediately and the balance when and if needed. A Direct Payment will be made to the Guarantee Fund account upon GoCi request. FGPME may proceed with a call for the balance once guarantees commitments reach at least 80 percent of the initial disbursement. At project closing, balance funds under the FGPME Agricultural Window may remain with the entity, provided that the partial credit guarantee scheme has demonstrated a satisfactory performance.

58. The operation of the MG mechanism will be fully described in the MG manual to be approved by the World Bank prior to disbursing for MG sub-projects. The manual will detail the processes, eligibility and selection criteria, and type of assistance under each of the three windows. The workflow for processing and approving investment subprojects is outlined in Annex 1 (Box A1.3) and will be described in detail in the PIM.

COMPONENT 4. PROJECT MANAGEMENT AND COORDINATION (TOTAL: US$34.4 MILLION; GOVERNMENT: US$14.4 MILLION; IDA: US$20.0 MILLION EQUIVALENT)

59. Component 4 will facilitate: (i) administrative, technical, and FM 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) M&E of project performance in procurement, 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). For details on institutional arrangements, see Annex 2.

PROJECT COST AND FINANCING

60. The project will be structured as an IPF over a period of six years from 2021 to 2027. Total project costs are set at US$295 million. The World Bank will fund the project through a credit from the International Development Association (IDA) of US$100 million and a credit from the IDA19 SUW of US$150 million.[29] These resources will be complemented by GoCI counterpart funds 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.

[29] 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.

Table 1: Project costs by component and source of financing (US$ million)

Project component	Total	IDA	Government	Beneficiaries
A. Component 1: Improving the business environment and institutional strengthening	**34.6**	**34.6**	**-**	**-**
B. Component 2: Building productive and resilient agri-food value chains	**138.0**	**138.0**	**-**	**-**
C. Component 3: Mobilizing productive private investment along the value chains	**88.0**	**57.3**	**-**	**30.7**
D. Component 4: Project Management and Coordination	**34.4**	**20.0**	**14.4**	**-**
Total costs	**295.0**	**250**	**14.4**	**30.7**

E. Results Chain

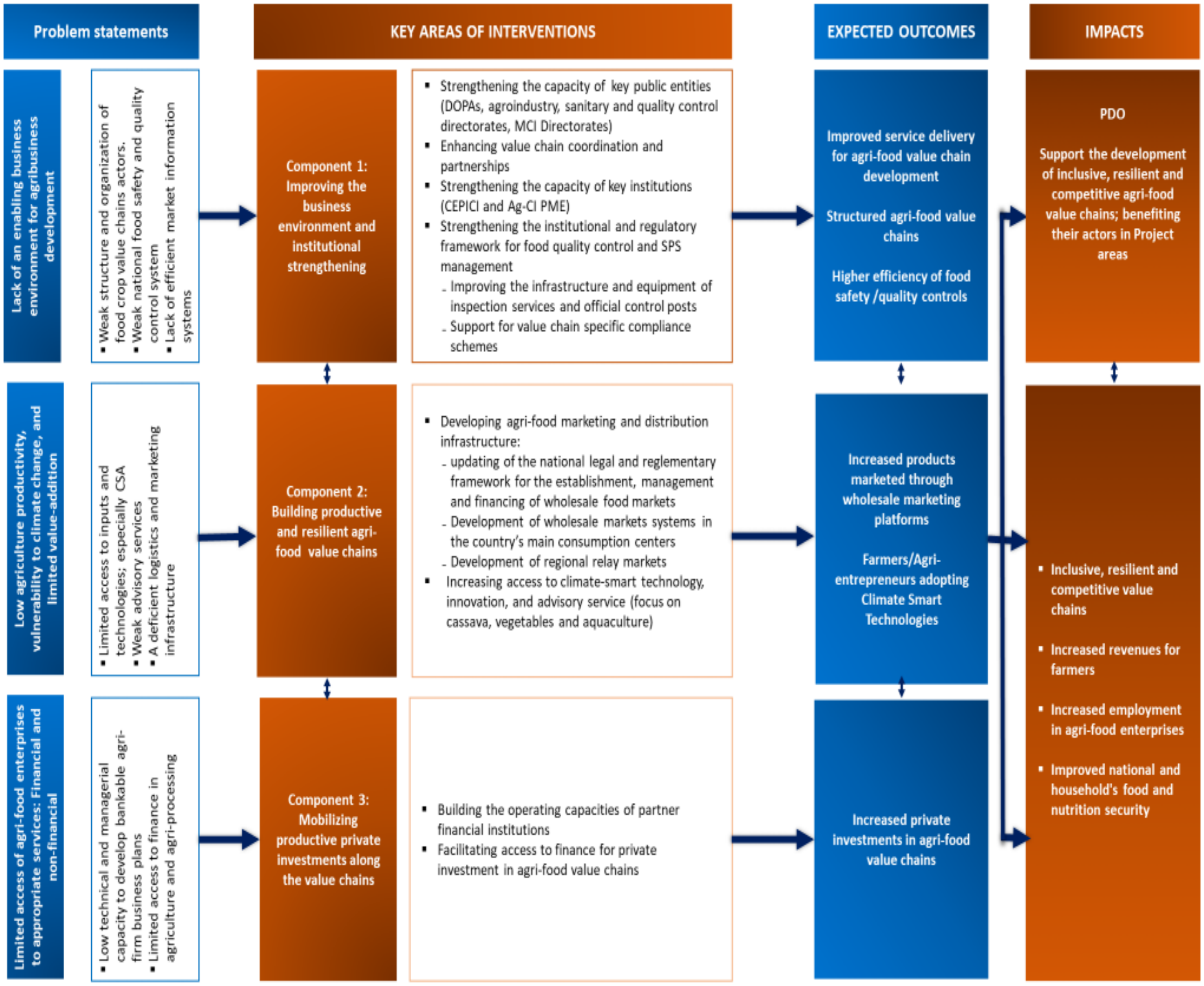
61. **Figure 1 summarizes the ToC for the proposed project.** The ToC depends on critical assumptions that could be affected by several internal and external factors. First, the ToC assumes that even in the event of political changes, support to the agricultural sector would remain a top priority for GoCI. Second, the ToC assumes political commitment to the structural reforms envisaged—those related to establishing the Food Safety Agency and WFMs (including access to land for their construction). Third, the ToC assumes that all stakeholders involved support project implementation efficiently and in a coordinated manner. Fourth, the ToC assumes that the public sector institutions, especially at the regional level, are willing to facilitate the creation of an enabling business environment for agri-enterprise development and that commercial banks (PFIs) support efforts in that regard (the provision of loans to agri-enterprises).

E. Rationale for World Bank Involvement and Role of Partners

65. **The proposed project is designed to address key constraints and provide critical public goods to stimulate greater private sector participation in the food crop subsector**. The absence of critical public goods such as market infrastructure, credible SPS and quality control systems, and a sufficient supply of financial and business development services are typical market failures that limit private investment in agriculture, restrict participation in markets by producers and other actors in agricultural value chains, and also limit their access to economic opportunities such as improved inputs and technology, among others. The project will take significant steps to address these market failures by bridging part of the infrastructure gap in the targeted areas and supporting GoCI efforts to improve the business environment and increase private investment in the food crop subsector. By virtue of its strong presence and engagement in Côte d'Ivoire, along with relevant experience elsewhere in the world, the World Bank has the capacity and convening power to aggregate the knowledge and efforts to unlock the potential of the food production sector as envisaged under the project.

66. **Along with the World Bank, the IFC will play a key role in engaging the private sector and increasing investment opportunities to leverage public funds.** In this regard, the project will provide real opportunities for private partnerships between actors in targeted value chains and act as an engine for enhancing investments in and upgrading and modernizing their weakest segments.

Figure 1: ToC of the Côte d'Ivoire Agri-Food Sector Development Project



67. **Role of partners.** Several programs have been launched to support food crop value chains. The project will build on their efforts and seek synergies with them. The Agricultural Value Chains Development Support Program (PADFA), supported by the International Fund for Agricultural Development (IFAD), improves post-harvest activities (packaging, storage, processing, and marketing) and the supply of quality agricultural products in three strategic value chains: rice, vegetables, and mango. The IFAD-funded Agricultural Production and Marketing Support Project (*Project d'appui à la production agricole et à la commercialisation*, PROPACOM, now closing) has supported production, post-harvest, and commercialization activities in the rice, maize, cassava, and vegetable value chains. The Agro-Industrial Pole Project (2PAI-Bélier) of the African Development Bank supports the development of rice, cassava, and maize value chains. A similar intervention (2PAI-North) is being developed for rice and horticulture value chains in northern Côte d'Ivoire. The recently approved Smallholders and Women Livelihoods Strengthening Project in the N'zi Region (*Projet de Renforcement des Moyens de Subsistance des Petits*

Exploitants et des Femmes dans la Région du N'zi, PREMOPEF) will improve access for smallholders, especially women and young people, to goods and services to raise productivity, production, and incomes, while ensuring smallholders' inclusion in yam, cassava, vegetable, and poultry value chains. The AFD-funded Agricultural Value Chains Revitalization Project in Côte d'Ivoire (C2D-PAFARCI, closed) supported implementation of the rural land law by providing land certificates and reinforced the systems that structure the production, marketing, and value chains of maize, soybeans, vegetables, pork, and fish farming. The AFD-funded Sustainable Agricultural Value Chains Program (C2D-FADCI) provides private development actors with innovative tools for natural resource management in vegetable production and strengthens the government's role in regulating food safety control and implementing related policies.

F. Lessons Learned and Reflected in the Project Design

68. **The design of the project reflects experience gained from implementing several World Bank–funded agriculture projects in Côte d'Ivoire**, such as *Projet d'Appui au Secteur Agricole de Côte d'Ivoire* (Agriculture Sector Support Project, PSAC P119308), WAAPP-1B (117148), and the E-Agriculture Project (P160418), as well as relevant World Bank operations in the sector in other countries. The design also reflects lessons from other donor-funded operations in the food crop subsector in Côte d'Ivoire (see above). Several analytical studies, including analyses of food crop value chains in Côte d'Ivoire, also informed the design.[30] As discussed, the project will seek close coordination and synergy with ongoing projects and programs and will harmonize approaches to leverage support in critical areas, optimize development outcomes, and avoid duplication.

69. **Four key lessons are reflected in the project design.** First, *an integrated value chain approach will maximize impact*. An integrated approach combines hard investments (for instance, in shared public good infrastructure) with soft support (capacity building, advisory support) to maximize impact and ensure sustainable outcomes. Similar World Bank–financed projects have shown that physical investments must be complemented by regulatory measures (particularly to create a more friendly business environment and facilitate trade flows) and by support for enterprises that can act as "leaders" in entering new markets and structuring supply chains. It is also important to define the regulatory framework for each value chain and strengthen professional organizations. Second, *projects must be selective in the choice of value chains while being flexible enough to accommodate changes in the local context and priority needs of target groups.* For that reason, it is important to focus initially on a few cross-cutting issues, locations, and/or value chains with an established comparative advantage and strong market prospects. The proposed project targets three priority value chains, while leaving the window open for supporting businesses along and around other food crop value chains, depending on market demand. Third, *access to finance through competitive grants can be effective for sustained agribusiness development*. Experience from many WBG–supported programs and projects shows that competitive grants, if designed and implemented appropriately, can be effective if they result in investments that are sustainable over the long term—in other words, if the proceeds of investment subprojects are sufficient for investors to continue funding and investing in subprojects on their own. Project design also incorporates lessons from the World Bank review of MGs published in 2016, "How to Make Grants A Better Match for Private Sector Development." Fourth, *continuous capacity building is essential for smallholder farmers and SMEs*. Small-scale private

[30] World Bank (2015), "Value-Chain Analysis of Cassava/Yam"; GoCI (2015), "Étude diagnostic opérationnelle de la filière légumes"; Rongead (2015), "Étude de la filière Manioc en Côte d'Ivoire"; UE-GoCI (2014), "Étude pour l'élaboration de la stratégie nationale de développement des cultures vivrières autre que le riz"; and UE (2018), "La chaine de valeur manioc en Côte d'Ivoire. "

actors need to maintain adequate product quality standards and GAPs to meet increasing quality requirements for consumers and compete in markets imposing higher standards (supermarkets, hotels, import markets). Lessons from World Bank Independent Evaluation Group review of the *Programme de Développement des Marchés Agricoles du Sénégal* (Senegal Agricultural Markets and Agribusiness Development Project, PDMAS) show that small-scale private entities require continuous capacity building.[31] The proposed project will offer capacity building and technical assistance to MG recipients, both before they implement their subprojects (to strengthen their business plans) and during their implementation (to ensure successful investments in commercial agriculture).

III. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

70. **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 (DA) 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. Implementation Framework Contracts will be developed and duly executed between the Borrower acting through the PCU and each of the specialized implementing agencies.

71. **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 AWPB. 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.

72. **In line with the decree 475 (1st July 2015), a technical committee will be established to monitor on a regular basis the project implementation and ensure an efficient project management.** It will report to the PSC and will include all the institutions involved in the technical and FM of the project. This committee will be headed by MINADER and the executive secretariat will be held by the PCU.

73. **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

[31] IEG (undated), Implementation Completion Report (ICR) Review for SN-Agr Markets & Agribusiness Development Project (P083609) (Independent Evaluation Group, World Bank, Washington, DC).

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 DA. Thereafter, the newly established PCU within MINADER will assume all functions, apart from the fiduciary function, which will remain entrusted to FIRCA for a two-year period. Then, an evaluation of the fiduciary management capacity of the UCP will be conducted. If satisfactory to the Bank, the fiduciary function will be transferred to the UCP.

74. **PCU staffing.** 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 recruited prior to project effectiveness. 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.

75. **The project will seek technical support from the following PIAs**: CNRA (agricultural research and seed production), ANADER (extension activities), DOPA and DOPAF (support to professional organizations), the Industrial Infrastructure Development Agency (*Agence de Gestion et de Développement des Infrastructures Industrielles,* AGEDI) (agri-marketing infrastructure), and the National Bureau of Technical Studies and Development (*Bureau National d'Études Techniques et de Développement,* 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.

B. Results Monitoring and Evaluation Arrangements

76. **The project will implement a comprehensive M&E system to provide data of good quality to enable GoCI and the World Bank to monitor implementation, assess progress toward the PDO, and make any necessary adjustments.** The M&E system will serve both as a day-to-day management tool to guide project implementation and a mechanism for periodic assessment of project performance to gauge project impact. It will combine the collection of quantitative data on the Results Framework performance indicators with the provision of qualitative information on project impacts that cannot be fully assessed with quantitative methods. The M&E system will support project supervision by ensuring that baseline and follow-up survey data on key performance indicators are available and regularly updated.

77. **The project will conduct one or more impact evaluations using rigorous research methods to generate high-quality evidence on the effectiveness of approaches implemented through the project.** This activity will capture the lessons from implementing the project and ensure that lessons and evidence from impact evaluations of similar operations elsewhere in the region inform project implementation. The

detailed scope of work on impact evaluation will be defined in the first year of implementation with GoCI and with technical assistance from the Development Impact Evaluation Department of the WBG. To systematically enhance M&E as well as supervision, the project will use the tools and methods of the World Bank Geo-Enabling initiative for Monitoring and Supervision (GEMS). GEMS will enhance the transparency and accuracy of M&E, increase the accountability of third-party monitoring, and provide platforms for remote supervision, real-time risk monitoring, and portfolio mapping for coordination across projects and partners.

78. **The M&E system will feature a management information system that will record all information related to project activities**, including the FM data from which Statements of Expenditure (SoEs) will be provided to the World Bank, and project management information for the semi-annual progress reports on physical implementation and results monitoring. The M&E system will also include baseline, mid-term, and end of project surveys and studies to be carried out by independent specialists that will be recruited under the project. Semi-annual joint supervision missions with representatives from the World Bank and GoCI will ensure compliance with legal covenants and assess the status of key project documents. A midterm review will be undertaken three years after project effectiveness to review progress and, if necessary, adjust project design. An Implementation Completion and Results Report will be prepared by GoCI and the World Bank team within six months after project closure to assess project achievements.

79. **During implementation support missions, the PCU will formally report progress on all indicators in the Results Framework (Section VII).** The Results Framework includes the complete list of indicators for each project component, specifies the frequency and methodology for collecting data on each indicator, and identifies the entity responsible for data collection. Whenever possible, the M&E system will explicitly disaggregate results by gender. The PIM and associated M&E manual will provide details on the organizational and technical conformation of M&E procedures to satisfy World Bank requirements, including the GRM and mechanisms for disseminating information. Beneficiaries will be surveyed at mid-term and at the end of the project to identify any changes in livelihoods and welfare deriving from project interventions. M&E results will inform the communication and outreach strategy to be developed by the PCU.

80. **The PCU will be responsible for overall M&E of project outputs and impact.** A dedicated full-time M&E officer/specialist will be appointed at the PCU to lead the results measurement exercises, with guidance from the World Bank team, and to compile M&E data for the semi-annual and annual project progress reports. M&E data collection by the PCU will include consolidation of data on achievement of the PBCs. This data will be verified and confirmed by an externally recruited Independent Verification Agency.

C. Sustainability

81. **Sustainability considerations, including possible exit strategies, are factored into the design of project components.** The project will facilitate access to and delivery of sustainable public services for agriculture that adequately meet the needs of targeted producers and private investors. The project will leverage private sector investment to expand the participation and financial viability of agribusinesses and increase their capacity to sustain investments in agricultural production and value chains over the longer term. The MG mechanism includes a detailed review of feasibility studies and dedicated technical assistance to ensure technical, financial, and market viability of investment subprojects funded through

MGs. Project support for policies that improve the overall enabling environment for agriculture and agribusiness will also contribute to the long-term sustainability of investments supported by the project.

82. **Any productive asset, equipment, or infrastructure financed through the subprojects will be accompanied by well-conceived business plans clearly indicating the arrangements and division of responsibilities between partners regarding operation, management, and maintenance.** Support will be provided all along the investment cycle from design to implementation until subprojects achieve their expected performance. The project will give priority to investments promoting climate resilience, such as investments in climate-smart technologies and practices (including sustainable land and landscape management) or waste management systems to minimize GHG emissions, pollution, and the spread of pathogens. The project will also give preferential treatment to vulnerable groups such as women and youth, so they can develop sustainable ventures.

83. **In addition, under Component 1 the project will strengthen the capacity of public institutions** through staff training, more efficient organization, and provision of adequate support, and it will build the capacity of private entities to pursue their economic ventures beyond the life of the project. The enhanced capacity of local civil society organizations and service providers, and the creation of business-based dialogue platforms under the project, will enable beneficiaries to continue negotiation and mediation processes with all other value chain actors after the project ends. Finally, the proposed project is being prepared through a participatory process that includes close consultations with a full range of partners and stakeholders (government, actors in the targeted value chains, the banking sector, producers, development agencies, and others). This consultative process has enabled the project team to draw on different areas of expertise, consider all technical and institutional views, and build stakeholder ownership (prerequisites for sustainability). This process will be pursued throughout implementation to maintain the shared vision and collaborative relationships forged during preparation.

IV. PROJECT APPRAISAL SUMMARY

A. Technical, Economic, and Financial Analysis

Technical Analysis

84. **The technical design is aligned with the national agricultural development agenda defined in PNIA II, with specific emphasis on the productivity of food crops, development of market infrastructure, and access to finance.** As noted, it has benefited from analytical work and lessons from other operations supported by the WBG, GoCI, and development partners. Key analytical work by government agencies includes diagnostic studies and national strategies for the development of food crop value chains other than rice; value chain analyses of cassava, plantain, and vegetables; and a scoping study on e-agriculture.[32] The design of the project benefited from the preparatory studies for the West Africa Agricultural Transformation Project (P164810) and results and lessons of WAAPP. The WAAPP led to an increase in production in targeted value chains (cassava, plantain, maize, rice) and to a rise in producers' income through the adoption of the technologies disseminated. The present project scales up the production

[32] See Rongead (2015), UE-GoCI (2014), and UE (2018), cited previously.

outcomes of the WAAPP and uses an innovative market-driven approach to respond to the market demand for food and to the structural changes in the nature of this demand.

85. **The project design includes several technical innovations**. These are: (i) improvements in institutional capacity to create an enabling environment for market-oriented value chains to grow; (ii) more inclusive marketing of food commodities through the development of contractual relationship between farmers and retail supermarkets; (iii) support for the emergence of small to medium scale processing platforms to add value to farm products and provide commercial opportunities for farmers; and (iv) stronger food quality and SPS management systems to enhance food safety (and marketability), through the establishment and operationalization of the National Food Safety Agency (continuing the institutional reforms initiated by AFD).

86. **The development of more integrated, competitive, and sustainable value chains depends on access to finance.** To address the supply- and demand-side constraint on access to credit, the project will draw on the experiences of other World Bank projects (PIDUCAS, JET, Cashew Value Chain Competitiveness Project) and create synergies with those efforts. It will promote the development of financial instruments (credit guarantees and MGs with simplified access procedures) that are suited to the characteristics of value-chain stakeholders (mostly small-scale farmers and entrepreneurs). Through technical assistance, the project will improve the management skills and technical capacities of producer groups as they develop and implement business plans, and it will create an agriculture window in the government's FGPME partial credit guarantee fund for SMEs, established in 2020.

87. A compliance review of the FGPME has concluded that it meets the requirements of World Bank IPF Policy on Intermediary Financial Institutions. The FGPME governance and management were restructured under the World Bank Emergency COVID-19 Development Policy Operation (DPO), with operational assistance from PIDUCAS, to improve efficiency and management in line with the World Bank Group and Organization for Economic Cooperation and Development (OECD) principles for corporate governance in public financial institutions supported. Nevertheless, under the proposed operation, the FGPME is required to develop/adopt and implement a comprehensive Environmental and Social Management System (ESMS) in accordance with the World Bank's ESS9 before disbursement can be made or activities under the Partial Credit Guarantee Fund.

Economic and Financial Analysis

88. The economic and financial analysis (EFA) assesses the financial impact of the project on individual beneficiaries and its economic impact at the country level.

89. **Expected benefits**. The project intends to directly benefit 600,000 households, approximately 100,000 in each of the six targeted Agropoles. Project beneficiaries are smallholder farmers and SMEs involved in food production, processing, and marketing along food crop value chains. They will benefit directly from project interventions to improve access to modern technologies and finance, improve their skills and practices, upgrade and modernize their processing units, and gain better access to markets. They are expected to increase their productivity and the quality of their products, and thus improve their income and contribute to more job creation in rural areas.

90. **Financial analysis.** The financial analysis is carried out for representative models financed by the project: (i) smallholder's rainfed cassava production at farm level; (ii) smallholder's irrigated vegetables production at farm level (tomatoes, eggplant, chili pepper, okra); (iii) aquaculture production at SME level; iv) semi-industrial cassava processing at SME level; (v) industrial cassava processing at SME level; and (vi) agro-logistic platform for large operators. The analysis shows considerable potential financial benefits at farm households and SMEs levels in terms of increases in net margins and returns to investments.

91. **The internal rate of return (IRR) is computed for each of these models.** The IRRs are between 8 and 59 percent at the farm level, and about 28 to 35 percent at the processing levels, higher than the discount rate of 5.8 percent. The IRRs therefore have the potential to incentivize producers to adopt the new technical packages at the farm/production level and entice promoters to invest at semi-industrial and industrial processing levels. The net present value (NPV) for project beneficiaries computed at the discount rate corresponding to their opportunity cost of funding, is positive indicating that they are expected to make a sizable profit, as well as be able to renew their investments at the end of their economic life. Results are shown in Table 2.

Table 2: Summary financial results of typical enterprise models and economic results

	Financial results of typical farm/enterprise models	
Farm/Enterprise models	**IRR (%)**	**NPV (US$ thousands)***
Farm/Production level		
Rainfed cassava smallholding	59	0.2
Irrigated vegetable smallholding	8	0.6
Aquaculture at SME level	21	2.3
Processing/Industrial level		
Semi-industrial cassava processing at SME level	28	10.4
Industrial cassava processing at SME level	28	59.3
Agro-logistic platform, large operator	35	471.9
	Economic Results	
	EIRR (%)	ENPV (US$ million)
Base results	16.5	144.7
10% increase in costs	13.3	113.5
20% increase in costs	10.6	82.3
10% reduction in benefits	13.0	99.1
20% reduction in benefits	9.4	53.4
One-year delay in project benefits	12.2	108.7
Two-year delay in project benefits	9.4	74.5
With low shadow price of carbon (US$40 per tCO_2e)	35.1	347.3
With high shadow price of carbon (US$ 82 per tCO_2e)	67.0	549.9

*At an exchange rate of US$1.0=FCFA 541

92. **Economic viability and sensitivity analysis**. The following economic viability indicators are computed: the *Economic Net Present Value* (ENPV, i.e. the difference between the present values of benefits minus the present value of costs); and the *Economic Internal rate of Return* (EIRR, i.e. the value of the discount rate for which the NPV is zero). The ENPV of the stream of net benefits in economic terms generated by project-funded activities over the period of 20 years for the whole country is approximately US$144.7 million, indicating that the proposed investment is profitable. The EIRR for the entire project is estimated at 16.5 percent, higher than the opportunity cost of capital of 5.8 percent in Côte d'Ivoire.

93. To test the robustness of the economic profitability, a sensitivity analysis is carried out to assess the impact of changes in the main parameters affecting the economic outcome of the project as a result of (a) changes in project costs; (b) changes in the expected benefits from the investments in the value chains promoted by the project; and (c) delays in project execution due to the risks that have been identified in the project’s risk analysis. The results show that the project remains economically viable even in the case of adverse changes in project costs and benefits. A reduction in project benefits by 20 percent results in an EIRR of 9.4 percent. A 20 percent increase in project costs reduces the EIRR to 10.6 percent.

94. **GHG accounting.** Incorporating the monetary value on potential benefits in terms of reductions in GHG emissions and increased carbon sequestration (estimated at 6.6 million tCO_2e over the time span of 20 years), the base case EIRR increases to 35.1 percent (under the low shadow price of Carbon scenario).

95. **Climate Co-Benefits**. Project interventions have been designed to include climate mitigation and adaptation co-benefits across all project activities. Capacity strengthening activities of key public institutions will contribute to increase awareness to climate change and its impact and to improve knowledge on adaptation options to respond to climate change. The reinforcement of partnerships among key value chain stakeholders will consider compliance and integration of climate smart agriculture practices along targeted value chains to reduce GHG emissions and increase the resilience of the value chains. The strengthening of national food safety and SPS systems along the lines of food safety risk management under climate variability will contribute to enhance preparedness for effective management of food safety hazards under extreme weather events. The project will promote adoption of various climate smart technologies with high carbon sequestration potential and/or adaptation benefits throughout the value chains. At farm level, these will include technologies to increase crop productivity, control and manage more efficiently water, increase the resilience of farming systems to climate change, and access advisory services; including gender sensitive climate information services tailored to local contexts. In the post-harvest segments of the value chains, by promoting the use of energy efficient equipment and waste reducing machines, the project will contribute to reduce net GHG emissions and increase supply of food. Construction of market infrastructure and storage facilities including installed equipment will be energy efficient to lower carbon emission. Climate smart investments will be prioritized to be financed under the MGs and the guarantee fund.

B. Fiduciary

Financial Management

96. **Overall responsibility for FM for the proposed project will rest with FIRCA**. A preliminary FM assessment of FIRCA was undertaken for project preparation with a view to assessing the key risks to FM and proposing measures to mitigate them. The assessment noted that FIRCA has experience managing World Bank funding, including managing the PPA for the PSAC Project, (P119308) and managing FM during the implementation of WAAPP-1B (P117148, US$30.0 million, closed in December 2016). FIRCA was in charge of the FM activities of the Cashew Value Chain Competitiveness Project (P158810, US$200.0 million) until the transfer to CCA in 2021, and it will transitionally manage the Competitive Value Chains for JET Project (P172425), under preparation.

97. **The current Director of Finance and Administration at FIRCA will oversee the project FM**

activities. To sustain the timely provision of reliable FM information from FIRCA and sufficiently segregate FM duties, a principal accountant and an accounting assistant fully dedicated to the accounting and disbursements tasks of the proposed project, with qualifications and experience satisfactory to the World Bank, will be appointed prior to project effectiveness date. Although FIRCA has robust FM systems in place, it will need to strengthen its internal audit services to fulfil their responsibilities effectively. Internal audits of the project performed by FIRCA will be complemented by an independent external audit of the overall project. Enforcement provisions will be described clearly in the project documentation and enshrined in the grant agreement. Recourse mechanisms will include not only the ability to cut off funding, but also the right to conduct audits and carry out fraud investigations in accordance with the World Bank's anti-corruption policy.

98. **The project's residual FM risks are rated as *"Substantial."*** As described in Annex 2 FIRCA would be in a position of managing World Bank's funds once the following measures are implemented prior and after the project effectiveness: (i) sign a fiduciary management agreement with the PCU to be entrusted the financial and procurement management of the project before effectiveness; (ii) hire or appointing on a competitive basis, a financial management specialist (FMS) – RAF, a principal accountant, and an accounting assistant, solely dedicated to the project, with qualifications and experiences satisfactory to the World Bank (before effectiveness); (iii) migrate the parameters of the existing accounting software (within three months after effectiveness); (iv) update the existing FM procedures manual (within three months after project effectiveness); (v) sign a fiduciary agreement between General Finance Inspectorate (*Inspection Générale des Finances*, IGF), the internal auditor and the PCU (within three months after project effectiveness); and (vi) recruit an external auditor with experience; qualifications acceptable to the World Bank (six months after project effectiveness). The PCU will be responsible for the following measures: draft and adopt: (a) the PIM before project effectiveness; (b) the PBCs manual (before project effectiveness); (c) the MG and FGPME manuals as disbursement conditions under sub-component 3.2, and (d) recruit or appoint an independent verification agency of the PBCs before disbursement on the PBCs indicators. This agency will be responsible of providing evidence and confirming that the respective PBCs have been achieved and that eligible expenditures have been made in accordance with World Bank policies and procedures. Such eligible expenditures include the provision of goods, works, consulting services and non-consulting services for capacity strengthening and infrastructure upgrade for improved food safety and wholesale food market management. More details are provided in Annex 7.

Procurement

99. **Overall Procurement Risk for Côte d'Ivoire is rated Moderate.** Procurement for the proposed project will be carried out in accordance with the requirements stated in the World Bank's Procurement Regulations for IPF Borrowers fourth Edition (November 2020) and the World Bank Directive: Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants (Anticorruption Guidelines) of July 1, 2016.Procurement will be carried out using the World Bank Standard Bidding Documents (SBDs) for all International Competitive Bidding (ICB) for goods and works and Standard Request for Proposal (RFP) for the selection of consultants through competitive procedures. The Borrower will develop standard documents based on the World Bank SBDs for National Competitive Bidding (NCB) for goods and works and on the World Bank's RFP for the selection of consultants through methods other than Quality and Cost Based Selection (QCBS), with modifications that will be submitted to IDA for prior approval.

100. **A review of the domestic procurement capacity shows that project procurement needs can be met at national level.** The review conducted during the preparation of the Project Procurement Strategy for Development (PPSD) shows that national supplier firms, construction companies and consultants have the expertise to carry out the majority of planned contracts. National competitive tendering is therefore recommended in the PPSD. International tendering will be called only if necessary. However, special attention will be paid to the contracting of construction firms companies for the wholesale and relay markets to anticipate eventual bottlenecks that may hinder project implementation, such as the purge of property rights, the implementation of Resettlement Action Plans (RAPs), the availability of technical studies, and the preparation of bidding documents. The different procurement methods or consultant selection methods, need for prequalification, estimated costs, prior review requirements, and time frame are agreed between the Borrower and the World Bank in the Procurement Plan. The Procurement Plan will be updated at least annually or as required to reflect actual project implementation needs and improvements in institutional capacity.

101. **Assessment of the capacity of the agency to implement procurement.** Under the proposed project, FIRCA is entrusted with fiduciary management, which includes procurement. The capacity assessment has shown that FIRCA has the required experience, skills, knowledge, personnel, and procedure manual to undertake procurement in line with World Bank standards in a timely manner for project implementation. At the same time, however, the assessment identified weakness in the quality of procurement documents and contract management. To address those weaknesses and mitigate the associated risk, it is recommended that FIRCA strengthen procurement capacity by: (i) recruiting (through a competitive process following World Bank procedures) a dedicated procurement specialist and an administrative assistant for the project before project effectiveness; (ii) train these new staff in procurement and contract management prior to implementation; and (iii) update the FIRCA manual of procedures in line with the requirements of the proposed project.

102. **Frequency of procurement reviews and supervision.** IDA prior and post reviews will be carried out on the basis of thresholds indicated in Annex 4. IDA will conduct six-monthly supervision missions and annual post procurement reviews, with the ratio for the post review being at least one in every five contracts. IDA may also conduct an independent procurement review at any time until two years after the closing date of the project.

C. Legal Operational Policies

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

D. Environmental and Social

103. **Although project activities, facilities, and services are expected to have positive impacts, some are potentially associated with substantial significant environmental risks and adverse impacts that should be mitigated.** These include risk of water and soil pollution due to the effluent discharge from aquaculture, nuisances related to air and noise emissions, the potential use of agrochemicals (fertilizers and pesticides), risks of accidents

for workers and communities, occupational and community health and safety issues related to agrochemicals use and to the civil works, potential disruption or degradation of natural habitats, and the ecological consequences of conversion and changes in ecosystem functions.

104. **The most significant social risks foreseen are related to involuntary resettlement**—the permanent and temporary physical or economic displacement of populations located within the immediate vicinity of the proposed investments as well as child labor. However, the risk assessment for gender-based violence (GBV) conducted by the World Bank determined that the risks of sexual exploitation and abuse and sexual harassment (SEA/SH) are moderate, as the project entails the construction of medium-scale infrastructure with some temporary labor influx, and the proximity of male project staff/workers to female community members.

105. **The Environmental and Social Risk Classification conducted at the project concept stage and updated at appraisal rated the project risk as Substantial.** The World Bank Environmental and Social Standards (ESSs) applicable to the project include ESS1 (Assessment and Management of Environmental and Social Risks and Impacts), ESS2 (Labor and Working Conditions), ESS3 (Resource Efficiency and Pollution Prevention and Management), ESS4 (Community Health and Safety), ESS5 (Land Acquisition, Restrictions on Land Use, and Involuntary Resettlement), ESS6 (Biodiversity Conservation and Sustainable Management of Living Natural Resources), ESS8 (Cultural Heritage), ESS9 "Financial Intermediaries" and ESS10 (Stakeholder Engagement and Information Disclosure). The potential risks and negative impacts that may result from the implementation of the project have been analyzed with regard to the mandatory requirements set forth in those standards to prevent and mitigate any risks and negative impacts that may result from the implementation of the project. Project appraisal stage Environmental and Social Review Summary (ESRS) has been prepared and disclosed on April 21, 2021.

106. **Based on that analysis, GoCI through MINADER has undertaken the participatory preparation of the following environmental and social safeguard instruments with key stakeholders:** an Environmental and Social Management Framework (ESMF), a Pest Management Plan (PMP), a Resettlement Policy Framework (RPF), an Environmental and Social Commitment Plan (ESCP), a Stakeholder Engagement Plan (SEP), and Labor Management Procedures (LMP). The ESMF, PMP and the RPF have been cleared by the World Bank and disclosed in-country and on the World Bank website on April 28, 2021 (ESMF and PMP) and April 29, 2021 (for the RPF). The SEP and the ESCP have been finalized and disclosed on April 16, 2021. The LMP is being finalized and will be disclosed before Board approval. In addition to the above, a SEA/SH action plan will be prepared and disclosed 30 days after effectiveness.

107. **ESMF.** The ESMF has been prepared in compliance with national legal and regulatory requirements and World Bank ESSs and with the participation of all relevant and key stakeholder groups, including representatives of the people and communities to be affected, the public and private sector, and civil society organizations. The ESMF describes the procedures and processes to be followed in preparing and disclosing site-specific safeguard instruments—in this case, ESIAs, including an Environmental and Social Management Plan (ESMP) if required—as soon as the exact locations and scope of a specific activity are known. Each ESIA and corresponding ESMP will be prepared in line with the screening results and must be approved in consultation with all stakeholders before the corresponding activity starts.

108. Guidelines on environmental/occupational health and safety (EHS/OHS) requirements will be included in bidding documents to ensure that contractors take them into account in their Works-ESMPs. Prior to the initiation of any works supported under the project, the PCU, PIAs, and other project implementation partners must

approve contractor ESMPs and ensure that they include EHS/OHS guidelines.

109. **PMP.** A PMP has been developed to minimize the potential risks of pollution and the negative impacts of pesticides on human and animal health by promoting the use of biological control and integrated pest management methods. The PMP (i) proposes preventive actions and mitigation measures, and includes an action plan for the management risks related to pesticides use; (ii) outlines the institutional arrangements for follow-up and monitoring during implementation of production activities; and (iii) a plan for capacity building of actors involved. In addition, the PMP incorporates safeguards measures into the project activities.

110. **RPF.** The RPF prepared for the project, includes mitigation measures to manage risks and impacts of land acquisition, physical or economic displacement and temporary loss of income, related to construction of warehouses, wholesale and relay markets, as well as criteria for when a Resettlement Action Plan (RAP) needs to be prepared to manage any impacts that cannot be avoided.

111. **SEA/SH Action Plan:** The Action Plan, will be prepared, according to World Bank procedures and will include, the activities related to the awareness-raising, prevention and risk mitigation measures for Sexual Abuse and Exploitation (SEA)/Sexual Harassment (SH). They will be put in place by the project and integrated into the ESMF. It will be disclosed 30 days after effectiveness.

112. **Financial Intermediary**: The project's Component 3 involves one financial intermediary (FI) – Government's Partial Credit Guarantee Fund ("*Fonds de Garantie de credits aux PMEs*"- (FGPME) which will provide a portfolio guarantee (not a guarantee for each credit/sub-project). The FGPME is required to develop/adopt and implement a comprehensive ESMS in accordance with ESS9. The preparation and adoption of the ESMS will be a disbursement condition for activities under the Partial Credit Guarantee Fund. The ESMS shall address environmental and social regulations, institutional strengthening, subproject screening and assessment, risk rating and reporting including any applicable ESS9 requirements, covering ESHS guidelines on avoidance of critical habitats and high value biodiversity areas, ESHS guidelines and on social aspects, such as for screening for land, procedures for land taking and SEA/SH. An ESMS acceptable to the World Bank will be a disbursement condition for the specific agriculture window to be managed by FGPME. LMP including procedures relating to working conditions (employment, non-discrimination and equal opportunity, occupational health, and safety) and a grievance mechanism will be developed as part of the ESMS.

113. A representative of the FI's senior management will be identified/designated to oversee the implementation of the ESMS and provide monitoring reports. The ESMS refers to putting in place an environmental and social policy, an environmental and social procedures, and organizational capacity and competency (hire environmental and social staff). An assessment of the ESMS and FGPME's capacity to manage the environmental and social risks and impacts will be carried out by the World Bank (during the implementation phase) prior to activating the specific agriculture window. Business involving activities likely to have major adverse environmental impacts that are sensitive, diverse, or unprecedented, may require involuntary resettlement, may result in the degradation of critical habitats, have significant air emissions or wastewater/effluents generation, may pose physical, chemical, biological, and radiological hazards, or any activities involving excessive use of pesticides and potential threat to the community health and safety as well as investments using or risking to pollute international waterways will not be eligible for financing.

114. **Support for safeguard implementation.** To ensure that the safeguard instruments prepared for the proposed project are implemented properly, the PCU will hire an environmental safeguard specialist and a social

safeguard specialist no later than two months after project effectiveness. The environmental safeguard specialist must have additional experience in EHS/OHS, and the social safeguard specialist must have experience in issues related to gender, GBV and SEA/SH, social inclusion, and labor-related risk management. Both specialists will be responsible for all aspects of environmental and social safeguards and regularly monitor all requirements.

115. **Given the increased risk of child labor in some of the project areas, the LMP outlines a six-monthly third-party audit to significantly reduce the risk of child labor use.** In addition, it presents the mitigation measures taken once a child labor incident is registered and the sanctions imposed on the contractors for employing child laborers. The LMP also includes incentives and specific measures for women to access jobs and financing. The LMP will be implemented by the PCU and all the project stakeholders with the support of the World Bank's specialists. In particular, the two safeguard specialists, the entire PCU, the PIAs, and the other stakeholders will ensure that children under 14 years of age are not employed as part of the labor force for project activities. They must also ensure that the type of labor performed under the project by children ages 14–18 years is consistent with their age and ESS2 requirements relating to protecting the work force. The project will carry out awareness raising activities on child labor and child rights, provide support for the elaboration of Community Action Plans to undertake various activities to protect children and fight against child labor, and implement Child Labor Monitoring and Remediation Systems. The project will also ensure synergies and complementarity with other projects such as the Cocoa Integrated Value Chain Development Project (P168499), currently under preparation with overlapping geographical areas to fight more holistically against this complex issue with inter-linked root causes, including poverty. Capacity building on the Environmental and Social Framework will be provided to all actors involved in preparing and implementing safeguard instruments and monitoring their application. World Bank implementation support missions will also include environmental and social safeguard specialists to ascertain that all safeguard issues are addressed adequately and in timely manner.

V. GRIEVANCE REDRESS SERVICES

116. Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service.For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

VI. KEY RISKS

117. **The Systematic Operations Risk-Rating Tool (SORT) was applied to evaluate potential risks associated with the project.** The overall risk rating for the proposed project is ***Substantial***. The key factors underlying this risk rating are related to the issues highlighted in the following paragraphs.

118. **Technical design**: ***Substantial***. This risk is assessed as substantial due to the complex nature of the design featuring several components and subcomponents and implementing agencies. To ensure effective implementation, the project builds on results and outcomes from previous projects implemented in the country (WAAPP, PIDUCAS, JET) and its design is informed by several analytical studies. It also draws lessons from World Bank experiences in other countries, such as experience with the Nigeria Commercial Agriculture Project (P130826).

119. **Institutional capacity for implementation and sustainability: *Substantial***. Weak institutional capacity at various levels of the targeted food crop value chains may slow down project implementation. The project will help mitigate this risk by implementing a comprehensive capacity-building program for main value-chain actors, targeting issues such as management, governance, and subsector organization. PIAs that will be entrusted with the realization of project activities will sign performance-based agreements with the PCIU and FIRCA and their capacities will be strengthened. Independent technical reviews/audits will be organized regularly, and the World Bank will undertake frequent and proactive implementation support missions. Specific attention will be paid to designing and setting up adequate management and maintenance systems for project-financed infrastructure, with sound arrangements for beneficiary ownership and private sector management from the start.

120. **Fiduciary: *Substantial*.** Poor governance at country level and risk of political interference in the management and staff of the PCU may impact project performance. At project level, MGs and Partial Credit Guarantee activities imply inherent risks linked to moral hazard and elite capture concerns. Procurement will be closely monitored by IDA. FIRCA will be required to maintain a strong FM system while the project financial statements will be audited by acceptable external auditors. Any changes in implementation arrangements, structure and staffing of the FIRCA dedicated to this project will be closely monitored by IDA. Manuals detailing selection criteria, and monitoring mechanisms for both the Partial Credit Guarantee and MGs schemes will be developed. In addition, World Bank FM team will ensure that external audit ToRs will include specific provisions related to Partial Credit Guarantee activities. IGF will carry out risk-based approach internal audit.

121. **Environmental and Social: *Substantial***. Some project activities are potentially associated with significant environmental risks and adverse impacts that include risk of water and soil pollution due to the effluent discharge from aquaculture, nuisances related to air and noise emissions, the potential use of agrochemicals (fertilizers and pesticides), risks of accidents for workers and communities, occupational and community health and safety issues related to agrochemicals use and to the civil works, potential disruption or degradation of natural habitats, and the ecological consequences of conversion and changes in ecosystem functions. Social risks foreseen are related to involuntary resettlement as well as child labor. To address these risks, the GoCI prepared through participatory process with key stakeholders, relevant environmental and social safeguard instruments. To ensure that the safeguard instruments are implemented properly, the PCU will hire an environmental safeguard specialist and a social safeguard specialist with strong expertise. In addition, the World Bank environmental and social safeguard specialists will ensure all safeguard issues are addressed adequately and in timely manner during implementation.

122. **Other risks: COVID-19: *Moderate*.** The current COVID-19 pandemic has led to many uncertainties, impacts on labor force availability and disruptions of supply chains both locally and globally. The COVID-19 pandemic may also affect Côte d'Ivoire's macroeconomic environment through multiple channels, including lower exports, lower

demand for imports, a decline in foreign direct investment, and a decline in remittances (which account for a small share of GDP but may have multiplier effects). Mitigating factors include the swift and appropriate policy actions taken by GoCI to cushion the economic impact of COVID-19 on households, farmers, and enterprises; some of those actions are supported by this operation (Component 3).

VII. RESULTS FRAMEWORK AND MONITORING

Results Framework
COUNTRY: Cote d'Ivoire
Cote d'Ivoire Agri-Food Sector Development Project

Project Development Objectives(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.

Project Development Objective Indicators

Indicator Name	PBC	Baseline	Intermediate Targets	End Target
			1	
Support the development of inclusive, resilient and competitive agri-food value chains benefiting				
Direct project beneficiaries (Number)		0.00	300,000.00	600,000.00
of which women (Number)		0.00	150,000.00	300,000.00
of which youth (Number)		0.00	150,000.00	300,000.00
of which smallholders (Number)		0.00	225,000.00	425,000.00
of which MSMEs (Number)		0.00	200.00	400.00
of which SMEs (Number)		0.00	75.00	150.00
of which large operators (Number)		0.00	5.00	10.00
Increase in the value of products marketed (domestically and regionally) by project supported beneficiaries in targeted agri-food value chains (Percentage)		0.00	10.00	20.00

Indicator Name	PBC	Baseline	Intermediate Targets	End Target
			1	
Yields (ton/ha) in targeted agri-food value chains supported by the project (Metric ton)		0.00	0.00	0.00
Cassava yields (ton/ha) (Metric ton)		20.00	25.00	35.00
Tomatoes yield (ton/ha) (Metric ton)		10.00	15.00	20.00
Aquaculture productivity (ton) (Metric ton)		5.00	10.00	20.00
Farmers adopting CSA technology (Number)		0.00	180,000.00	340,000.00
of which women (Number)		0.00	90,000.00	170,000.00
Private investment generated by the project in production, agro-processing and related activities (Amount(USD))		0.00	14,000,000.00	28,000,000.00
of which female (Amount(USD))		0.00	2,000,000.00	5,000,000.00
Increase in value chain-supported products inspected in domestic markets that comply with sanitary and/or phytosanitary standards (Percentage)		0.00	25.00	50.00

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	Intermediate Targets	End Target
			1	
Improving the business environment and institutional strengthening				
Targeted value chains cooperatives in compliance with OHADA (Number)		0.00	8.00	13.00
Value chains in compliance with Ordinance No.		0.00	2.00	3.00

Indicator Name	PBC	Baseline	Intermediate Targets	End Target
			1	
473-2011 on inter-professional associations (Number)				
The decree of creation of the national agency in charge of food safety is adopted and its business plan is elaborated (Yes/No)	PBC 1	No	Yes	Yes
Accredited food safety laboratories upgraded with project support (Number)	PBC 3	0.00	1.00	2.00
The reinforcement plan to strengthen the capacities of the technical directorates of MINADER, MIRAH, MCI on food safety is fully implemented (Percentage)	PBC 2	0.00	90.00	100.00
Training sessions conducted for national service providers on food safety (Number)	PBC 4	0.00	6.00	10.00
Building productive and resilient agri-food value-chains				
Private mechanization service providers supported by the project (Number)		0.00	8.00	15.00
Relay market and logistics infrastructures built or rehabilitated under the project and operated efficiently (Number)		0.00	5.00	9.00
Wholesale markets constructed by the project in Abidjan (Number)	PBC 8	0.00	1.00	1.00
A draft law on the legal and regulatory framework for the wholesale markets is submitted to the parliament and the regulatory texts prepared (Yes/No)	PBC 5, 6, 7	No	Yes	Yes
Mobilizing productive private investment along the value chains				
IMFs benefiting from technical assistance in developing their agrifinance portfolio (Number)		0.00	5.00	10.00
Value chain actors obtaining financing from banks through project's support (Number)		0.00	70.00	125.00

Indicator Name	PBC	Baseline	Intermediate Targets	End Target
			1	
Increase in women organizations trained that benefited from access to finance (Percentage)		0.00	25.00	50.00
Increase in the diversity of processed products (floor, starch, canned vegetables) by the project beneficiaries (Percentage)		0.00	8.00	15.00
Project management and coordination				
Beneficiary satisfactory rate of quality services provided by the project (Percentage)		0.00	40.00	80.00

Monitoring & Evaluation Plan: PDO Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Direct project beneficiaries	Number of beneficiaries reached by the project	Annually	M&E data collection system	Field survey Registry of beneficiaries	PCU
of which women	Number of women reached by the project among the beneficiaries	Annually	M&E data collection system	Beneficiary registries Field survey	PCU
of which youth	Youth number reached by the project among the beneficiaries	Annually	M&E data collection system	Field survey Registry of beneficiaries	PCU

of which smallholders	Number of smallholder farmers reached by the project among the beneficiaries	Annually	M&E data collection system	Field survey Registry of beneficiaries	PCU
of which MSMEs	Number of MSMEs supported by the project	Annually	M&E data collection system	Registry of beneficiaries	PCU
of which SMEs	Number of SMEs supported by the project	Annually	M&E data collection system	Registry of beneficiaries	PCU
of which large operators	Number of large operators supported by the project	Annually	M&E data collection system	Registry of beneficiaries	PCU
Increase in the value of products marketed (domestically and regionally) by project supported beneficiaries in targeted agri-food value chains	Percentage increase in the value of products marketed (domestically and regionally) by project supported beneficiaries in targeted agri-food value chains	Annually	M&E data collection system	field survey Registries from MINADER , MIRAH and MCI	PCU
Yields (ton/ha) in targeted agri-food value chains supported by the project	This is just an umbrella for the disaggregated yield indicators. It does not have a specific value since we cannot aggregate across different commodities	NA	NA	NA	NA
Cassava yields (ton/ha)	Percentage increase in cassava yield (Ton/ha)	Annually	M&E data collection system	Field survey	PCU

Tomatoes yield (ton/ha)	Tomatoes yield (ton/ha)	Annually	M&E data collection system	Field survey	PCU
Aquaculture productivity (ton)	Aquaculture productivity (ton)	Annually	M&E data collection system	Field survey	PCU
Farmers adopting CSA technology	Number of farmers who adopted CSA technologies in the project areas	Annually	M&E data collection system	Field survey	PCU ANADER
of which women	Number of women farmers who adopted CSA technologies	Annually	M&E data collection system	Field survey	PCU ANADER
Private investment generated by the project in production, agro-processing and related activities	Private investment generated by the project in production, agro-processing and related activities (US$)	Bi-annual	M&E data collection system	Registry of investment through M&E data collection system	PCU
of which female	Amount of private investment generated by the project in production, agro-processing and related activities for women	Annually	M&E data collection system	Registry of investment through M&E data collection system	PCU
Increase in value chain-supported products inspected in domestic markets that comply with sanitary and/or phytosanitary standards	Percentage increase in the value chain-supported products inspected in domestic markets that comply with sanitary and/or	Annually	M&E data collection system	Registry from technical directorates of MINADER, MCI and MIRAH	PCU

	phytosanitary standards				

Monitoring & Evaluation Plan: Intermediate Results Indicators					
Indicator Name	**Definition/Description**	**Frequency**	**Datasource**	**Methodology for Data Collection**	**Responsibility for Data Collection**
Targeted value chains cooperatives in compliance with OHADA	Number of targeted value chains cooperatives in compliance with OHADA	Bi-annual	M&E data collection system	Registry from MINADER/DOPA and MIRAH/DOPAF	PCU
Value chains in compliance with Ordinance No. 473-2011 on inter-professional associations	Number of value chains in compliance with Ordinance No. 473-2011 on inter-professional associations	Bi-annual	M&E data collection system	Registry from MINADER/DOPA and MIRAH/DOPAF	PCU
The decree of creation of the national agency in charge of food safety is adopted and its business plan is elaborated	The decree of creation of the national agency in charge of food safety is adopted and its business plan is elaborated	annual	M&E data collection system. Independent Verification Entity	Review, consolidation of reports from PCU and Independent Verification Entity	PCU
Accredited food safety laboratories upgraded with project support	Number of accredited food safety laboratories upgraded with project support	Bi-annual	M&E data collection system	Report from MINADER, MIRAH	PCU
The reinforcement plan to strengthen the capacities of the technical directorates of MINADER, MIRAH, MCI on food safety is fully implemented	Operational plan to strengthen the capacities of the technical directorates of MINADER, MIRAH, MCI on food safety	Bi-annual	M&E data collection system Independent Verification	Review, consolidation of reports from PCU and Independent Verification Entity	PCU

			Entity		
Training sessions conducted for national service providers on food safety	Number of training sessions conducted for national service providers on food safety	Annually	M&E data collection system Training session repor ts on food safety for national service providers Independent Verification Entity	Data consolidation during training session on food safety for national service providers	PCU
Private mechanization service providers supported by the project	Number of private mechanization service providers supported by the project	Bi-annual	M&E data collection system	Field survey	PCU
Relay market and logistics infrastructures built or rehabilitated under the project and operated efficiently	Number of relay market and logistics infrastructures built or rehabilitated under the project and operated efficiently	Bi-annual	M&E data collection system Reports from MCI	Registry from MCI Field survey	PCU
Wholesale markets constructed by the project in Abidjan	Number of wholesale markets constructed by the project in Abidjan	biennial	M&E data collection system MCI reports	Registry from MCI	PCU

A draft law on the legal and regulatory framework for the wholesale markets is submitted to the parliament and the regulatory texts prepared	Submission of a draft law on the legal and regulatory framework for the wholesale markets to the parliament and preparation of regulatory texts	Bi-annual	M&E data collection system Independent Verification Entity report	Review, consolidation of data from MCI	PCU
IMFs benefiting from technical assistance in developing their agrifinance portfolio	Number of IMFs benefitting from technical assistance in developing their agrifinance portfolio	Bi-annual	M&E data collection system	Registry from MINADER, MIRAH, MCI	PCU
Value chain actors obtaining financing from banks through project's support	Number of value chain actors obtaining financing from banks through project's support	Bi-annual	M&E data collection system	Review of secondary data from MINADER, MIRAH, MCI, CEPICI and Ag-CI PME	PCU
Increase in women organizations trained that benefited from access to finance	Percentage increase in women organizations trained that benefited from access to finance	Bi-annual	M&E data collection system	Review of secondary data from MINADER, MIRAH, Financial institutions	PCU
Increase in the diversity of processed products (floor, starch, canned vegetables) by the project beneficiaries	Percentage increase in the diversity of processed products (floor, starch, canned vegetables) by the project beneficiaries	Bi-annual	M&E data collection system	Review of secondary data/Registry from processors	PCU
Beneficiary satisfactory rate of quality services provided by the project	Level of satisfaction from the beneficiaries of quality service provided by the project	Annual	M&E data collection system	Field survey	PCU

Performance-Based Conditions Matrix

PBC 1	The decree of creation of the national agency in charge of food safety is adopted and its business plan is elaborated			
Type of PBC	**Scalability**	**Unit of Measure**	**Total Allocated Amount (USD)**	**As % of Total Financing Amount**
Output	No	Yes/No	0.80	0.00
Period	**Value**		**Allocated Amount (USD)**	**Formula**
Baseline	No			
2022	Yes		0.80	Year 1
2023	Yes		0.00	Year 2
2024	Yes		0.00	Year 3
2025	Yes		0.00	Year 4
2026	Yes		0.00	Year 5

PBC 2	The reinforcement plan is implemented			
Type of PBC	**Scalability**	**Unit of Measure**	**Total Allocated Amount (USD)**	**As % of Total Financing Amount**
Output	Yes	Percentage	3.00	0.00
Period	**Value**		**Allocated Amount (USD)**	**Formula**
Baseline	0.00			
2022	10.00		0.50	Year 1
2023	70.00		1.50	Year 2

2024	80.00		1.00	Year 3
2025	80.00		0.00	Year 4
2026	80.00		0.00	Year 5

PBC 3	The rehabilitation works and equipment of the public laboratories are completed			
Type of PBC	**Scalability**	**Unit of Measure**	**Total Allocated Amount (USD)**	**As % of Total Financing Amount**
Output	Yes	Percentage	1.25	0.00
Period	**Value**		**Allocated Amount (USD)**	**Formula**
Baseline	0.00			
2022	0.00		0.00	Year 1
2023	40.00		0.50	Year 2
2024	100.00		0.75	Year 3
2025	100.00		0.00	Year 4
2026	100.00		0.00	Year 5

PBC 4	Training sessions have been conducted for national service providers			
Type of PBC	**Scalability**	**Unit of Measure**	**Total Allocated Amount (USD)**	**As % of Total Financing Amount**
Output	Yes	Number	3.50	0.00
Period	**Value**		**Allocated Amount (USD)**	**Formula**
Baseline	0.00			

2022	0.00		0.00	Year 1
2023	2.00		1.00	Year 2
2024	2.00		1.00	Year 3
2025	2.00		1.00	Year 4
2026	2.00		0.50	Year 5

PBC 5	A decree to reinforce the current regulatory framework is issued			
Type of PBC	**Scalability**	**Unit of Measure**	**Total Allocated Amount (USD)**	**As % of Total Financing Amount**
Output	No	Yes/No	5.00	0.00
Period	**Value**		**Allocated Amount (USD)**	**Formula**
Baseline	No			
2022	Yes		5.00	Year 1
2023	Yes		0.00	Year 2
2024	Yes		0.00	Year 3
2025	Yes		0.00	Year 4
2026	Yes		0.00	Year 5

PBC 6	A draft law on the national legal and regulatory framework is transmitted to the Recipient's Parliament by the Recipient			
Type of PBC	**Scalability**	**Unit of Measure**	**Total Allocated Amount (USD)**	**As % of Total Financing Amount**
Output	No	Yes/No	3.00	
Period	**Value**		**Allocated Amount (USD)**	**Formula**
Baseline	No			
2022	No		0.00	Year 1
2023	No		0.00	Year 2
2024	Yes		3.00	Year 3
2025	Yes		0.00	Year 4
2026	Yes		0.00	Year 5

PBC 7	The regulatory texts are prepared			
Type of PBC	**Scalability**	**Unit of Measure**	**Total Allocated Amount (USD)**	**As % of Total Financing Amount**
Output	No	Yes/No	2.80	
Period	**Value**		**Allocated Amount (USD)**	**Formula**
Baseline	No			
2022	No		0.00	Year 1
2023	No		0.00	Year 2
2024	No		0.00	Year 3

2025	Yes		2.80	Year 4
2026	Yes		0.00	Year 5

PBC 8	The construction works and equipment of the wholesale market are completed			
Type of PBC	**Scalability**	**Unit of Measure**	**Total Allocated Amount (USD)**	**As % of Total Financing Amount**
Output	Yes	Percentage	19.20	0.00
Period	**Value**		**Allocated Amount (USD)**	**Formula**
Baseline	0.00			
2022	0.00		0.00	Year 1
2023	30.00		10.00	Year 2
2024	100.00		9.20	Year 3
2025	100.00		0.00	Year 4
2026	100.00		0.00	Year 5

Verification Protocol Table: Performance-Based Conditions

PBC 1	The decree of creation of the national agency in charge of food safety is adopted and its business plan is elaborated
Description	Adoption of the decree to create the national agency in charge of food safety is adopted and elaboration of its business plan
Data source/ Agency	PCU M&E data collection system

Verification Entity	Externally recruited Independent Verification Entity
Procedure	The GIs will review and approve the reports prepared by the Program Coordination Unit Unit. Approved reports will be submitted to the Ministry of Economy and Finance for submission to the World Bank, along with the accompanying evidence of activities completion. In addition, the GIs will carry out site inspections and in-depth reviews of specific items on a random sample basis.
PBC 2	The reinforcement plan is implemented
Description	Implementation of the reinforcement plan of technical directorates of MINADER, MIRAH, MCI on food safety
Data source/ Agency	PCU M&E data collection system
Verification Entity	Externally recruited Independent Verification Entity
Procedure	The GIs will review and approve the reports prepared by the Program Coordination Unit Unit. Approved reports will be submitted to the Ministry of Economy and Finance for submission to the World Bank, along with the accompanying evidence of activities completion. In addition, the GIs will carry out site inspections and in-depth reviews of specific items on a random sample basis
PBC 3	The rehabilitation works and equipment of the public laboratories are completed
Description	Rehabilitation works and equipment of the public food safety laboratories
Data source/ Agency	PCU M&E data collection system
Verification Entity	Externally recruited Independent Verification Entity
Procedure	The GIs will review and approve the reports prepared by the Program Coordination Unit Unit. Approved reports will be submitted to the Ministry of Economy and Finance for submission to the World Bank, along with the accompanying evidence of activities completion. In addition, the GIs will carry out site inspections and in-depth reviews of specific items on a random sample basis

PBC 4	Training sessions have been conducted for national service providers
Description	Number of training sessions conducted for national service providers (private and public) on food safety
Data source/ Agency	PCU M&E data collection system
Verification Entity	Externally recruited Independent Verification Entity
Procedure	The GIs will review and approve the reports prepared by the Program Coordination Unit Unit. Approved reports will be submitted to the Ministry of Economy and Finance for submission to the World Bank, along with the accompanying evidence of activities completion. In addition, the GIs will carry out site inspections and in-depth reviews of specific items on a random sample basis
PBC 5	A decree to reinforce the current regulatory framework is issued
Description	Issuance of a decree to reinforce the current regulatory framework for the establishment and management of wholesale markets
Data source/ Agency	PCU M&E data collection system
Verification Entity	Externally recruited Independent Verification Entity
Procedure	The GIs will review and approve the reports prepared by the Program Coordination Unit Unit. Approved reports will be submitted to the Ministry of Economy and Finance for submission to the World Bank, along with the accompanying evidence of activities completion. In addition, the GIs will carry out site inspections and in-depth reviews of specific items on a random sample basis.
PBC 6	A draft law on the national legal and regulatory framework is transmitted to the Recipient's Parliament by the Recipient
Description	Transmission of a draft law on the national legal and regulatory framework to the Recipient's Parliament by the Recipient
Data source/ Agency	PCU M&E data collection system
Verification Entity	Externally recruited Independent Verification Entity

Procedure	The GIs will review and approve the reports prepared by the Program Coordination Unit Unit. Approved reports will be submitted to the Ministry of Economy and Finance for submission to the World Bank, along with the accompanying evidence of activities completion. In addition, the GIs will carry out site inspections and in-depth reviews of specific items on a random sample basis

PBC 7	The regulatory texts are prepared
Description	Preparation of the regulatory texts of the law on the legal and regulatory framework for wholesale markets
Data source/ Agency	PCU M&E data collection system
Verification Entity	Externally recruited Independent Verification Entity
Procedure	The GIs will review and approve the reports prepared by the Program Coordination Unit Unit. Approved reports will be submitted to the Ministry of Economy and Finance for submission to the World Bank, along with the accompanying evidence of activities completion. In addition, the GIs will carry out site inspections and in-depth reviews of specific items on a random sample basis

PBC 8	The construction works and equipment of the wholesale market are completed
Description	Construction works and equipment of the Abidjan wholesale market
Data source/ Agency	PCU M&E data collection system
Verification Entity	Externally recruited Independent Verification Entity
Procedure	The GIs will review and approve the reports prepared by the Program Coordination Unit Unit. Approved reports will be submitted to the Ministry of Economy and Finance for submission to the World Bank, along with the accompanying evidence of activities completion. In addition, the GIs will carry out site inspections and in-depth reviews of specific items on a random sample basis

ANNEX 1: Project Detailed Description

A. Project Approach

62. **Project focus: constraints and investments in agri-food value chains.** The project is designed to respond to the key challenges identified as binding constraints for 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 MIS, 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 will finance a combination of soft and hard investments to address these challenges throughout all segments of the targeted value chains. Soft investments will support an improved business environment and strengthen the capacity of the main public and private institutions overseeing food production and marketing (cooperatives, interprofessional bodies, the food safety agency, and so on). Hard investments will create and strengthen modern production and agri-processing environments (wholesale markets in the largest cities and smaller aggregation centers/logistics platforms in secondary regional towns) and collective production infrastructure (mechanization, storage facilities, and others) that can catalyze private investment in value-adding activities, stimulate product and process innovation, and create accessible, structured marketing arrangements through organized linkages between farmers and processors.

63. **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.[33] The 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.

64. **The project will focus on three priority food crop value-chains**. Building on the main findings of the value-chain diagnostics carried-out under PSAC Project (P119308) and the sector scan carried-out by MINADER and IFC,[34] the project will focus its interventions on three value chains: cassava, horticulture (vegetables), and aquaculture. These value chains were selected based on the following criteria: (i) high growth potential, demonstrated by sustained market demand and scope for value addition through processing or quality improvement; (ii) strong linkages with other value chains (livestock feed, for example); (iii) strong potential for creating employment, in particular for women and youth; (iv) value chains are already (even weakly) organized and can be structured quickly; and (iv) a stock of well-suited technologies is ready to be adopted. The selection of these criteria and of the priority value chains was validated through consultations with GoCI and the private sector. Box A1.1 summarizes the main characteristics of these value chains. The project will also support, through an opportunistic and non-geographically targeted approach, the establishment or scaling up of promising private agricultural/agro-processing companies ("low-hanging fruit") in any other

[33] These value chains were selected based on findings of the diagnostics carried out under 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.
[34] OPTIMUM pour MINADER (2018), "Actualisation des études des Filières Agricoles" and IFC (2015), Agribusiness Country Diagnostic.

agricultural value chain based on each company's specific market prospects, investor profile, and detailed development plan.

Box A1.1: Targeted value chains

Cassava. By volume of production, cassava is the second most important food crop after yam, produced by more than 500,000 small farmers. With growing demand for cassava derivatives (*attieke*, *gari,* and so on) in urban areas and export markets (an estimated 7 percent of production is exported), cassava is a "cash crop" generating important employment and revenues for women in production, processing, and marketing. Cassava also has major potential for use in livestock feed and industry. The contribution of the value chain to agricultural GDP is significant, estimated at 12.4 percent, and it provides 4.7 percent of national employment. To develop further, the value chain requires support for the emergence of industrial-scale processing, improvements in quality standards throughout the value chain, and targeted incentive from the public sector.

Horticulture (vegetables). As demand for high-value fresh produce grows rapidly with the rise in per capita income, production has increased, particularly in peri-urban areas. There are also significant regional (Burkina, Niger) and extra-regional imports. Côte d'Ivoire has the growing conditions and comparative advantage to boost vegetable production to supply domestic and regional markets. For its comparative advantage to translate into a competitive advantage, Côte d'Ivoire needs to address the following constraints on the development of this value chain: the low productivity of domestic varieties, limited access to irrigation, the lack of cold-chain infrastructure, limited (albeit growing) access to high-end retail markets (supermarkets), and compliance with food safety standards.

Aquaculture. Demand is growing rapidly for fish, which is the primary source of protein for local consumers, particularly for poor households. Per capita fish consumption in Côte d'Ivoire is estimated at 14 kg/year, lower than the world average of 22 kg. Total consumption is estimated at 350,000 t/year, of which about 50,000 ton is locally caught (sea and continental) and 300,000 t are imported. Aquaculture is the major option for supplying more locally sourced fish, as the domestic fisheries sector cannot expand sufficiently to close the import gap. Aquaculture projects have shown mixed results in Côte d'Ivoire, but they have provided experience and a foundation to develop the sector, with 1,600 farms nationwide, four fry production centers, and four multiplication centers supplying 2.5 million fry in 2019. The main challenges in the value chain are the difficulty of obtaining quality feed and technical support, poor control of fish diseases, and deficiencies in trade logistics and marketing infrastructure.

65. **Project geographic focus: Connecting 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, and Bouaké) and the largest secondary cities (Man, Daloa, Gagnoa, Abengourou, and Aboisso). These secondary cities anchor six of the nine Agropoles defined in PNIA II as the country's main agricultural supply zones. The project will focus on supporting private operators in the targeted value chains and improving connectivity (critical marketing infrastructure) between the main consumption centers and six Agropoles: (i) **Agropole 5,** covering Abidjan District and the regions of Grands Ponts and Agneby Tiassa; (ii) **Agropole 7,** covering the regions of San Pedro, Nawa and Gbokle; (iii) **Agropole 4,** covering the Center Region (Bouaké, Yamoussoukro); (iv) **Agropole 3,** covering the regions of Indénié-Djuablin, la Mé and Sud Comoé (Abengourou, Aboisso, Adzopé); (v) **Agropole 6,** covering the regions of Marahoué, Haut Sassandra, Goh and Loh Djiboua (Daloa, Gagnoa, Bouaflé); and (vi) **Agropole 9,** covering the region of Man.

66. **The project will also focus on World Bank corporate cross-cutting priorities.** For example, because climate change is a severe and intensifying production constraint, project activities emphasize climate change mitigation/adaptation strategies and adherence to environmental safeguards. Both the soft and hard investments funded under this project will integrate climate change considerations in their design. To address the cross-cutting priorities of gender, the empowerment of vulnerable groups, and adherence to social safeguards, the project will make it easier for vulnerable groups—particularly women and youth—to access productive resources and new job opportunities in product

aggregation, storage, processing, and maintenance of infrastructure and other common-use assets. It will also facilitate access to finance for women entrepreneurs to build or upgrade their enterprises and strengthen their market linkages.[35] Another cross-cutting priority emphasized in the project is public health and nutrition, bearing in mind that processed food currently does not meet the required safety standards.

67. **MFD, collaboration with IFC, and private sector involvement.** Consistent with the PND and second National Agricultural Investment Plan (PNIA II), the project recognizes the private sector's central role in developing the country's food value chains. To lift constraints on private domestic and foreign direct investment, the project supports mutually reinforcing activities that include: (i) improving the policy and regulatory environment for private sector investments (for instance, by strengthening the food safety/quality control system and building the capacity of key public and private institutions overseeing food production and marketing); (ii) investing in critical marketing infrastructure to encourage private sector activity and investment in agri-food value chains; (iii) structuring the value chains and ensuring that small producers and other small private actors are fully included in their development (strengthening producer groups, contract farming, and so on); (iv) creating the conditions to leverage private commercial finance (for instance, making it easier for value chain actors to obtain credit by supporting the FGPME, which reduces the risks to financial institutions that lend to SMEs); and (v) strengthening collaboration with IFC's active program[36] to improve the business climate and promote private investment in Côte d'Ivoire.

68. **Building synergies and bringing impact to scale–complementarity with other World Bank projects**. The project will build on the achievements of WAAPP in Côte d'Ivoire and scale up its research findings and mechanisms for technology generation and dissemination.[37] It will connect with the *E-Agriculture Project* (P160418) to leverage digital technologies for providing access to market/technology information and extension services (synergy with the E-Agriculture Project (P 160418) will also help to target most vulnerable farmers in terms of access to inputs and other services—for example, through e-vouchers). The proposed project will also leverage ongoing WBG operations supporting the development of SMEs and the employment and economic transformation agenda of GoCI: (i) *PIDUCAS*, which seeks to create the conditions for improved MSME competitiveness in Bouaké and San Pedro and is supporting the institutional development of OCPV and Ag-CI PME; (ii) the *JET Project,* which supports economic diversification and women's inclusion in value chains; and (iii) the *We-Fi Project,* which focuses specifically on enhancing women-led cooperatives and SMEs' access to markets and finance in agricultural value chains. The project will also have strong synergy with the *Cocoa Integrated Value Chain Development Project* by offering opportunities for cocoa farm diversification. As noted, project activities will be closely coordinated with the IFC program to improve the business climate and promote private investment, including in Côte d'Ivoire's agri-food sector: the ongoing IFC Advisory and investment facilities such as the Agriculture Risk Sharing Facility and Agri-finance Advisory Project, both of which aim to improve the enabling environment for SMEs and their access to financial services.

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[35] The IFC toolkit "Investing in Women along Agribusiness Value Chains" will be used to derive gender-smart solutions.

[36] IFC Manufacturing, Agribusiness and Services(MAS) and Financial Institutions Group (FIG) Advisory Services (MAS is Manufacturing, Agribusiness, and Services; FIG is the Financial Institutions Group) to: (i) strengthen agricultural supply chains and access to finance by providing long-term financing to agri-investors (e.g., *Société Ivoirienne de Productions Animales* (Ivorian Animal Production Company SIPRA); (ii) improve reliability and professionalism of smallholders farmers and cooperatives (OCPV, women farmers); (iii) reduce operational risks through compliance with food safety standards; (iv) introduce CSA practices; (iv) enable local banks to finance small projects in agriculture and agro-processing through training and the development of credit scoring tools; and (v) develop digital finance ecosystems through partnerships.

[37] WAAPP resulted in several major achievements. It generated and tested numerous food crop technologies successfully adopted by beneficiaries; strengthened the national seed system, piloted innovative extension tools and approaches, such as e-extension and innovation platforms; and (iv) piloted the use of cassava and plantain in the baking industry. These results need to be consolidated and scaled up.

B. Project Components

COMPONENT 1: IMPROVING THE BUSINESS ENVIRONMENT AND INSTITUTIONAL STRENGTHENING (TOTAL: US$34.6 MILLION; IDA: US$34.6 MILLION EQUIVALENT)

69. 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. This aim will be achieved by: (i) strengthening the capacity of key institutions (both 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 complement other relevant WBG operations mentioned above and will essentially finance public provision of goods, expertise, and studies.

Subcomponent 1.1: Strengthening the capacity of the key public entities overseeing the sector

70. This subcomponent will strengthen the capacity of key public institutions (MINADER, MIRAH, OCPV, CEPICI and Ag-CI PME) overseeing the development of targeted agri-food value chains, with a focus on improving the quality and efficiency of their services and raising their awareness of climate change mitigation practices. Training and capacity-building will cover topics essential for understanding climate change and its impact on the food crop subsector, as well as tools and techniques to facilitate the design and implementation of climate adaptation and mitigation approaches. The supported institutions will include:

- *The DOPA of MINADER and DOPAF of MIRAH.* DOPA and DOPAF are responsible for establishing and monitoring the regulatory frameworks for PAOs, agricultural producer associations, and cooperatives, as well as the conditions for their development into federations and Interprofessional bodies. This subcomponent will finance: (i) an institutional audit of these entities; (ii) the design and implementation of a program for improving their capacities (internal procedures and training of staff) for delivering on their core responsibilities (auditing producer cooperatives, supporting their upgrading to OHADA standards, supporting the establishment of federations and inter-professional bodies, and mainstreaming climate change and gender issues in their development programs); and (iii) targeted support/equipment to strengthen DOPA offices in San Pedro, Man, Daloa, and Abengourou (to anchor activities in the project's Agropoles).

- *OCPV.* Based within MCI, OCPV is responsible for supporting the domestic marketing of food crops by providing information (weekly) on the availability and prices of food crops in the main production and consumption areas; advising on/coordinating government initiatives for improving the domestic marketing of food crops; and providing assistance to food crop traders, especially cooperatives. This subcomponent will provide additional/complementary support to that already received from PIDUCAS and We-Fi.[38] It will finance: (i) implementation of the recommendations of the OCPV institutional audit to improve its effectiveness in promoting food crop marketing (procedures, staffing, equipment); (ii) strengthening of OCPV offices in Man, Daloa, and Abengourou (Agropoles anchors); and (iii) funding of operational costs for OCPV's new digital platform.

- *CEPICI.* This public institution is a one-stop shop to promote and support direct domestic and foreign investment in Côte d'Ivoire through: (i) conducting investment promotion campaigns; (ii)

[38] OCPV currently receives support under PIDUCAS for: (i) institutional strengthening to improve its operational effectiveness; (ii) strengthening of OCPV offices in Bouaké and San Pedro; (iii) establishment of a digital platform to connect farmers/cooperatives to markets (designed under We-FI); and (iv) diagnostic of marketing and processing cooperatives and SMEs in the Bouaké and San Pedro Regions, and capacity-building of these cooperatives.

identifying promising investments/investors; (iii) processing applications from investors for benefits under the Investment Code; (iv) facilitating administrative procedures for the establishment and operations of private businesses; (v) monitoring and evaluating all approved investments; and (vi) providing a platform for exchange and cooperation between the public sector and the private sector to initiate and formulate proposals to GoCI to address the concerns of the private sector. Its capacity to carry out this mandate specifically for investors/investments in the country's food crop value chains will need to be strengthened, however.

This subcomponent will strengthen CEPICI's services in several key areas: (i) capacity to identify promising investments, investors, and exporters in food value chains for which Côte d'Ivoire offers competitive conditions; identify and address specific sectoral constraints; and prepare promotional materials to present promising investment opportunities; (ii) capacity to promote and facilitate domestic and international investors in agricultural/food crop value chains by (a) developing an effective communication strategy; (b) planning and implementing targeted outreach campaigns; and (c) establishing a Private Investor Support and Tracking System to track projects and monitor impacts; and (iii) set up a GRM to address and remove administrative constraints that agribusiness investors may face in establishing or expanding their business. In addition to financing the technical assistance, equipment, and training necessary for the capacity-building/institutional strengthening of CEPICI; this subcomponent will finance the competitive recruitment of a specialized agri-business firm to strengthen CEPICI's capacity for generating a steady flow of investment opportunities in the agricultural/food sector.

71. *Ag-CI PME.* This agency was created in 2016 as the GoCi instrument to provide support to Ivorian SMEs to strengthen their technical and managerial capacities and improve their access to financing. It has established one-stop shops and business incubators in Abidjan, San Pedro, and Bouaké to provide: (i) initial information and guidance to SMEs; and (ii) support for the full range of their activities (business plans, financing, implementation of investments, operations, and so on) through the mobilization of the necessary service providers. Ag-CI PME has signed partnership agreements with several donor-funded programs (EU, *Deutsche Gesellschaft für Internationale Zusammenarbeit* (German International Cooperation Agency, GIZ, others) to operate MG programs in support of SMEs (including in the food crop subsector; for instance, for cassava, bananas, and shea nuts). It is also currently managing the fund established by GoCI under its COVID-19 response program to provide emergency assistance to SMEs. This subcomponent will strengthen Ag-CI PME's capacity to analyze investment proposals in the production and processing of food crops and provide eligible investors (through the mobilization of specialized service providers) the full range of support necessary for implementing their projects, from the development of their business plans through the mobilization of the required financing, the strengthening of their capacities (planning, technical, financial), the investment phase, and the start-up phase. To this effect, it will establish and maintain a roster of high-quality, accredited Technical Service Providers (TSP)[39] to be selected by private investors for delivering the assistance needed for implementing their sub-projects (Component 3).

72. The subcomponent will finance the competitive recruitment, for a period of two years, of a specialized agri-business firm to strengthen Ag-CI PME's capacity for screening promising investments and providing the necessary assistance to selected investors for the detailed preparation and the launch of their investments/operations. The firm will also be responsible for the training of the Agency's counterpart staff. TSPs will be accredited by the national apex institutions (Ministries of Agriculture and Livestock, FIRCA, OCPV) following guidelines detailed in the PIM. Selected service

[39] ANADER will be a major service provider. Other TSPs will be selected following a call for interest on the basis of criteria including their existing ability to meet minimum technical quality standards and their potential (human) capacity. If necessary, training programs will be organized by Ag-CI-PME and delivered by a specialized firm recruited competitively by the Project Coordination Unit (PCU) that will prepare and deliver specific training modules.

providers will be trained by a specialized firm a range of areas, including marketing and sales; product distribution strategies; regulatory compliance; domestic and international standards and certification systems, including food safety and nutritional standards; processing and packaging technologies; lab testing and quality control systems; and main climate risks in the agri-food sector in Côte d' Ivoire and ways to foster climate change adaptation and mitigation practices into the different segments of the value-chain. The subcomponent will support the (i) the cost of the specialized firm and delivery of the training programs and (ii) the cost of pre-selection, training and accreditation.

73. In addition to the above capacity-building efforts, Subcomponent 1.1 will strengthen national agriculture services' capacity to fulfill their mandates, fill critical skill and knowledge gaps, and strengthen M&E to develop and implement sound policies and programs for the sustainable development of the agri food sector. Support will include technical expertise, training, logistics and equipment. Training activities will include tools and techniques to facilitate the design and implementation of climate change adaptation and mitigation measures. Finally, under this subcomponent, the project will support ANADER's decentralization strategy by equipping its regional offices with digital equipment and tools to enhance their outreach to farmers and the overall rural community. A special focus would be on promoting GAPs, CSA initiatives, and production of niche products such as organically certified vegetables. Subcomponent 1.1 will be implemented under the oversight of the PCU, in partnership with the MINADER, MIRAH, and MCI (each with regard to the institutions under its purview).

Subcomponent 1.2: Enhancing value chain coordination and partnerships

74. The subcomponent will strengthen coordination along the targeted value-chains to increase their efficiency and facilitate partnerships between their actors. These aims will be achieved by: (i) strengthening the capacity of producer organizations and their regional and/or national federations so that they can provide the needed services to their members; and (ii) the establishment of commodity-specific interprofessional organizations bringing together all stakeholders to improve their (vertical and horizontal) coordination, increase their participation in the definition of relevant policies and programs, and adopt consensual "rules of the game" for managing the value chain. Support under this subcomponent will include:

- A detailed assessment of the targeted agri-food value chains, along the lines of the CRIs[40] adopted under the JET Project. The CRIs will include: (i) a deep-dive market analysis; (ii) an analysis of the value chain's current structure and competitiveness, including its vulnerabilities to Côte d'Ivoire's main climate risks (increased temperature, change in rainfall patterns); (iii) the mapping of the main actors, identifying their individual and common constraints and measures to address them and to increase the overall resilience of the value chain to climate change. The CRI methodology will also include a "Jobs in Value Chains" analytical process[41] to collect baseline job data (number, quality, skill requirements) for the targeted value chains.
- The participatory preparation and implementation of a detailed development program for each value chain to improve efficiency at all levels, including the necessary reforms, institutional and capacity-building support, and common services and productive assets needed to fill gaps along the value chain and increase resilience to climate change. Specific attention will be given to the development of contract farming arrangements and contractual relationships between producers

[40] A CRI is a process that intertwines industry analysis with sector-specific public-private dialogue. In the CRI process, the analysis identifies how participating private sector firms/farms can compete in more attractive markets, in particular (i) which new skills and activities are needed to compete; (ii) the necessary market infrastructure; and (iii) the necessary government reforms and potential market failures that constrain the private sector's competitiveness.
[41] World Bank Group, Jobs in Value Chains Survey Toolkit. April 2018.

and the large supermarkets servicing the urban population.

- The preparation of a catalogue of promising investment opportunities (such as greenhouses, production of animal feed of fish fry, aquaculture "'cages"' for intensive production, and so on), which will include information on costs, expected financial return, risks, expected social and environmental impacts, and prerequisites for success.
- The institutional audit of producer organizations and their apex organizations in the targeted value chains and the preparation and implementation of programs for strengthening their capacities through technical and managerial training on governance, negotiations, and operational and FM as well as in business development (including mainstreaming gender aspects and climate change in their business plans) and the preparation of bankable investment proposals.
- The gradual establishment of interprofessional organizations to oversee the functioning of the value chains[42,43].
- The preparation, establishment, and operation of a digital MIS for each of the targeted value chains, linked to the OCPV Digital Platform, to provide value chain actors with real-time market information connecting sellers and buyers (availability, prices, transport services)[44] to improve overall efficiency of the value chain in distributing agri-food products, reduce transportation costs, and lower emissions, thus improving resilience to climate change as well as increasing climate change mitigation.
- The strengthening of the public-private dialogue on specific key issues for the development of the targeted agri-food value chains.

75. Subcomponent 1.2 will be implemented under the joint supervision of the MINADER DOPA, MIRAH DOPAF and OCPV. It will support the technical assistance necessary to carry out: (i) the detailed analysis of the three value chains and prepare their detailed development programs (including the job analysis and the development of options for productive partnership/contractual arrangements between producers and buyers); (ii) the institutional auditing of professional organizations and the preparation and implementation of their development programs; and (iii) the analysis of specific issues such as actions needed for the empowerment of women and the removal of unnecessary constraints in the legal/regulatory/fiscal framework.

76. To address the gender gap in productivity that is partly linked to the lower inclusion of women in agri-food value chain organizations, this subcomponent will also: (i) support specific training for women leaders of producer organizations and women's organizations to promote their inclusion in decision-making, as well as their economic and social empowerment;[45] (ii) facilitate the networking of rural women entrepreneurs, both at the departmental and regional levels as well as interregional and national levels (PFACI and all other structures of rural women will be leveraged in this process). The effectiveness of this activity will be measured by a specific indicator: number of women trained on social and economic empowerment. Support to specific producer associations/cooperatives for implementing their development programs and investments will be provided under Component 3 below.

[42] As defined by Ordinance 2011-473 of Dec. 21, 2011 and Inter-ministerial Order No. 294/MINAGRI/MIRAH/MPMEF/MIM/ MCAPPME of Aug. 20, 2013.
[43] For the cassava value-chain, the project will complement the ongoing process to build the interprofessional organization supported by the PASV (project funded by the European Commission).
[44] Along the lines of the MIS established by the cashew value chain in Côte d'Ivoire or the potato federation in Guinea.
[45] The training will concern the strengthening of their capacity to express their needs, rights, leadership for an active and recognized participation of women in decision-making bodies as well as for defining action plans to raise specific social and economic constraints.

Subcomponent 1.3: Addressing food safety, SPS issues

77. Subcomponent 1.3 will support the ongoing process to strengthen the national food safety and quality control system, which will give Côte d’Ivoire full access to regional and international markets and unlock its export potential, especially for fruit and vegetable products. Improved SPS standards and control systems can also help reduce losses from pest outbreaks—which are increasing because of climate change, particularly warmer temperatures—and increase the overall resilience of the sector to climate change. Planned investments will complement other donor-funded activities in this area (AFD, EU) and will focus on three levels:

- *Strengthening the institutional and regulatory framework for food quality control and SPS management.* This subcomponent will provide technical and financial assistance for: (i) updating the national quality and safety regulatory framework for both inputs and products to align it with international, regional (ECOWAS), and continental (African Union Commission) standards; (ii) establishing and operationalizing the National Food Safety Agency in charge of coordinating the activities of the national food safety system, in concert with the competent authorities of the different subsectors; additional studies will be done to reach agreement on the missions and structure of the Agency, in line with the work initiated by the African Union Commission to set up an African Food Safety Authority and similar agencies already operating in other African countries (Benin, Mali); (iii) developing the standard-setting system based on Codex Alimentarius/IPPC and OIE guidelines with respect to all aspects of SPS measures;[46] (iv) promoting a preventive risk-based inspection system in food safety, plant health, and animal health that encompasses all dimensions of official control, including food import/export procedures; (v) carrying out and implementing programs to strengthen the capacities of public control and certification services (DPVCQ, DSV, Direction de l’Aquaculture, and others); and (vi) designing a national framework for the development of digital traceability systems for domestic producers.

- *Improving the infrastructure and equipment of inspection services and official control posts.* Subcomponent 1.3 will provide support to: (i) upgrade facilities and equipment of key food-safety laboratories (LANADA, the Central Veterinary Laboratory of Bingerville, the Regional Laboratories of Bouaké and Korhogo) and private laboratories (based on the principle of shared costs) to improve the analytical capacities and the accreditation of national laboratories, with priority given to the analysis of pesticide residues, veterinary drug residues, and heavy metals.

- *Support for value chain specific compliance schemes.* Activities to be financed will include: (i) developing and piloting a food safety and quality certification scheme/mark for two priority lines of products (vegetables and aquaculture) based on international standards and best practices, in collaboration with CODINORM, with reference to the product certification requirements of ECOWAS for granting the national product certification mark ("national mark of conformity to Ivorian standards”); (ii) carrying out training for professional organizations and service providers (including ANADER) to strengthen their capacity to support private value-chain operators to comply with the certification requirements. All of these activities will be delivered with a special focus on women-owned agri-enterprises to ensure that they benefit from the new food safety and quality scheme and branding. Support to individual private investors in the area of food safety/private standards/certification will be provided under Component 3 below.

78. Subcomponent 1.3 will also support a nationwide awareness campaigns on food safety directed to policymakers and consumers (through public media) and a donor coordination platform on food safety and SPS to foster investment coordination in that area. Part of the awareness campaign will focus on how increases in average and extreme temperatures due to climate change are expected

[46] Despite membership in the Codex Alimentarius Commission since 2005, Côte d’Ivoire still has huge gaps in setting and implementing the Codex-based standards that are essential for a strong national food safety system.

to have negative impacts on food safety, including a projected increase in pathogenic (bacterial, viral) food contamination and subsequent foodborne illnesses.

79. Subcomponent 1.3 will be coordinated under the oversight of the PCU, in partnership with the relevant ministries and agencies. It will finance the necessary technical assistance, equipment, training, and consultation/workshops. Two Performance Based Conditions will be used to fund the implementation of major reforms under this subcomponent. The first one relates to the operationalization of the Agency in charge of Food Safety and the strengthening of its regulatory framework (US$3.80 million). The second PBC targets the upgrade of the food safety laboratories and inspection services and the improved capacity of value chain professionals and service providers in food safety and quality management (US$4.75 million). More detailed information on related indicators and verification procedures are reported in Annex 7.

COMPONENT 2: BUILDING PRODUCTIVE AND RESILIENT AGRI-FOOD VALUE CHAINS (TOTAL: US$138.0 MILLION; IDA: US$138.0 MILLION EQUIVALENT)

80. The objective of this component 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 the following interventions: (i) developing agri-food marketing and distribution infrastructure; and (ii) increasing access to climate smart technology, innovation, and advisory services; including digital technologies, small-scale irrigation, and agriculture mechanization.

Subcomponent 2.1: Increasing access to climate-smart technology, innovation, and advisory services

81. This subcomponent will support the improvement of production/processing productivity at all levels of the targeted value chains through a mix of interrelated interventions directed at: (i) fine-tuning technologies (through adaptive research programs) already tested in Côte d'Ivoire and/or the West Africa region under the IDA-financed WAAPP and other programs; and (ii) providing key advisory services. Innovation and advisory services will focus particularly on improving the adaptation of the sector to the main climate risks in Côte d' Ivoire. Specifically, the subcomponent will support:

82. *Cassava value chain.* Activities include: (i) fine-tuning technologies generated under WAAPP (high-yielding varieties, short-cycle varieties, and planting material developed in vivo, adapted to off-season growing and processing equipment), with a focus on ensuring genetic diversity by stabilizing the performance of local varieties that are more resilient by virtue of their adaptation to local agroecosystems; (ii) strengthening the seed production system by expanding the participation of cooperatives and/or private seed producers in the multiplication of certified seed to enhance its availability and producers' access to improved genetic material; and (iii) rehabilitating CNRA cassava-related research facilities, laboratories, and equipment.

83. *Vegetable value chain.* Complementing efforts by CNRA and FIRCA,[47] this subcomponent will finance activities to: (i) reinforce the capacity of MINADER and the CNRA to control the quality and performance of imported seed and ensure that seed sold on the market meets established quality standards; (ii) increase the performance and supply of high-yielding, climate-resilient cultivars of local African vegetables and others; and (iii) support the development and expansion of a seed production network involving producers in seed multiplication and commercialization. Building this network will entail the establishment of individual or cooperative nurseries to multiply and sell seed, and training farmers in seed multiplication methods. In addition to these activities, the project will support: (i) the establishment of private greenhouse production centers in peri-urban and urban areas for the

[47] Foundation seed of improved African vegetable crops (okra, peppers, eggplant, tomatoes) has been developed by CNRA, and a seed production system involving smallholder farmers has been initiated under the AFD-financed PAFARCI project in the northern Côte d'Ivoire (managed by FIRCA). In addition, a seed production system that involves smallholder farmers has been initiated in five regions (Gontougo, Bélier, Gbêkê, Poro, and Tchologo).

production of horticultural commodities throughout the calendar year (eligible producers will benefit from support from the MG window under Component 3); (ii) facilitate the development of agri-business start-ups for the targeted value chains by providing training and technical assistance to selected young women and men; this capacity-building support will be provided by the existing agricultural training schools; (iii) develop e-extension services by extending digital infrastructure to the food crop project regions and operationalizing the pilot e-extension platform (support will consist in acquiring the necessary ICT equipment and reinforcing the e-lab, call center, and voice message services); and (iv) develop climate predictions models to provide climate information services to farmers.

84. *Aquaculture value chain.* This activity will emphasize the effective implementation of a genetic material improvement plan. The sector faces a shortage of quality fry, with a gradual loss in performance in the tilapia and catfish types that are available. The project will support: (i) research for the development of improved genetic material for the most popular species, tilapia and African sea catfish (*machoiron*), as well as lesser-known species with high market potential such as other types of catfish and Capitaine (Nile perch); (ii) the reinforcement and expansion of the existing fry multiplication scheme by upgrading hatcheries and providing technical assistance to provide quality seed stock for aquaculture; and (iii) the adoption of intensive fish production technologies such as floating cages. In addition, Subcomponent 2.2 will support the development of specialized training programs through existing agricultural training centers to support the professionalization of value chain actors, from producers to seed multipliers and processors. It will also provide support to upgrade production systems for better water-use efficiency and adequate waste management. Eligible producers will benefit from the MG window described in Component 3 for investment in such technologies. Technical assistance will also be provided for improved farm management and adoption of best production practices.

85. *Access to small-scale mechanization.* This activity will focus on increasing access to machinery and mechanization services, supporting efficient management of water resources to intensify agricultural production and to respond to the growing demand for food. The project will address key market failures in the supply of machinery needed; especially for vegetable production, by: (i) financing agricultural equipment centers such as the National Agronomy School (*École Supérieure d'Agronomie*) and I2T to develop and produce local equipment (harvesters, plows, seeder, post-harvest processing equipment) adapted to the needs and scale of farmers and SMEs; and (ii) supporting vocational training and capacity building of local artisans for the production and maintenance of agricultural equipment. The establishment of private entrepreneurs offering hired mechanized services will be facilitated through the provision of MGs or access to FGPME credit under Component 3.

86. Subcomponent 2.2 will be implemented by CNRA, ANADER, and the relevant producer organizations under the oversight of MINADER. It will finance: (i) the adaptive research programs (on cassava, horticultural crops, aquaculture, and mechanization) based on specific needs identified by professional associations with FIRCA's assistance; (ii) the rehabilitation of cassava, horticulture, and mechanization facilities (laboratories, equipment) in the national research institutions (CNRA, I2T, others) selected to carry out these research programs; and (iii) the technical assistance and equipment necessary for the detailed design and implementation of (a) the climate forecasting services; and (b) the program to expand e-extension services (necessary ICT equipment, reinforcing the e-lab, call center, voice message services); (c) the technical assistance to design and strengthen commercial production networks for improved seed/fry; and (d) the design and delivery of targeted training programs, including for local artisans for the production and maintenance of agricultural equipment.

Subcomponent 2.2: Developing agri-food marketing and distribution infrastructure

87. The marketing of agricultural products, particularly perishable products like fruits, vegetables, and fish, confronts major challenges at both ends of the value chain. At major consumption levels, WFMs need upgrading to ensure food distribution efficiency, food safety enforcement, and build a sustainable and resilient food systems. At production levels, few if any aggregation/agro-logistical platforms provide bulking and sorting services. Adequate transport services (availability and quality) are also a constraint, as is the lack of satisfactory cold chains. The government has prepared an ambitious national strategy for the development of agricultural marketing infrastructure that is adequate to the country's needs, including WFMs for the main cities, each with their network of aggregation/relay markets. This subcomponent will support the phased implementation of the GoCI strategy as follows:

- *The updating of the national legal and reglementary framework* for the establishment (e.g. Loi n°98-758, 23 December 1998 for the creation of the network of *Marché d'Intérêt National* of Côte d'Ivoire and Decree 7 July 1999) for the establishment, management, and financing of WFM and the wholesale trade of agriculture products. In particular, the abolition of current taxes on agriculture products trading within WFM to increase the attractiveness of agri-food actors and build sustainable business models based on international best practices relying on charging a cost of using the public space (areas, entrees, and/or services used). The legal and reglementary framework should attract and facilitate the management of future WFM by potential private operators. The catchment perimeter should be actively enforced.

- *The development of regional relay markets* in specific locations identified through the detailed review of the targeted value chains (the CRIs described above), taking into account the conclusions of the assessment of the pilot relay markets developed in Kotobi, Méagui, and Sinématiali by MINADER. The relay markets will be located close to main production areas and will strengthen the supply of WFMs located near the main urban centers: Abidjan, Bouaké, San Pedro, and Daloa. These relay markets will also potentially serve as local suppliers for the retail markets of secondary cities. They will include (i) warehouses for (cold) storage and collection of local production, (ii) pre-cooling, sorting, grading, and packing lines; (iii) additional processing units for products eliminated during sorting; and (iv) administrative /extension services (customs, for example). This activity will support small producers, particularly women, and their cooperatives to market their products through the improvement of quality and safety standards and their integration into commercial value chains. It will also place strong emphasis on opening new avenues for income generation and better access to national and international markets for women.

- *The pre-feasibility studies for the establishment or rehabilitation of large-scale wholesale markets serving the country's main cities* (including Abidjan, San Pedro, Daloa, and Abengourou). These studies will include: (i) a market assessment; (ii) a preliminary design, including programming of climate-proof and energy-efficient construction; (iii) the study of options for optimal financing and management models (PPPs, BOTs, concessionary agreements); and (iv) related ESIAs.

- *The implementation of the first phase of the establishment of a modern WFM in Abidjan.* The supply of Abidjan (more than 5 million inhabitants) is a complex issue that will require the construction of a large WFM to organize wholesale trading activities in the outskirts, reduce environmental impacts, and support the development of a sustainable food supply of the city. This subcomponent will finance: (i) the detailed design and supervision of works; (ii) the construction of the first phase of the WFM based on the masterplan of the project; and (ii) tailor-made technical and financial assistance to bring the project to its full operational capacity. The design and construction of the Abidjan wholesale market will be cognizant of Eco-Industrial Park Guidelines, with a focus on mitigating climate change by promoting resource-efficient technologies and buildings (such as photovoltaic renewable energy generation) and therefore reducing GHG emissions. Emphasis will also be put on ensuring that facilities and infrastructure required by women are taken into consideration as part of the design of the wholesale market (such as street-lighting throughout the planned infrastructure, and separate women's and men's restrooms).

88. The MCI will oversee the implementation of this subcomponent in collaboration with local authorities and relevant interprofessional bodies. The subcomponent will finance: (i) the necessary technical assistance to carry out the studies; and (ii) the civil works and equipment for the relay markets; and (iii) the first phase of the Abidjan WFM program. Activities for the establishment of wholesale markets will be implemented through a PBC on the improvement in the national legal and regulatory framework for wholesale markets and construction and equipment of the Abidjan wholesale market to be supported by the project (US$30.0 million). More detailed information on related indicators and verification procedures are reported in Annex 7.

Box A1.2: PIDUCAS and JET Project support to the government Partial Credit Guarantee Fund

Under the PIDUCAS and the JET Projects, the World Bank is financing a MG program for MSMEs and helping restructure the government's Partial Credit Guarantee Fund (FGPME) to decrease the risks to financial institutions (commercial banks and MFIs) of lending to MSMEs and agriculture. Created in 1968, the FGPME received renewed attention in early 2020 as a key instrument for providing assistance to MSMEs, particularly those affected by the COVID-19 pandemic.

The Fund's governance and management structure have been restructured under World Bank Emergency COVID-19 Budget Support Operation (DPO), with operational assistance of PIDUCAS. Restructuring improved operational efficiency and good management and aligned the Fund with principles for corporate governance in public financial institutions established in 2015 by the WBG and OECD. A July 2020 decree established FGPME as public company with financial autonomy under the umbrella of the MSME Ministry, with an independent and competent board of directors comprising a majority of representatives of the private sector.

The 2020 restructuring of FGPME was supported by technical assistance provided under PIDUCAS to improve governance and operational procedures, with a resident technical adviser provided for two years to assist with running the guarantee operations. The Fund has also established a strong M&E framework and is subject to rigorous audit and reporting requirements (in line with international best practices).

In parallel, PIDUCAS has provided technical support to PFIs to strengthen their operating capacity for lending to SMSEs: (i) the establishment of a special MSME department (when needed); and (ii) the training of their staff for the analysis and monitoring of loans to MSMEs; and (iii) the establishment of efficient policies, procedures, and skills to manage the environmental and social aspects of their lending activities. PIDUCAS will also support the establishment of the FGPME's internal social and management procedures.

COMPONENT 3: MOBILIZING PRODUCTIVE PRIVATE INVESTMENTS ALONG THE VALUE CHAINS (TOTAL: US$88.0 MILLION; IDA: US$57.3 MILLION EQUIVALENT; BENEFICIARIES: US$30.7 MILLION)

89. 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 PFIs, to scale up their outreach to agri-food value chain actors. Outreach to these actors will be improved through the following main interventions: (i) working with PFIs[48] to build their operating capacity regarding sector knowledge and strengthen their credit appraisal and risk-mitigating instruments so that they can reach out to a much larger client base, more quickly and at a lower cost; (ii) establishing an MG instrument that will act as a risk-sharing equity investment in the sector, in particular in the three targeted value chains and six Agropoles;[49] and (iii) supporting FGPME

[48] The project will work with PFIs that have identified this market niche and seek to increase lending to these firms at a scale commensurate with the size of the market, including ADVANS, COFINA, Baobab, and others.
[49] On a case-by-case basis, promising subprojects in any region of the country will be also considered based on the investment's prospective impact on the local economy and its contribution to the PDO.

by establishing a dedicated window for potential agri-food private investors. Both the MG and the FGPME instruments will be associated with the provision of specialized technical assistance to help potential investors prepare bankable business plans and subsequent commercial loan applications. The MG and FGPME are complementary instruments for addressing market failures in financing investments in agriculture. The MG instrument addresses demand-side constraints (borrowers with insufficient funds, limited capacity to prepare business plans, lack of formal registration, and lack of collateral). The FGPME de-risking instrument is necessary for reducing financial institutions' perceived risk of financing agriculture. These instruments will be designed and implemented under the project in a way that ensures their long-term sustainability. They will complement existing programs supported under the PIDUCAS and JET Projects (Box A1.2).

Subcomponent 3.1: Building the operating capacities of PFIs

90. This subcomponent aims to enhance access by agri-food value chain actors to commercial credit by working with PFIs in scaling up financing instruments, developing new financing instruments and risk assessment systems, and implementing portfolio management and monitoring practices that lower the costs of assessing creditworthiness and monitoring loans extended to agri-enterprises. The project will identify PFIs interested in growing this portfolio segment and will work directly to help them through dedicated technical assistance to: (i) develop methodologies to more easily and accurately assess the creditworthiness of agri-food value chain actors; especially SMEs; (ii) provide more customized financing instruments that accommodate the liquidity and investment needs of agri-enterprises; especially food SMEs; and (iii) develop more accurate tools for monitoring and assessing portfolio risks. The project will partially finance the costs of these specific activities of PFIs, based on a call for proposals. In addition, the project will work with the PFIs to develop more efficient channels for delivering credit to food-processing SMEs, including new credit products targeted to them, and improving their risk management practices—for instance, linking with innovative alternative IT-based credit scoring providers and testing and developing standard operating procedures for loans to food-processing SMEs. The project will build on the technical assistance provided to microfinance institutions as part of the JET project in Côte d'Ivoire to support the digital financial infrastructure.

Subcomponent 3.2: Facilitating access to finance for private investment in agri-food value chains

91. Subcomponent 3.2 will support private investments all along the agri-food value chains through a program including three mutually reinforcing activities: (i) the promotion, mobilization, and pre-screening by CEPICI of investments proposals, both international and domestic; (ii) the establishment of an agriculture window within FGPME; and (iii) the establishment of an MG mechanism to finance part of the cost of eligible investments and the technical assistance provided by Ag-CI PME for their detailed preparation and implementation. MGs and guarantees are complementary instruments addressing together various constraints to agriculture finance. MGs address mainly demand-side constraints (e.g., limited capacity to prepare business plans, lack of formal registration, lack of collateral, lack of willingness to invest in business development services, or in technology which has uncertain results). On the other hand, the agriculture window within the FGPME is an internal risk management tool for financial institutions interested in financing agriculture but requiring support while they expand into new segments.

92. *Mobilizing investment proposals.* CEPICI will mobilize investment proposals from two different sources: (i) directly, through its promotion campaigns (usually larger investments); and (ii) through Regional Councils which, in line with their responsibility for the economic and social development of their regions, play a key role in identifying and supporting smaller-scale investment proposals from individuals or groups (in particular youth and women).[50] Under this subcomponent, CEPICI will: (i)

[50] CEPICI already has a significant number of investment proposals that may be potentially eligible for support under the project.

carry out the pre-screening of investment proposals to determine their expected viability and eligibility for the benefits of the Investment Code or other assistance mechanisms; and (ii) develop a knowledge database that will help mobilize and disseminate information related to market opportunities and financing opportunities in the targeted value chains (and in the agri-food sector in general). This database will include the information generated by the assessment of the targeted value chains carried out under Subcomponent 1.2, information on typical investment opportunities, and more general data on markets, agronomic conditions, access to irrigation, utilities, services, industrial land, and so on. The database will be established and maintained by CEPICI and be freely available to public institutions, PFIs, and potential investors. This subcomponent will finance the technical assistance to design the system and the equipment and training of CEPICI for its operation.

93. *Agriculture window within FGPME (SME Partial Guarantee Fund).* This subcomponent will finance the establishment of a specific agriculture window within the existing guarantee fund (FGPME), tailored to the specificities of the agricultural sector (eligibility criteria, coverage). The agriculture window will have the following characteristics: (i) be under the joint strategic supervision of MINADER, MIRAH, and MCI; (ii) provide a portfolio guarantee (not a guarantee for each credit/subproject) of 70 percent to the participating PFIs; (iii) be operated by the existing manager of the FGPME (according to specific, agreed-upon procedures); and (iv) cover its costs through a commission of 3–4 percent on the guarantees provided and the return on its capitalization. The agriculture window of the FGPME will require a capitalization of up to US$10.0 million.[51] A specific FGPME Partial Credit Guarantee scheme manual will be prepared, specifying the operational procedures of this window.

94. *MG mechanism.* The MG mechanism will be embedded in and managed by the PCU to finance the assistance necessary for the preparation and implementation of eligible private investments in production, processing, storage, and marketing of products in the targeted value chains. It will have separate windows for three categories of investments/investors, with specific levels of assistance as shown in Table A1.1. Project assistance may include grants for the provision of consulting services, non-consulting services, training, works and goods to: (i) prepare/finalize the investors' business plans; and (ii) implement their investments (develop their market, establish production facilities, establish their accounting and financial systems, access inputs and technology, secure the necessary specialized services such as SPS, traceability, organize their supply through contract farming, and so on). Beneficiaries will be incentivized to save part of the proceeds in an account at a financial institution. Climate-resilient investments will be encouraged as part of the MGs. .

Table A1.1: MG windows, coverage, and eligibility criteria for different sizes and types of subprojects

Size of subproject and type of activities supported	Coverage ratio	Eligibility criteria
Window A. Large (>US$500,000 to US$5 million)		
Technical assistance for: • Structuring subprojects into bankable/viable business plans to facilitate financing from financial institutions. • Improving market analysis and product development, including test shipments to promising markets, branding, and advertising and other promotional campaigns. • Facilitating the implementation of climate mitigation and adaptation approaches. • Improving their capacity in financial and accounting systems. • Selecting sites, equipment, agricultural/industrial processes, and good industrial/agricultural practices.	• Maximum grant of 70 percent of total cost of technical assistance for subprojects up to US$200,000	• Age of business: 3+ years • Formal registration • No existing public assistance • Private ownership • Potential for growth • No previous public assistance for similar activities • Secured commercial loan from a PFI

[51] Based on an estimated value of private investments under the project of US$170 million, a total PFI credit of US$70 million, a guarantee of 70 percent (US$49 million), and a possible guarantee call of 20 percent (US$9.8 million).

Size of subproject and type of activities supported	Coverage ratio	Eligibility criteria
• Managing food safety, and assistance in obtaining certification for their products. • Advisory services to support the development of contracts between farmers and grocery stores. **Investments for:** Infrastructure and equipment for medium and large-scale production and processing. *Examples:* • Equipment for sorting, packaging, and processing fruits and vegetables • Development of private greenhouse production centers in peri-urban and urban areas • Establishment of private entrepreneurs for mechanized hiring services	• Maximum grant of 20 percent of the cost of the subproject investment	• Inclusive partnerships with farmers or agricultural cooperatives
Window B. Medium (from US$100,000 up to US$500,000)		
Technical assistance: as per Window A. **Investments for:** • Provision of services, infrastructure, and equipment (production and processing), including the provision of advisory services for better understanding of climate risks, available adaptation measures (e.g., use of climate-smart agricultural technologies and practices), and mitigation opportunities (e.g., energy-efficient irrigation systems, solar water heating systems, climate-resilient materials and design).	• Grant of 90 percent of total cost of technical assistance for investment subproject preparation and implementation activities up to a maximum of US$20,000. • Maximum grant of 60 percent of the cost of the investment subproject. • *For women and youth, maximum grant of 90 percent of the cost of the investment subproject.*	• Must have (or be willing to have) formal registration • Age of business: 2+ years • Private or collective ownership • No previous public assistance for similar activities • Must have (or be willing to have) a bank account with a financial institution
Window C. Small (from US$10,000 up to US$100,000)		
Technical assistance: as per Window A. **Specific training program:** in technical, management, or social issues. **Investments:** as per Window B.	• Grant of 100 percent of total cost of technical assistance for investment subproject preparation and implementation activities up to a maximum of US$10,000. • Maximum grant of 80 percent of the cost of the investment subproject. • *For women and youth, maximum grant of 90 percent of the cost of the investment subproject*	• Must be willing to have formal registration • Private (or collective) ownership • No previous public assistance for similar activities • Must have (or be willing to have) a bank account with a financial institution

95. *The MGs will be designed in a way that ensures long-term sustainability.* In particular, the following principles will be applied: (i) investment proposals will include detailed environmental and social management mechanisms in line with World Bank policies; (ii) technical assistance will be provided during the start-up period (a critical phase) to improve sustainability and reduce the risk perceived by PFIs; and (iii) formal registration will be promoted. Finally, to close the gender gaps observed in entrepreneurship and access to finance, this subcomponent will also support specific business training for women, with a focus on psychosocial skills, business development and management, and business leadership. The effectiveness of this support will be measured by a specific indicator in the results framework: number of women trained on business capacities.

96. *The operation of the MG mechanism will be fully described in the MGs Manual to be approved by the World Bank prior to effectiveness.* The manual will detail the processes, eligibility/selection criteria, and the type of assistance under each of the three windows.[52] The workflow for processing and approving investment subprojects will be described in detail in the PIM and is briefly presented in Box A1.3.

Box A1.3: Investment subproject workflow

- CEPICI will identify and pre-screen subproject investment proposals (see paragraph 91).
- The PCU, with responsibility for managing MGs, will carry out the preselection of subprojects through a Technical Committee that includes representatives of the MINADER, MIRAH, MCI, OCPV, Ag-CI PME, financial institutions, and ad-hoc technical experts.
- The Technical Committee agrees on the subprojects that are eligible for MGs for detailed business plan preparation.
- The MGs for technical assistance in finalizing the detailed business plans are disbursed, and Ag-CI PME is tasked with providing the necessary support (directly or through service providers).
- The Technical Committee reviews the finished business plans for the preselected investment subprojects. If the Committee approves a business plan for investment, the MG is: (i) immediately granted to the investors for investments that do not required credit from a PFI (very small investments and/or investments financed through own funds); or (ii) granted conditionally for investments requiring credit from a PFI; alternatively, projects that have been pre-approved for credit from a PFI will receive the grant immediately.
- Investments requiring credit from a PFI are presented to PFIs. If credit is granted, support of the FGPME is automatically obtained. and the MG for implementing the investment subproject is disbursed.
- The Ag-CI PME provides continued assistance for subprojects implementation.
- The PCU monitors subproject implementation jointly with CEPICI, which will maintain an "after care" service and a GRM.

97. Total investments through MGs are estimated at US$77.0 million with support of an IDA envelope of US$46.1 million. The total number of investment sub-projects to be supported under the project is estimated at around: (i) 400 small investments from producer organizations (with at least 75 percent from women's groups) at a total cost of US$22.0 million; (ii) 150 medium investments from SMEs at a total cost of US$33.0 million; and (iii) 10 larger-scale investments at a total cost of US$22.0 million. With capital of US$10 million, it will cover US$28 million of agricultural credit including: (i) loans required for beneficiaries of the MGs window A; (ii) loans that may be requested by beneficiaries of MGs Windows B and C; and (iii) loans for non-MGs beneficiaries. In addition, it is expected that the project, through the programs established by CEPICI, will generate opportunities for IFC to support large investments in the agri-food value chains of Côte d'Ivoire. US$5.0 million will be disbursed immediately and the balance when and if needed. A Direct Payment will be made to the Guarantee Fund account upon GoCi request. FGPME may proceed with a call for the balance once guarantees commitments reach at least 80 percent of the initial disbursement. At project closing, balance funds under the FGPME Agricultural Window may remain with the entity, provided that the partial credit guarantee scheme has demonstrated a satisfactory performance.

COMPONENT 4. PROJECT MANAGEMENT AND COORDINATION (TOTAL: US$34.4 MILLION; GOVERNMENT: US$14.4 MILLION; IDA: US$20.0 MILLION EQUIVALENT)

[52] This manual will be informed by the experiences of successful grant programs in other countries such as Kyrgyz Republic, Angola, Colombia, and India.

98. Component 4 will support project coordination and management, including: (i) project management and administration; (ii) FM; (iii) procurement; (iv) M&E of project performance and impact, and knowledge management; (v) management of environmental and social safeguard compliance and the GRM; and (vi) communication and outreach. The project will be implemented by a PCU embedded in MINADER with support from FIRCA for financial and procurement management. The PCU will ensure effective contractual arrangements with key implementing partners (FIRCA, CNRA, ANADER, OCPV, and others) and private sector operators. As required the PCU will contract out activities to competitively selected service providers, particularly consulting firms and non-governmental organizations (NGOs). The PCU will ensure compliance with World Bank procurement, disbursement, FM, and safeguard policies and procedures by preparing and implementing a comprehensive PIM. The PCU will comprise a core team hired on a competitive basis and composed of a project coordinator, technical and operations managers, an FM specialist, an internal auditor, a procurement specialist, a gender and social inclusion specialist, an environment specialist, an M&E specialist, and administrative support staff. The PCU will benefit from the support of technical focal units appointed in the concerned ministries (MINADER, MIRAH, and MCI) and technical agencies (Ag-CI PME, CEPECI, and others).

ANNEX 2: Project Implementation Arrangements

1. The institutional setup for the project is organized around the following functions: (i) an oversight and orientation function by a PSC; (ii) overall coordination of project activities and partners by a PCU and technical focal units at the sector ministry level; (iii) management of the DA and fiduciary management entrusted to FIRCA; and (iv) technical support and execution of project activities vested with strategic public entities—PIAs.

2. **A PSC** will be established to provide policy guidance and oversight and ensure proper coordination of the project, which involves numerous actors in the targeted value chains. The main functions and responsibilities of the PSC are fourfold: (i) advise the project on strategic directions and supporting activities; (ii) approve the 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 AWPB. The PSC will be chaired by the Minister of Agriculture or his/her designated representative. It will comprise officials from central and sector ministries (including the MEF, Ministry in charge of Animal Resources, Ministry in charge of Commerce and Industry), entities involved in implementing the project, and representatives of the private sector, the professional association of banks and financial institutions, the producer organizations, and civil society, to contribute to good governance and enable these stakeholders to voice their concerns as needed.

3. In line with the decree 475 (July 1, 2015), **a technical committee** will be established to monitor on a regular basis the project implementation and ensure an efficient project management. It will report to the PSC and will include all the institutions involved in the technical and FM of the project will be established. This committee will be headed by MINADER and the executive secretariat will be held by the PCU.

4. **A standalone PCU**, supported by dedicated personnel, technical focal units at sector ministries, and a number of PIAs, will be in charge of planning and budgeting for project activities and executing the approved AWPB. It will also oversee subproject agreements and MoUs, technical supervision and quality control, gender and social inclusion, environmental and social safeguards (particularly resettlement), and M&E.

5. **The PCU will be headed by a project coordinator** who will be recruited from within MINADER based on experience and record of performance in the design and management of agricultural projects. S/he will be recruited prior to project effectiveness. S/he will be assisted in day-to-day project operations by a technical operations manager with strong experience in value chain development. The technical operations 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). For each focal unit, a technical specialist from the relevant ministry will be appointed to manage the unit. They will be responsible for the preparation, implementation, and reporting of activities falling under their mandate. The focal units will be staffed with external expertise as needed. They will work closely with the PIAs to ensure effective implementation of the activities they are entrusted to perform. They will also play a coordination role to improve synergy and complementarity with other development programs within their respective sector ministries.

6. The project coordinator will sign performance-based MoUs, conventions, or contracts on behalf of MINADER with (among others) 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 for agricultural research activities and production of seed/planting material, ANADER for extension activities, DOPA and DOPAF for support to professional organizations, AGEDI

for promotion of the dedicated agro-processing platforms, and BNETD for preparation of technical studies. Close coordination will be maintained with Regional Councils and local municipalities of the targeted project areas to ensure local ownership and support for project activities. The PCU will also contract private service providers and various value chain organizations as needed for cross-cutting activities such as produce marketing promotion, market infrastructures development, investment promotion, training, institutional development of various interprofessions, and producer group organization, among others. The project coordinator will be assisted by other key staff, including: (i) two permanent safeguard specialists to oversee project safeguard awareness and accountability (one environmental safeguard specialist with additional experience in EHS/OHS, and one social safeguard specialist with additional experience in gender, GBV and SEA/SH, social inclusion, and labor-related risk management); (ii) an M&E specialist; (iii) an internal auditor; (iv) an accountant; (iii) a rural infrastructure specialist; and (iv) administrative support staff.

7. **FIRCA** will initially have overall procurement and FM responsibility. A fiduciary management agreement will be signed between FIRCA and PCU, before the project effectiveness, to entrust the fiduciary management to FIRCA. An assessment of the fiduciary arrangement will be conducted during the project midterm review and will determine whether an alternative arrangement to transfer the fiduciary management responsibility to the PCU should be adopted. FIRCA will be strengthened with the recruitment of an additional FM specialist and procurement specialists.

8. **PIAs.** The bulk of technical project activities will be outsourced to PIAs. For that purpose, the PCU and FIRCA, will sign Project Agreements/Conventions with relevant national entities, including: (i) ANADER and FIRCA for activities related to the improvement of value chain productivity, agricultural extension, and GAPs; (ii) CNRA and national research institutions for horticulture (vegetables) and livestock; (iii) DOPA (within MINADER) and DOPAF (within MIRAH), for institutional development of the targeted value chains, unions, cooperatives, and apex interprofessional bodies; (iv) DPCCQ (within MINADER) and DSV (within MIRAH) for food safety and SPS management; and (v) BNETD and AGEDI for the preparation of technical studies, as well as oversight and promotion of the post-harvest, market, and processing platforms. The above institutions are all well-established government entities that have financial and administrative autonomy. They receive a core budget from the Treasury but also have the ability to enter into agreements with external entities to implement activities related to their primary mandates. They have good track records, including with World Bank–funded projects.

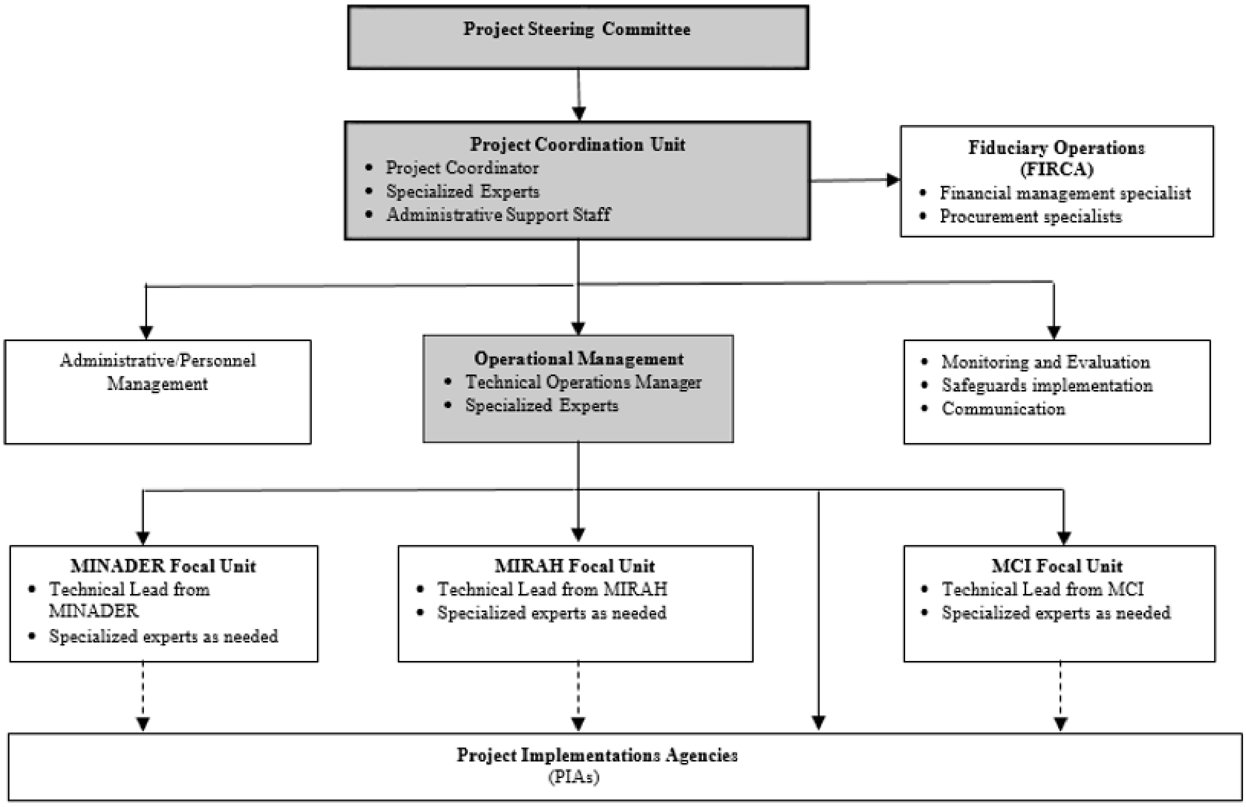
9. **Project Agreements/Conventions will be performance-based agreements**. They will focus on measurable outcomes and outputs (as per the Results Framework) and identify the means that must be mobilized to attain the results. Project funds against these Agreements/Conventions will be disbursed in tranches linked to the attainment of results; they will be an integral part of the Interim Financial Report (IFR) cycle. Project Agreements/Conventions will cover all specific activities to be implemented by the PIAs, the expected results to be achieved by the end of the project, the provisional costs, and a time-bound implementation plan. Prior to entering into any agreement, the PCU will verify whether PIAs have the required capacity—technical, fiduciary, and other—to implement project activities. All PIAs that will operate the post-harvest and market infrastructure and processing platforms will establish and maintain ESMS that incorporate the relevant WBG EHS guidelines. All ongoing activities agreed with the PIAs, as well as corresponding results and budget, will be reviewed each year and incorporated into the project annual work planning and budgeting process; they will be subject to approval by the PSC. The Agreements/Conventions should be signed before project effectiveness.

10. **Regional monitoring and consultative committees.** Through these committees, the project will have a decentralized architecture for coordinating project implementation at local levels. They will provide strategic directions for project implementation in the field, timely support for a smooth

project implementation and ensure balanced local development across agropoles. The committees will be chaired on a rotational basis by the Prefet of the regions that are member of the agropoles. The committees will be composed of the decentralized directorates of the ministries involved in the implementation, the local authorities, the representatives of the private sector at the local level, the representatives of the professional agriculture organizations and cooperatives.

11. **The PIM** will detail all project coordination, management, implementation, environmental and social safeguard, M&E, and reporting functions. It will be prepared under the guidance of FIRCA and finalized by project effectiveness. Figure A2.1 depicts the institutional arrangements for the project, including the oversight and partner institutions.

Figure A2.1: Institutional arrangements for the proposed Agri-Food Sector Development Project



Financial Management and Disbursements

10. The World Bank conducted a FM assessment of the implementing entity of the project, the FIRCA. FIRCA which is an organization established in December 2002 will be accountable for project oversight and financial reporting. FIRCA managed the implementation of the West Africa Agricultural Productivity Program APL (WAAPP-1B) for Côte d'Ivoire (P117 148, IDA H6260: US$30.00 million, TF98014: US$6.00 million) which closed in December 2016. This same entity has managed the Cashew Value Chain Competitiveness Project - PPCA – (P158810, IBRD 8850: US$200.00 million) which was transferred to CCA in 2021. The fiduciary compliance was deemed satisfactory for all the World Bank funded projects managed by FIRCA. First audits for PPCA have been performed and the audit report was received on time, and the auditors issued an unqualified opinion. The report is currently being reviewed by the World Bank. In general, the unaudited IFRs were submitted on time and found acceptable. FM performance and FM Risk of PPCA were rated as Satisfactory and Substantial respectively, following the last implementation mission carried out in June 2020.

11. The FM assessment concluded that the fiduciary arrangements of FIRCA fully comply with IDA's rules and regulations. Nonetheless, key actions to strengthen the FM system of FIRCA were identified. These actions include the following: (i) recruiting or appointing by FIRCA within its current FM team of one FMS, a principal accountant, and one accounting assistant before project effectiveness date; (ii) signing of a fiduciary agreement with the PCU for the fiduciary management;(iii) updating the existing FM procedures manual used for PPCA, within three months after effectiveness; (iv) signing the internal audit agreement between IGF and the PCU, within three months after effectiveness; (v) customizing, within three months of the project effectiveness, the existing TOM2PRO accounting software to handle the project's activities under the responsibility of FIRCA. The PCU will be responsible of (i) elaborating and adopting the PIM before project effectiveness date; (ii) preparing and adopting a PBCs Manual before project effectiveness; (iii) preparing and adopting a MG Manual, before disbursing for the MG activities; (iv) preparing and adopting FGPME Partial Credit Guarantee Scheme Manual, before disbursement under Subcomponent 3.2, for PCG activities; and (v) recruiting an independent verification agency to verify and confirm achievement of the PBCs as a disbursement condition for the PBCs.

12. Table A.2.1 below shows the results of the risk assessment from the Risk Rating Summary and identifies the key risks the project's FM system may face in achieving project objectives. It also provides a basis for determining how project management should address these risks.

Table A2.1: Project Risk and Mitigation Measures

Risk	***FM Risk***	***Risk Mitigating Measures***	***Residual FM Risk***
INHERENT RISKS			
1. ***Country Level***: Poor governance. Several key issues in the area of FM and control.	H	FIRCA will maintain a strong FM system; the project financial statements will be audited by acceptable external auditors. The internal audit functions are in place for the project's activities.	H
2. ***Entity Level:*** Risk of political interference in the management and staff of the implementing agency.	H	Any changes in the implementation arrangements will have to be agreed with IDA. All changes to the structure and staffing of the FIRCA dedicated to this project will be monitored by IDA. Procurement will be closely monitored by IDA. A PSC will be established to provide strategic guidance and project oversight.	S
3. ***Project Level***: MG, and Partial Credit Guarantee activities imply inherent risks.	H	A number of risk mitigation measures (see below) are designed to minimize the risk of misuse of funds.	S
OVERALL INHERENT RISK	H		S
CONTROL RISKS			
4. ***Budget:*** A review budget execution found budget execution ratio relatively low resulting from delay in project implementation	S	Project budgets based on procurement plan agreed with the World Bank, developed by FIRCA and approved yearly by the PSC and IDA, and will be available by December 31st, of each year. Budgets implementation will be monitored through the semi-annually unaudited IFRs.	M
5. ***Accounting:*** FIRCA FM team is well-staffed with experience of World Bank funded projects. However, no dedicated FM staff has been assigned to this project. In addition, the existing Tom2Pro Accounting used for PPCA could not fit the pro	S	The Borrower will maintain a FM system acceptable to IDA, by taking the following actions: - the appointment by FIRCA within its FM team of one FMS, one senior accountant and one accountant, before project effectiveness, to be dedicated to this project;	M

Risk	*FM Risk*	*Risk Mitigating Measures*	*Residual FM Risk*
		- FIRCA will migrate the accounting system used for PPCA, within three months from effectiveness, to fit the project needs, and satisfy World Bank accounting and reporting requirements.	
6. ***Internal Controls:*** International experience shows that the impact of PCGs in promoting access to finance is mixed and failures are mainly due to moral hazard and elite capture concerns.	H	FGPME PCG scheme will be developed in a specific manual that will detail selection criteria, and monitoring mechanism. In addition, World Bank FM team will ensure that external audit ToRs will include specific provisions related to Partial Credit Guarantee activities. IGF will carry out risk-based approach internal audit.	S
7. ***Funds flow***: Potential delay of funds transfer to beneficiaries, especially to MG and PCG.	H	All the World Bank financed projects implemented in Côte d'Ivoire have been using the Central Bank (*La Banque Centrale des États de l'Afrique de l'Ouest* , BCEAO), and projects' accounts in the commercial banks for funds flow, so they have gained some experience that would benefit to the proposed project. Detailed procedures will be put in place, and World Bank disbursement guidelines will be used.	S
8. ***Financial Reporting:*** Potential delay in reporting PCG information to FIRCA.	S	A computerized accounting system will be used, which will generate reports automatically. Standard reporting formats will be used consistent with the World Bank funded projects' formats. FGPME PCG Scheme manual will be prepared and will describe detail provisions related to reporting. The World Bank will assist FIRCA in defining the format of the semi-annual IFRs to be used.	M
9. ***Auditing***: Private auditing firms hired by FIRCA and paid by FIRCA although using the proceeds of the project could cause independence matter.	H	Annual project financial statements audits will be carried out by an independent auditor recruited based on qualification and ToR, both acceptable to IDA and review of audit reports by country FMS. None of external auditor would have a mandate that exceeds three consecutive years.	S
OVERALL CONTROL RISK	**H**		**S**
Overall FM RISK	**S**		**S**

Legend: H - High; S – Substantial; M – Moderate; L – low

Budgeting arrangements

13. The project budget process (elaboration, implementation and monitoring) will be clearly stipulated in the project procedures manual that would include detailed accounting financial and administrative procedures. The AWPB will be prepared by PCU in coordination with all the implementing entities and submitted to the PSC for approval and submitted to the World Bank not later than November 30 of each calendar year throughout the implementation of the project. The Steering Committee and the World Bank would also approve changes in the budget and revised action plans.

14. FIRCA will monitor the project's execution with the project accounting software in accordance with the budgeting procedures specified in the FM manual of procedures, and they will report on

variances along with submitting the semi-annual unaudited IFRs. The budgeting system will need to forecast for each fiscal year the origin and use of funds under this project. Only budgeted expenditures will be committed and incurred to ensure that resources are used within the agreed-upon allocations and for the intended purposes. The semi-annual IFRs will be used to monitor the execution of the AWPB.

Accounting arrangements

15. **Accounting policies and procedures, and information system.** Overall, accounting procedures are adequate for FIRCA. FIRCA will utilize a multi-site license of the existing accounting software used for PPCA to reflect the needs of the proposed Project. The new accounting software license will be acquired, and the existing accounting systems will be customized within three months after effectiveness. Any new accounting staff recruited for the proposed project will be trained to be conversant with the accounting software.

16. The existing FM Manual of procedures under PPCA will be updated prior to project effectiveness, to consider the new project context.

16. Accounting staff. The current FM team within FIRCA comprises: one director of administration, finance and accounting department, one head of projects management department, one head of FIRCA functioning department, three (3) projects accountants, and one FM assistant. The FM arrangements of this project will be based on the arrangements which were in place under PCCA and WAAPP. FIRCA will appoint within its existing FM team the required staff to be assigned to the following roles: (i) one Financial Management (FMS), (ii) one Senior Accountant, and (iii) one Accountant. The Curriculum Vitae (CVs) of those staff will be reviewed by the World Bank before the said positions will become effective. All these FM arrangements shall be in place before project effectiveness date. To strengthen the accounting staffing arrangements in place at FIRCA, several actions are recommended. All accounting staff will be trained in World Bank FM and Disbursement procedures as well as in the use of the Project accounting software. In line with Decree No 2015-475 dated July 1, 2015 governing the modalities of donor-financed projects in Côte d'Ivoire, the PCU will be assigned a Financial Controller from the Ministry of Budget and a Public Accountant from Ministry of Economy and Finance (*Ministère de l'Economie, des Finances,* MEF).

17. **Accounting standards and basis.** The prevailing accounting policies and procedures in line with accounting standards for West African Francophone countries (SYSCOHADA) in use in Côte d'Ivoire for ongoing World Bank–financed operations will apply. The accounting systems and policies and financial procedures used by the project will be documented in the project's administrative, accounting, and financial procedures manual.

Internal control and internal auditing arrangements

18. **Internal Control Systems:** The FM Procedures Manual under PPCA defines control activities. It will be updated, within three months after effectiveness, to reflect any additional arrangement or aspects required for the purpose of the new project. In addition, a PIM, a MG Manual, a PBCs Manual (PBCM), and FGPME Partial Credit Guarantee Scheme Manual (PCGSM) will be developed to provide any required guidance for the project activities implementation. The PIM, PBCM, will be prepared and adopted before the project effectiveness date, while the PCGSM and MG Manual will be disbursement conditions under Subcomponent 3.2 activities.

19. **Internal Auditing**: The internal audit function is also in place to carry out ex post reviews and to evaluate the performance of the overall internal control system. An Audit Committee and Risks Management was created in November 2020. In addition, in line with the Decree No. 475 governing the modalities of donors-financed project implementation in Côte d'Ivoire, the Directorate of Inspection of MEF (IGF), the government institution for internal financial control) will oversee the internal audit function of the project. An agreement will be signed between IGF and FIRCA, no later than three months from project effectiveness date which will spell out, among others, the type and frequency of the internal audit missions, the responsibilities of each actor. IGF should ensure that the audit is conducted using a risk-based approach.

Financial Reporting Arrangements

20. FIRCA will produce semi-annual unaudited IFRs during project implementation encompassing activities for all components. The IFRs are to be produced on a bi-annually basis and submitted to the World Bank within forty-five (45) days after the end of the calendar semester period. The IFRs will present the consolidated financial statements (sources and used of funds and use of funds per component / categories / activities).

21. The PCU will also produce the projects Annual Financial Statements and these statements will comply with SYSCOHADA and World Bank requirements. These Financial Statements will be comprised of:

- Statement of Sources and Uses of Funds which includes all cash receipts, cash payments and cash balances;
- Statement of Commitments;
- Accounting Policies Adopted and Explanatory Notes;
- A Management Assertion that project funds have been expended for the intended purposes as specified in the relevant financing agreements.

Auditing and Verification of PBCs Arrangements

22. FIRCA will use private audit firms that are acceptable to the World Bank; the project will meet the cost of hiring a private audit firm. All audits will be carried out in accordance with International Standards on Auditing. ToRs for each implementing entity will be agreed with the World Bank. The external auditors must be appointed within six (6) months of effectiveness. Audit reports for the project accounts (PA), together with management letters, should be submitted to the World Bank within six (6) months after the end of the government's fiscal year (December 31). The audit reports will be publicly disclosed by the World Bank in accordance with the World Bank disclosure policy. In addition, FIRCA will be required to submit its annual financial statements to the World Bank, together with the management letter, within nine (9) months after the end of the fiscal year. The World Bank FM team will ensure that the ToRs for the external auditor for the project's financial statements will include specific provisions to cover the MG and partial credit guarantee activities under Subcomponent 3.2. A review of the audit reports of PPCA (as documented under the internal control assessment reported above) found no major accountability and internal control issues that needed to be addressed. A review of FIRCA audit status showed that FIRCA has no outstanding audits at the time of the FMA. A review of the statutory audit reports of FIRCA for FY2018 and FY2019 done by the World Bank FM team found no major accountability and internal control issues that needed to be addressed for FIRCA. Both reports were issues with unqualified opinion.

23. In addition to the independent auditor to audit the accounts of the project, an independent verification agency will be contracted to conduct semi-annual verification of PBCs results and audit the Eligible Expenditures Program (EEP) as needed, prior to their submission to IDA. The World Bank

will retain the right to make the final decision on whether a PBC has been achieved and may undertake independent quality assurance checks of selected PBCs to ensure continued robustness of the system. An Independent verification agency will be appointed by the PCU before disbursing on the PBCs.

Table A2.2: Audit Completion Timetable

Audit Report	***Due Date***
Project Specific Financial Statements and management letter to be submitted by FIRCA	Submitted within six (6) months after the end of each financial year.
FIRCA Financial Statements to be submitted by FIRCA	Submitted within nine (9) months after the end of each financial year.

Funds Flow and Disbursement Arrangements

24. The proposed operation is estimated at US$250.00 million to be allocated to the Borrower in the form of IDA credit, including SUF in the amount of US$150.00 million. Proceeds of the financing will be used by the project for payments of eligible expenditures as defined in the Financing Agreement and further detailed in the AWPB and Procurement Plans. Disbursement arrangements have been designed in consultation with the Borrower after considering the assessment of the Implementing Agency's FM capacities and anticipated cash flow needs of the operation.

25. ***DA:*** A DA will be opened at the Central Bank (BCEAO)[53] managed by the Accountant General of the Public Debts (*Payeur Général de la Direction de la Dette Publique* - DDP) and a PA in a commercial bank under terms and conditions acceptable to IDA to facilitate payment for eligible expenditures. The PA will be managed by the Public Accountant (*Agent Comptable*) within the PCU. The DA will be managed according to the disbursement procedures described in the FM procedures Manual and Disbursement Letter and Financial Information (DLFI) which has been discussed in detail with the relevant government officials during negotiations. The initial advance the DAs would cover approximately four months of expenditures and specified in the DLFI. The minimum value of direct payment and special commitment is 20 percent (20 percent) of outstanding advance made to the DA.

26. ***Disbursement methods:*** Disbursement procedures arrangement will be detailed in the FM procedures manual, PBCs Manual, MG Manual, Partial Credit Guarantee Manual, and the disbursement letter and financial information. Replenishment through SoEs (Statement of Expenditures), Direct Payment methods and special commitments will apply to the project. The option to disburse against submission of quarterly unaudited IFR (also known as the Report-based disbursements) could be considered, as soon as the project meets the criteria.

27. *Funds flow:* Funds will flow from the DA to the PA, then from the PA to the suppliers, contractors, consultants, MG beneficiaries accounts, and other beneficiaries. The signatories to the DA and PA should be in line with the FM procedures Manual of FIRCA.

28. In addition, for the PCG under Subcomponent 3.2, the FGPME/Guarantee Fund for SMEs will open the PCG account in a commercial bank in line with the Decree No. 2020-18 dated January 8, 2020. The World Bank will make an initial advance disbursement into the PCG account in the amount of US$5.00 million, upon receiving a withdrawal application from the Borrower. From the project's DA, the PCU will transfer funds to the beneficiaries (see Figure A.2.2 below). Replenishment of funds from the World Bank to the PCG Account will be made upon evidence of satisfactory utilization of the advance, reflected in the agreed report and on full documentation for payments of first lost related to the loans

[53] *Banque Centrale des Etats de l'Afrique de l'Ouest (Central Bank of West African States).*

granted to the selected beneficiaries. Further details about disbursements to the project will be included in the disbursement procedures described in the DFIL and in the PCG Scheme Manual.

Figure A2.2: Flow of Funds Disbursements

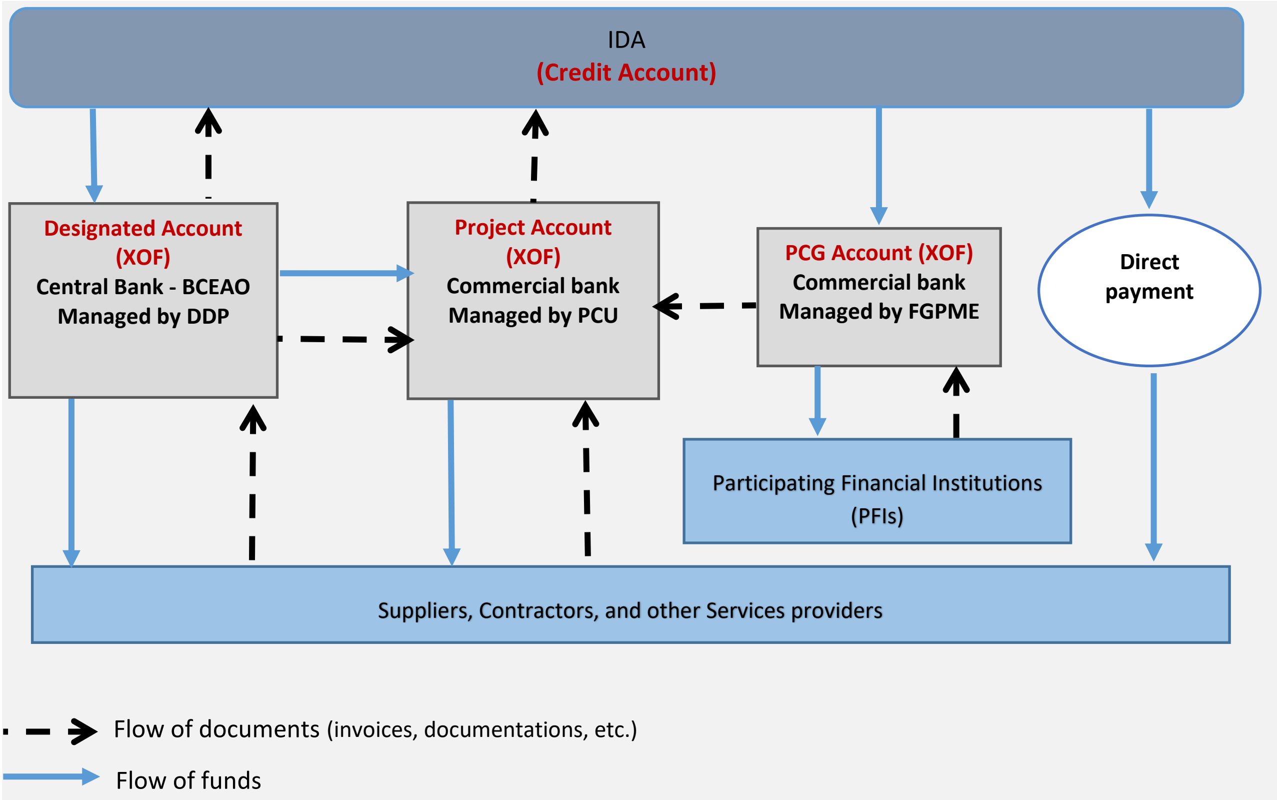


Table A2.3: FM Action Plan

Issue/topic	*Action recommended*	*Responsible body/person*	*Completion status/date*
Staffing	Appoint: (i) one FMS, (ii) one principal accountant, and (iii) one accounting assistant to be dedicated to the new project	PCU	Before effectiveness
Information system accounting software	Configure PPCA accounting software parameters to take into consideration the specificity of this project	FIRCA	Within three (3) months of effectiveness
Administrative, Accounting and Financial Procedures Manual	Update the FM manual under PPCA	FIRCA	Three (3) months of effectiveness
Internal Auditing	Sign internal audit agreement	IGF / PCU	Three (3) months of effectiveness
PIM	Prepare and adopt a PIM	PCU	Before effectiveness
PBCs Manual	Prepare and adopt a PBC Manual	PCU	Before effectiveness
Matching Grant Manual (MGM)	Prepare and adopt a Matching Grant Manual (MGM)	PCU	Before disbursement for MG activities
Partial Credit Guarantee Scheme Manual (PCGSM)	Prepare and adopt a FGPME Partial Credit guarantee Scheme Manual (PCGSM)	PCU	Before disbursement under Subcomponent 3.2 of the project, for PCG activities
External Auditing	Recruitment and appointment of an External Auditor	FIRCA	Within six (6) months of effectiveness
Independent verification agency	Recruit or appoint an independent verification agency to audit PBCs results and EEPs	PCU	Before disbursing for the PBCs activities

Implementation Support Plan

29. Based on the risk rating of the project and the current FM arrangements, it is expected that in the first year of implementation, there will be four (4) quarterly onsite visits to ascertain adequacy of systems and supplemented by desk reviews of IFRs and audit reports. The FM supervision mission's objectives will include ensuring that adequate FM systems are maintained for the project throughout project life. In adopting a risk-based approach to FM supervision, the key risk areas of focus will include assessing the accuracy and reasonableness of budgets, their predictability and budget execution, compliance with payment and fund disbursement arrangements and the ability of the systems to generate reliable financial reports.

Table A2.4: FM implementation support plan

FM activity	Frequency
Desk reviews	
IFR review	Semi-annually
Audit report review of the program	Annually
Review of other relevant information such as interim internal control systems reports	Continuous, as they become available
On-site visits	
Review of overall operation of the FM system (Implementation Support Mission)	Semester basis for Substantial risk
Monitoring of actions taken on issues highlighted in audit reports, auditors' Management Letters, internal audits, and other reports	As needed
Transaction reviews	As needed
Capacity-building support	
FM training sessions	As needed

Conclusion of the Assessment

30. A description of the project's FM arrangements as documented in the preceding paragraphs indicates that they satisfy the World Bank's minimum requirements as per World Bank Policy. Overall, the FM residual risk is assessed and rated as substantial. The substantial risk rating is because of inherent risk associated with the project design, including amongst others, (i) the MG activities; (ii) the introduction of the partial credit guarantee activities; and (iii) possible challenges with multiple sectors involving in the project's activities implementation.

Procurement

31. A new Procurement Code (Order N 2019-679 dated July 24, 2019) has been adopted in Côte d'Ivoire, in line with the West African Economic and Monetary Union (WAEMU) procurement Directives and international good practices, along with key implementing regulations and documentation. A national procurement capacity building program exists and is being implemented at the central level and among relevant decentralized entities. An electronic system for collecting and disseminating procurement information and for monitoring procurement statistics has been set up and needs to be spread over all the contracting authorities. Many audits of single source awarded contracts have been done in the past years and findings were published. However, persisting issues remain and affect transparency and efficiency of the national procurement system. The government tried to fight against this scourge, but the results are not yet visible at this time by lack of evaluation.

32. **Guidelines.** Procurement for the proposed project will be carried out in accordance with the requirements stated in the World Bank's Procurement Regulations for IPF Borrowers fourth Edition (November 2020) and the World Bank Directive: Guidelines on Preventing and Combating Fraud and

Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants (Anticorruption Guidelines) of July 1, 2016.

33. **Project Procurement Strategy for Development.** A review of the domestic procurement capacity shows that project procurement needs can be met at national level**.** National supplier firms, construction companies and consultants have the expertise to carry out the majority of planned contracts. National competitive tendering is therefore recommended. International tendering will be called only if necessary. However, special attention will be paid to the contracting of construction firms companies for the wholesale and relay markets to anticipate on eventual bottlenecks that may hinder project implementation, such as the purge of property rights, the implementation of RAPs, the availability of technical studies, and the preparation of bidding documents.

34. **Procurement documents.** Procurement will be carried out using the World Bank SBDs for all ICB for goods and works and for Standard RFP for the selection of consultants through competitive procedures. The Borrower will develop standard documents based on the World Bank SBDs for NCB for goods and works and the World Bank's RFP for the selection of consultants through methods other than QCBS, with modifications that will be submitted to the IDA for prior approval.

35. **Procurement Plan.** The different procurement methods or consultant selection methods, the need for prequalification, estimated costs, prior review requirements, and time frame are agreed between the Borrower and the World Bank in the Procurement Plan. The Procurement Plan will be updated at least annually or as required to reflect the actual project implementation needs and improvements in institutional capacity.

Advertising Procedure

36. General Procurement Notice, Specific Procurement Notices, Requests for Expression of Interest, and results of the evaluation and contracts award should be published in accordance with advertising provisions in the Procurement Regulations mentioned above.

37. For ICB and RFPs that involve international consultants, the contract awards shall be published in United Nations Development Business (UNDB) online within two weeks of receiving IDA's "no objection" to the recommendation of contract award. For Goods, the information to publish shall specify: (i) the name of each bidder who submitted a bid; (ii) bid prices as read out at bid opening; (iii) name and evaluated prices of each bid that was evaluated; (iv) name of bidders whose bids were rejected and the reasons for their rejection; and (v) name of the winning bidder, the price it offered, as well as the duration and summary scope of the contract awarded. For Consultants, the following information must be published: (i) names of all consultants who submitted proposals; (ii) technical points assigned to each consultant; (iii) evaluated prices of each consultant; (iv) final point ranking of the consultants; and (v) name of the winning consultant and the price, duration, and summary scope of the contract. The same information will be sent to all consultants who submitted proposals. The other contracts will be published in the national gazette periodically (at least quarterly) and in the format of a summary table covering the previous period with the following information: (i) name of the consultant to whom the contract was awarded; (ii) the price; (iii) duration; and (iv) scope of the contract.

Procurement Methods

38. Procurement of Works: Contracts of works estimated to cost US$10,000,000 equivalent or more per contract shall be procured through ICB. Contracts estimated to cost less than US$10,000,000 equivalent may be procured through NCB. Contracts estimated to cost less than US$200,000 equivalent per contract may be procured through shopping procedures. For shopping, contracts will be awarded following evaluation of bids received in writing based on written solicitation issued to several qualified suppliers (at least three). The award will be made to the supplier with the lowest

price, only after comparing a minimum of three quotations open at the same time, provided the supplier has the experience and resources to execute the contract successfully. For shopping, the project procurement officer will keep a register of suppliers updated at least every six months.

39. **Procurement of goods.** The goods to be financed by IDA include: office and furniture, equipment, office supplies, and so on. Similar goods that can be provided by the same vendor will be grouped in bid packages estimated to cost at least US$1,000,000 per contract and will be procured through ICB. Contracts estimated to cost less than US$1,000,000 equivalent may be procured through NCB. Goods estimated to cost less than US$100,000 equivalent per contract may be procured through shopping procedures. For shopping, the project procurement officer will keep a register of suppliers updated at least every six months.

40. **Selection of consultants.** The project will finance consultant services such as surveys, technical and financial audits, technical assistance, activities under the institutional strengthening component, engineering designs and supervision of works, trainers, and workshop facilitators. Consultant firms will be selected through the following methods: (i) QCBS; (ii) selection based on the Consultant's Qualification (CQS) for contracts in amounts less than US$300,000 equivalent, reserved for exceptional studies and research that require highly specialized, strong expertise; (iii) Least Cost Selection (LCS) for standard tasks such as insurance and financial and technical audits costing less than US$300,000; (iv) Single Source Selection, with prior agreement of IDA, for services in accordance with the relevant paragraphs in the Procurement Regulations.

41. Individual Consultants (ICs) will be hired in strict accordance with the Procurement Regulations. Sole source may be used only with prior approval of the World Bank. Whatever the cost, any ToR needed to select ICs must get prior approval of the World Bank.

42. Short lists of consultants for services estimated to cost less than US$300,000 equivalent per contract may be composed entirely of national consultants in accordance with the provisions of the Procurement Regulations, if a sufficient number of qualified individuals or firms are available. If foreign firms express interest, however, they will not be excluded from consideration.

43. **Procurement from United Nations agencies.** In some situations, procurement directly from United Nations agencies may be the most appropriate method of procurement. In such circumstances, the project will make specific arrangement with the United Nations agencies concerned through single source selection and then those agencies will follow their own procurement procedures to purchase and deliver the goods and services needed.

44. **Procurement of consulting services other than the consulting services covered.** Such services may eventually include designing, editing, and printing project promotional materials, or providing logistical support such as vehicle rentals for field visits, travel services, and logistics for workshops and the like. In those instances, LCS or shopping will be used.

45. **Training, workshops, and conferences.** Training (including training materials and support), workshop, and conference attendance will be based on an approved annual training and workshop/conference plan. A detailed plan describing the nature of the training or workshop, number of trainees/participants, duration, staff months, timing, and estimated cost will be submitted to IDA for review and approval prior to initiating the process. The appropriate methods of selection will be derived from the detailed schedule. After the training, the beneficiaries will be requested to submit a brief report indicating which skills have been acquired and how these skills will contribute to enhance the individual's performance and contribute to the attainment of the project objective.

46. **Operational costs.** Operating costs financed by the project are incremental expenses, including office supplies, vehicle operation and maintenance, maintenance of equipment,

communication costs, supervision costs (namely, transport, accommodation, and per diem), and salaries of locally contracted staff. They will be procured using the procurement procedures specified in the Project Financial and Accounting Manual.

Assessment of the Capacity of the Agency to Implement Procurement

47. Under the proposed project, FIRCA will be responsible for fiduciary management, including procurement. The capacity assessment has shown that FIRCA has the required experience, skills, knowledge, personnel, and procedure manual to implement the project in a timely manner that is consistent with World Bank standards.

Procurement Capacity Assessment of FIRCA

48. The procurement capacity assessment of FIRCA focused on: (i) the person in charge of the procurement process within FIRCA; (ii) the procedure manual of FIRCA; and (iii) the expertise of FIRCA in terms of the procurement process. FIRCA has a dedicated procurement unit, staffed by four specialists and five assistants; some of the specialists are familiar with World Bank procurement procedures. All unit st on taff have been trained in World Bank procurement procedures in the recent past. The FIRCA procurement procedures manual is also aligned with World Bank requirements. Weakness in the quality of the procurement documents and contract management were identified, however. Based on this assessment, to minimize the risks identified it is suggested that FIRCA recruits (i) one procurement specialist and one administrative assistant to be dedicated to project implementation (to be recruited through a competitive process according to World Bank procedures); (ii) organize training in procurement and contract management for these new staff prior to the implementation for the FIRCA staff; and (iii) update the procedure manual to in line with the requirements of the new project.

Risk Assessment

49. The project risk is rated **Moderate** (Table A2.5).

Table A2.5: Overall procurement risk rating

World Bank prior review threshold – Effective on July 2016				
Categories	**Project risk**			
	High - Equal or superior to:	**Substantial -** Equal or superior to:	**Moderate -** Equal or superior to:	**Low -** Equal or superior to:
Works	$5,000,000	$10,000,000	$15,000,000	$20,000,000
Goods, IT and non-consulting services	$1,500,000	$2,000,000	$4,000,000	$6,000,000
Consultants (Firms)	$500,000	$1,000,000	$2,000,000	$4,000,000
Individual consultants	$200,000	$300,000	$400,000	$500,000

Frequency of Procurement Reviews and Supervision

50. IDA prior and post reviews will be carried out based on thresholds indicated in Table A2.6 IDA will conduct six-monthly supervision missions and annual post procurement reviews, with the ratio of post review being at least one in every five contracts. IDA may also conduct an Independent Procurement Review at any time until two years after the closing date of the project.

Table A2.6: Thresholds for procurement prior and post review

Categories	Procurement methods	Thresholds for procurement approaches and methods	Prior review contracts
1. Works	RFB (Open International)	≥ 10,000,000	**All contracts equal or over** $15,000,000
	RFB (Open National)	< 10,000,000	
	RFQ	< 200,000	
	Direct Selection (*)	No threshold	
2. Goods, IT and non-consulting services	RFB (Open International)	≥ 1,000,000	**All contracts equal or over** $4,000,000
	RFB (Open National)	< 1,000,000	
	RFQ	< 100,000	
	RFQ (Open National)	< 500 000	
	Direct Selection	No threshold	

Categories	Procurement methods	Thresholds for procurement approaches and methods	Prior review contracts
Consultants	QCBS[54], QBS[55], LCS[56], FBS[57],	≥ 300.000	All contracts equal or over 2 000 000 USD
	QCBS, QBS, LCS, FBS, CQS[58]	< 300.000	
	Direct Selection	No threshold	
Individual Consultants	IC (EoI)[59]	≥ 100.000	All contracts equal or over 400 000 USD
	IC (3 CV)	< 100.000	
	Direct Selection	No threshold	
All ToRs, regardless of the amount of the contract, are subject to prior review			

[54] QCBS: Quality Cost Based Selection.
[55] QBS: Quality Based Selection.
[56] LCS: Least Cost Based Selection.
[57] FBS: Fixed Budget Based Selection.
[54] CQS : Consultant Qualifications Based Selection.
[55] IC: Individual Consultant - EoI: Expression of Interest.

ANNEX 3: Implementation Support Plan

A. Strategy and Approach for Implementation Support

1. The strategy and approach for implementation support aim to: (i) start implementation even before effectiveness, and ensure that the disbursement ratio remains above the project disbursement profile at at all times over the life of the project; (ii) prevent key project risks (technical, fiduciary, and so on) from eventuating or, if they are unavoidable, reduce their potential impact to a minimum level; (iii) include adequate M&E of implementation progress and results, including at least one rigorous impact evaluation of project interventions, and document scalability to other value chains and in other regions. The strategy involves three levels of responsibilities and actions (project, government, and task team).

2. ***At the project level,*** to minimize the risks associated with project (WP) design and capacity risk, core PCU staff will include a national coordinator who will be responsible for the overall day-to-day implementation and coordination of project activities. The coordinator will be assisted by a technical operations manager, with a strong experience in value chain development, and technical focal units anchored in each sector ministry involved in project implementation (namely MINADER, MIRAH and MCI). Where necessary, the PCU will also seek technical support from government bodies such as FIRCA, CNRA, ANADER, AGEDI and BNETD in their respective areas of expertise. It will also hire qualified consulting firms, individuals, and providers of goods and services to deliver quality products and services for the project when deemed necessary.

3. ***At the government level***, members of the PSC may carry out periodic or unscheduled missions based on issues that may surface during implementation. This committee will also work with decentralized government units, such as the MINADER and MIRAH extension services, to identify any such issues at an early stage by performing regular reviews and participating in planning and coordination activities at the regional and communal levels.

4. ***The World Bank task team*** will provide continuous implementation support, through a core team composed of the task team leader (TTL), the co-task team leader (Co-TTL), the fiduciary specialists (FM and procurement), the safeguards specialists (environmental and social) and a program assistant based in the country office. The frequency of formal Implementation Support Missions (ISM) will be as follows: (i) one ISM every four months for the first twelve months following project effectiveness, and one ISM every six months in the subsequent project period; (ii) between missions, virtual ISMs will be agreed on with the government as the need arises. Mission scheduling and ToRs will be agreed upon with the government. A Mid-Term Review will be conducted three years after project effectiveness to assess project progress toward achieving the PDO. The skills mix of mission teams will be selected considering World Bank expertise, and additional support will be provided as necessary by the Food and Agriculture Organization Investment Center and independent consultants.

5. As successfully experienced during project preparation, the formal ISM will include as much as possible a two-to-three day workshop involving all project stakeholders (line ministries, development partners, private sector, selected value chains producers' organizations, traders, etc.) for information sharing, enhancing participation, inclusion, and accountability of all parties in project successes and possible failures. In addition, this practice will ensure adequate awareness of the project among the wider public and will also contribute to reducing governance risk.

6. ISMs will place particular emphasis on four aspects of implementation. First, *governance* of the project will be monitored during the regular ISMs. Second, *institutional capacity of the PCU and the PIAs* will be monitored to ensure that adequate capacity is in place at any time to carry out project activities efficiently. Third, with respect to *M&E,* the World Bank will complement the project's M&E

activities by carrying out bi-annual ISMs during which performance indicators will be closely monitored. Field visits will be undertaken to verify data in M&E reports and to ensure that the M&E system is generating a complete and accurate picture of project performance. Fourth, the World Bank safeguards team will supervise the implementation of all *environmental and social safeguard instruments* (ESMF, PMP, and RPF), provide guidance to the project team and Borrower in applying these instruments, ensure timely preparation when and wherever required of ESIAs and RAPs for specific activities, and oversee adequate implementation, monitoring and documentation of mitigation plans. Capacity-building activities in the areas of environmental and social management will also be provided to implementing partners at all levels.

7. Furthermore, ISMs will pay attention to *fiduciary management.* FM risk was assessed as Substantial. Mitigation measures will be implemented, and as part of the periodic ISMs, the World Bank FM specialist will conduct reviews to ensure the adequacy of systems and capacity over the course of implementation, provide advice and guidance on related issues, and recommend/arrange for training and capacity strengthening where and if needed. With regard to *procurement,* the focus will be on providing training to PCU staff, reviewing procurement documents, and providing timely feedback; providing detailed advice on World Bank Procurement Guidelines; monitoring procurement progress against the detailed procurement plan; and monitoring whether the implementation of contracts complies with World Bank fiduciary guidelines as well as with the obligations stipulated in the contract. Both the FM and procurement specialists will be core members of the periodic ISMs.

8. Finally, the ISMs will promote *close coordination with other development partners* as well as with research institutions, NGOs, and the private sector involved in the selected value chains.

B. Implementation Support Plan and Resource Requirements

9. Given the overall design and scope of the project, a multi-disciplinary team comprising technical specialists, along with fiduciary, environmental and social, and operations specialists will be needed to support GoCI in implementing the project. A number of technical specialists are based in the region and country offices and can be called upon to provide support as needed. This approach will facilitate overall implementation and timely communication with the Borrower and the various stakeholders involved in implementation. It will also allow timely follow-up on specific issues and/or areas of concern when needed. Tables A3.1 and A3.2 provide more details on the elements of support to implementation over the project period, including the timing and expertise required.

Table A3.1: Focus and timing of support to implementation during the project period

Time	Focus	Skills needed
Project launch (1 mission)	• Constitution and transfer of project documentation and files to the PCU and PIAs • Technical assistance to PCU on project planning • Validation of the implementation plan for year 1 • Training in project manuals and World Bank safeguard instruments	• Agri Value Chain Development Specialist • Market Infrastructures and Trade Specialist • Producers Organization Specialist • Food Safety/SPS Specialist • Financial Sector Specialist • Social and Environmental Safeguards • Fiduciary Specialists • M&E specialist • Operation Officer • Communication Specialist • Program Assistant
Year 1: 0–12 months (3 missions)	• Support on specifics of the implementation plan • Technical assistance to PCU and PIAs on project activities implementation • Fiduciary — review of first contracts processing and project funds management • Review of progress made in year 1 (including M&E)	• Agri Value Chain Development Specialist • Market Infrastructures and Trade Specialist • Producers Organization Specialist • Food Safety/SPS Specialist • Financial Sector Specialist • Social and Environmental Safeguards • Fiduciary Specialists • M&E specialist • Operation Officer • Program Assistant
Year 2: 13–24 months (2 missions)	• Technical support for project activities implementation • Routine FM and procurement reviews • Management of safeguards and monitoring of implementation of safeguard-related measures • Review of progress made in year 2 (including M&E)	• Agri Value Chain Development Specialist • Market Infrastructures and Trade Specialist • Producers Organization Specialist • Food Safety/SPS Specialist • Financial Sector Specialist • Social and Environmental Safeguards • Fiduciary Specialists • M&E specialist • Operation Officer • Program Assistant
Year 3: 25–36 months (2 missions)	• Technical support for project activities implementation • Routine FM and procurement reviews • Management of safeguards and monitoring of implementation of safeguard-related measures • Review of progress made in year 3 (including M&E) • *Medium Term Review (MTR): Develop MTR action plan*	• Agri Value Chain Development Specialist • Market Infrastructures and Trade Specialist • Producers Organization Specialist • Food Safety/SPS Specialist • Financial Sector Specialist • Social and Environmental Safeguards • Fiduciary Specialists • Operation Officer • M&E Specialist • Program Assistant
Year 4: 37–48 months (2 missions)	• Support MTR action plan and follow up on actions/recommendations of the MTR • Adjust plan for activities implementation per component and subcomponent • Routine FM and procurement reviews • Management of safeguards and monitoring of implementation of safeguard-related measures • Review of progress made in year 4 (including M&E)	• Agri Value Chain Development Specialist • Market Infrastructures and Trade Specialist • Producers Organization Specialist • Food Safety/SPS Specialist • Financial Sector Specialist • Legal Counsel • Social and Environmental Safeguards • Fiduciary Specialists • M&E specialist • Program Assistant
Year 5: 49–60 months (2 missions)	• Technical support for project activities implementation • Routine FM and procurement reviews • Management of safeguards and monitoring of implementation of safeguard-related measures	• Agri Value Chain Development Specialist • Market Infrastructures and Trade Specialist • Producers Organization Specialist • Food Safety/SPS Specialist

	• Review of progress made in year 5 (including M&E)	• Financial Sector Specialist • Social and Environmental Safeguards • Fiduciary Specialists • M&E specialist • Operation Officer • Program Assistant
Year 6: 61-72 months (2 missions)	• Technical support for project activities implementation • Routine FM and procurement reviews • Management of safeguards and monitoring of implementation of safeguard-related measures • Review of progress made in year 6 (including M&E)	• Agri Value Chain Development Specialist • Market Infrastructures and Trade Specialist • Producers Organization Specialist • Food Safety/SPS Specialist • Financial Sector Specialist • Social and Environmental Safeguards • Fiduciary Specialists • M&E specialist • Operation Officer • Program Assistant
Year 7: 72–78 months (1 mission)	• *Implementation Completion and Results Report (ICR)*	• ICR Task Team Leader and assessment team

Table A3.2: Required skill mix for implementation support

Skills needed	**Number of staff weeks**	**Number of trips per year**	**Comments**
Task Team Leader (TTL)	12	2	Country Office based
Co-Task Team Leader (co-TTL)	12	2	Country Office based
Agri Value Chain Development Specialist	6	2	Headquarter based
Market Infrastructures and Trade Specialist	6	2	Consultant
Producers Organization Specialist	6	2	Consultant
Food Safety/SPS Specialist	6	2	Consultant
Financial Sector Specialist	6	2	Headquarter based
Procurement Specialist	6	n.a.	Country Office based
FMS	6	n.a.	Country Office based
Disbursement Specialist	1.5	n.a.	Kenya Office
Legal	4	1	Country Office based
Project Administrative Support	12	1	Country Office based
Operations Officer	12	2	Country Office based
M&E Specialist	4	1	Consultant
Environmental Specialist	6	2	Country Office based
Social Development Specialist	6	2	Country Office based

ANNEX 4: Project Costs and Financing

1. **Main Assumptions** – This annex presents the analysis of costs and financing for the Côte d'Ivoire Agri-food Sector Development Project. It describes the assumptions made in estimating the project costs including the detailed cost tables and financing plan. The analysis used the COSTAB software to display the financial data and the detailed cost tables for each component. The cost tables have been consolidated into summary tables that present the costs by component, category of expenditure and financiers. The full set of detailed and summary tables is presented at the end of this Annex.

2. The project is proposed to be financed over a six-year period (2021-2027). The information collected during the first and second design missions (November 2020 and February 2021, respectively) provided the key parameters for the costs. Project costs have been computed based on the available information about the project structure and its planned activities.

3. **National economy status and growth.** According to the World Bank[60], Côte d'Ivoire had one of the most robust growth rates in Africa and in the world prior to the global shock triggered by the coronavirus pandemic. The economy, which had grown at an average annual rate of 8 percent since 2012, had been projected to grow by 7 percent in 2020. However, the global health situation has had a major impact on Ivorian households and businesses, and economic growth for 2020 is now expected to slow to around 1.8 percent. Côte d'Ivoire's estimated GDP per capita of US$5,455 in 2019 results from an average yearly growth of about 6 percent over the 1990-2019 period[61]. Côte d'Ivoire continues to be a leader in economic activity on the continent.

4. Agriculture (including forestry and fishing) has contributed a mere 1.2 percentage points of GDP growth since the country's improved economic situation starting in 2012. Its value added amounted at about 16 percent of GDP in 2019[62] and it has been constantly declining over the past years. Nevertheless, more than half of its residents continue to depend on a primary activity for their livelihood. While many factors account for this, they are rooted in the low yield of most food and cash crops and the failure to diversify and move toward higher value-added activities[63].

5. **Inflation rate.** The inflation rate in Côte d'Ivoire was 0.8 percent in 2019 and it is likely to increase to 1.6 percent in the medium term[64] Therefore, a local inflation rate of 1.6 percent was set as a base for the analysis for the project period 2021-2026. Foreign inflation rate has been preliminary set at 1 percent for the same period. Both local and foreign inflation rates are compounded at mid-year. Inflation figures used in the calculation of the Project costs are shown in Table A4.1.

Table A4.1: Inflation Rates (percent)

Inflation	2021	2022	2023	2024	2025	2026
Annual						
Local	1.6	1.6	1.6	1.6	1.6	1.6
Foreign	1.0	1.0	1.0	1.0	1.0	1.0
Compound						
Local	0.8	2.4	4.1	5.7	7.4	9.1
Foreign	0.5	1.5	2.5	3.5	4.6	5.6

[60] See https://www.worldbank.org/en/country/cotedivoire/overview, last updated October 2020.
[61] See The World Bank dataset, *https://data.worldbank.org/*
[62] See The World Bank dataset, *https://data.worldbank.org/*
[63] See https://www.worldbank.org/en/country/cotedivoire/publication/cote-divoire-economic-outlook-why-the-time-has-come-to-produce-cocoa-in-a-responsible-manner
[64] See *http://pubdocs.worldbank.org/en/591021492188154404/mpo-civ.pdf*

6. **Exchange Rate.** The Franc CFA BCEAO (XOF) has been slightly fluctuating in the last fifteen years between 580 and 585 XOF/US$ over the period 2003-2019. The project costs are presented in both XOF and US$. The exchange rate has been set at XOF 541 to US$1 as the exchange rate prevailing at design. Conversions from current US$ values into XOF use the constant purchasing power parity (CPPP) exchange rates reported in Table A4.2.

Table A4.2: CPPP Exchange Rates

Exchange Rate	Up to negotiation	Up to Project start-up	2021	2022	2023	2024	2025	2026
XOF to US$	541.0	541.0	542.6	545.8	549.1	552.3	555.6	558.9

7. **Taxes and Duties.** Import duties (on vehicles, office furniture and equipment) and value added tax (VAT) are applied to costs of all transactions where appropriate. A value added tax of 18 percent is levied on all imported and locally procured goods and services. No goods and services with VAT positive rates other than standard exist. Vehicles have a tax of up to 53 percent (VAT + import taxes). International technical assistance does not carry any taxes. Salaries include the social insurance charges of 7.7 percent[65] while allowances attract no taxes. Taxes and duties have been estimated using the latest information from the Côte d'Ivoire Revenue Authority. Taxes and duties applied in Project costing – displayed by expenditure categories – are summarized in Table A4.3.

Table A4.3: Taxes, duties and foreign exchange by expenditure category

Expenditure category	% Taxes and duties	% foreign exchange
I. Investment Costs		
A. Consultancies	0	5
B. Equipment & materials	18	60
C. Works	18	20
D. Vehicles	53	55
E. Training & Workshops	0	5
F. Goods, services & inputs	18	50
G. Grants & subsidies	0	0
II. Recurrent Costs		
A. Operating costs	16	38
B. Salaries & allowances	7.7	0

8. **Project Costs.** Total project costs are set at US$295 million over the six-year project implementation period[66], including price contingencies, duties and taxes. A summary breakdown of the project costs by component is shown in Tables A4.4\3 and A4.5. The detailed costs are provided at the end of this Annex, including the expenditure and disbursement account structure.

[65] Employees must contribute to the social security system (Caisse Nationale de Prevoyance Sociale or CNPS) together with the employer. The employees only pay 6.3 percent for the CNPS Retirement Fund and the employer pays 7.7 percent of the taxable salary to the CNPS Retirement Fund (total 14 percent).
[66] Of this amount, about 22 percent of project costs represents the foreign exchange content.

Table A4.4: Project costs by component (Thousand US$)

	(US$ '000)			% Foreign Exchange	% Total Base Costs
	Local	Foreign	Total		
A. Component 1: Improving the business environment and institutional strenghtening					
1. Sub-Component 1.1. Strengthening the capacity of the key public entities overseeing the sector	7,377	4,500	11,877	38	4
2. Sub-Component 1.2. Enhancing value chain coordination and partnerships	10,141	534	10,675	5	4
3. Sub-Component 1.3. Addressing food safety, sanitary and phytosanitary (SPS) issues	10,801	1,224	12,024	10	4
Subtotal Component 1: Improving the business environment and institutional strenghtening	28,319	6,258	34,576	18	12
B. Component 2: Building productive and resilient agri-food value chains					
1. Sub-Component 2.1. Increasing access to technology, innovation, and advisory service including digital technologies	26,452	15,290	41,742	37	14
2. Sub-component 2.2. Development of storage, logistics and improved market infrastructure	50,526	45,754	96,280	48	33
Subtotal Component 2: Building productive and resilient agri-food value chains	76,978	61,044	138,022	44	47
C. Component 3: Mobilizing productive private investments along the value chains					
1. Subcomponent 3.1: Building the operating capacities of partner financial institutions	950	50	1,000	5	-
2. Subcomponent 3.2: Facilitating access to finance for private investment in agri-food value chains	87,000	-	87,000	-	29
Subtotal Component 3: Mobilizing productive private investments along the value chains	87,950	50	88,000	-	30
D. Component 4: Project Management and Coordination	25,540	8,932	34,472	26	12
E. Component 5: Contingent Emergency Response Component (CERC)	0	-	0	-	-
Total BASELINE COSTS	218,786	76,284	295,071	26	100
Physical Contingencies	-	-	-	-	-
Price Contingencies	-	-	-	-	-
Total PROJECT COSTS	218,786	76,284	295,071	26	100

Table A4.5: Project costs by component (Thousand XOF)

	(XOF '000)		
	Local	Foreign	Total
A. Component 1: Improving the business environment and institutional strenghtening			
1. Sub-Component 1.1. Strengthening the capacity of the key public entities overseeing the sector	3,991,115	2,434,584	6,425,699
2. Sub-Component 1.2. Enhancing value chain coordination and partnerships	5,486,231	288,749	5,774,980
3. Sub-Component 1.3. Addressing food safety, sanitary and phytosanitary (SPS) issues	5,843,091	662,028	6,505,119
Subtotal Component 1: Improving the business environment and institutional strenghtening	15,320,437	3,385,361	18,705,798
B. Component 2: Building productive and resilient agri-food value chains			
1. Sub-Component 2.1. Increasing access to technology, innovation, and advisory service including digital technologies	14,310,367	8,272,041	22,582,408
2. Sub-component 2.2. Development of storage, logistics and improved market infrastructure	27,334,566	24,752,914	52,087,480
Subtotal Component 2: Building productive and resilient agri-food value chains	41,644,933	33,024,955	74,669,888
C. Component 3: Mobilizing productive private investments along the value chains			
1. Subcomponent 3.1: Building the operating capacities of partner financial institutions	513,950	27,050	541,000
2. Subcomponent 3.2: Facilitating access to finance for private investment in agri-food value chains	47,067,000	-	47,067,000
Subtotal Component 3: Mobilizing productive private investments along the value chains	47,580,950	27,050	47,608,000
D. Component 4: Project Management and Coordination	13,817,168	4,832,424	18,649,592
E. Component 5: Contingent Emergency Response Component (CERC)	0	-	0
Total BASELINE COSTS	118,363,488	41,269,790	159,633,278
Physical Contingencies	-	-	-
Price Contingencies	-	-	-
Total PROJECT COSTS	118,363,488	41,269,790	159,633,278

9. **Project Financing.** The World Bank will fund the project through a credit from the International Development Association (IDA) of US$100 million. They will be complemented by a credit from the IDA19 Scale-Up Window (SUW) of US$150 million. The SUW will provide financing on IBRD lending terms.

10. These resources will be complemented by GoCI counterpart funds and beneficiaries, who will mobilize resources consisting of cash contribution through the MGs mechanism under Component 3. The proposed financing plan for is summarized in Table A4.6.

Table A4.6: Project costs by component and financier (US$ million)

	The Government		IDA_SUW		IDA		Beneficiaries		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
A. Component 1: Improving the business environment and institutional strenghtening										
1. Sub-Component 1.1. Strengthening the capacity of the key public entities overseeing the sector	0.0	-	-	-	11.9	100.0	-	-	11.9	4.0
2. Sub-Component 1.2. Enhancing value chain coordination and partnerships	-	-	-	-	10.7	100.0	-	-	10.7	3.6
3. Sub-Component 1.3. Addressing food safety, sanitary and phytosanitary (SPS) issues	-	-	-	-	12.0	100.0	-	-	12.0	4.1
Subtotal Component 1: Improving the business environment and institutional strenghtening	0.0	-	-	-	34.6	100.0	-	-	34.6	11.7
B. Component 2: Building productive and resilient agri-food value chains										
1. Sub-Component 2.1. Increasing access to technology, innovation, and advisory service including digital technologies	-0.0	-	39.3	94.1	2.5	5.9	-	-	41.7	14.1
2. Sub-component 2.2. Development of storage, logistics and improved market infrastructure	-	-	96.3	100.0	-	-	-	-	96.3	32.6
Subtotal Component 2: Building productive and resilient agri-food value chains	-0.0	-	135.5	98.2	2.5	1.8	-	-	138.0	46.8
C. Component 3: Mobilizing productive private investments along the value chains										
1. Subcomponent 3.1: Building the operating capacities of partner financial institutions	-	-	1.0	100.0	-	-	-	-	1.0	0.3
2. Subcomponent 3.2: Facilitating access to finance for private investment in agri-food value chains	-	-	10.0	11.5	46.3	53.2	30.7	35.3	87.0	29.5
Subtotal Component 3: Mobilizing productive private investments along the value chains	-	-	11.0	12.5	46.3	52.6	30.7	34.9	88.0	29.8
D. Component 4: Project Management and Coordination	14.4	41.8	3.4	10.0	16.6	48.2	-	-	34.5	11.7
E. Component 5: Contingent Emergency Response Component (CERC)	-	-	-	-	0.0	100.0	-	-	0.0	-
Total PROJECT COSTS	14.4	4.9	150.0	50.8	100.0	33.9	30.7	10.4	295.1	100.0

11. **Project sustainability**. Most project costs will be represented by investment costs. Therefore, post-project sustainability is not considered at risk. Also, the project is expected to increase climate resilience of smallholder producers, therefore it is expected that they will be able to manage future climate risk. Furthermore, the project will invest in facilitating productive private investments along the value chains and to continue and expand the effectiveness of current World Bank investments in leveraging more private sector investments through expanded agriculture productivity, production, and increased value added to production.

Table A4.7: Cost Summary by Component, by Year

Republic of Côte d'Ivoire
COTE D'IVOIRE AGRI-FOOD SECTOR DEVELOPMENT PROJECT
Project Components by Year -- Totals Including Contingencies
(US$ '000)

	Totals Including Contingencies						
	2021	2022	2023	2024	2025	2026	Total
A. Component 1: Improving the business environment and institutional strenghtening							
1. Sub-Component 1.1. Strengthening the capacity of the key public entities overseeing the sector	9,633	797	434	353	333	328	11,877
2. Sub-Component 1.2. Enhancing value chain coordination and partnerships	588	2,534	2,248	2,456	1,680	1,168	10,675
3. Sub-Component 1.3. Addressing food safety, sanitary and phytosanitary (SPS) issues	554	3,420	4,015	2,470	1,225	341	12,024
Subtotal Component 1: Improving the business environment and institutional strenghtening	10,775	6,751	6,697	5,279	3,237	1,837	34,576
B. Component 2: Building productive and resilient agri-food value chains							
1. Sub-Component 2.1. Increasing access to technology, innovation, and advisory service including digital technologies	12,707	16,405	4,178	3,476	3,251	1,725	41,742
2. Sub-component 2.2. Development of storage, logistics and improved market infrastructure	28,400	9,780	29,200	27,400	1,500	-	96,280
Subtotal Component 2: Building productive and resilient agri-food value chains	41,107	26,185	33,378	30,876	4,751	1,725	138,022
C. Component 3: Mobilizing productive private investments along the value chains							
1. Subcomponent 3.1: Building the operating capacities of partner financial institutions	1,000	-	-	-	-	-	1,000
2. Subcomponent 3.2: Facilitating access to finance for private investment in agri-food value chains	25,400	15,400	15,400	15,400	15,400	-	87,000
Subtotal Component 3: Mobilizing productive private investments along the value chains	26,400	15,400	15,400	15,400	15,400	-	88,000
D. Component 4: Project Management and Coordination	10,936	4,631	4,731	4,671	4,631	4,871	34,472
E. Component 5: Contingent Emergency Response Component (CERC)	0	-	-	-	-	-	0
Total PROJECT COSTS	89,218	52,967	60,207	56,226	28,019	8,434	295,071

Table A4.8: Cost Summary by Expenditure Category

Republic of Côte d'Ivoire
COTE D'IVOIRE AGRI-FOOD SECTOR DEVELOPMENT PROJECT
Expenditure Accounts Project Cost Summary

	(XOF '000)			(US$ '000)			% Foreign	% Total Base
	Local	Foreign	Total	Local	Foreign	Total	Exchange	Costs
I. Investment Costs								
A. Goods								
1. Equipment & materials	16,567,469	24,851,203	41,418,672	30,624	45,936	76,559	60	26
2. Vehicles	130,489	159,487	289,976	241	295	536	55	-
3. Goods, services & inputs	12,911,500	12,911,500	25,822,999	23,866	23,866	47,732	50	16
Subtotal Goods	29,609,457	37,922,189	67,531,647	54,731	70,096	124,827	56	42
B. Works	-	-	-	-	-	-	-	-
C. Training and Workshops	15,426,727	811,933	16,238,660	28,515	1,501	30,016	5	10
D. Consultancies	20,898,513	1,099,922	21,998,435	38,629	2,033	40,663	5	14
E. Grants & subsidies	47,786,250	-	47,786,250	88,329	-	88,329	-	30
Total Investment Costs	113,720,947	39,834,044	153,554,991	210,205	73,630	283,835	26	96
II. Recurrent Costs								
A. Operating costs	2,342,533	1,435,746	3,778,279	4,330	2,654	6,984	38	2
B. Salaries & allowances	2,300,007	-	2,300,007	4,251	-	4,251	-	1
Total Recurrent Costs	4,642,540	1,435,746	6,078,286	8,581	2,654	11,235	24	4
Total BASELINE COSTS	118,363,488	41,269,790	159,633,278	218,786	76,284	295,071	26	100
Physical Contingencies	-	-	-	-	-	-	-	-
Price Contingencies	-	-	-	-	-	-	-	-
Total PROJECT COSTS	118,363,488	41,269,790	159,633,278	218,786	76,284	295,071	26	100

Table A4.9: Expenditure Accounts by Year

Republic of Côte d'Ivoire
COTE D'IVOIRE AGRI-FOOD SECTOR DEVELOPMENT PROJECT
Expenditure Accounts by Years -- Totals Including Contingencies
(US$ '000)

	Totals Including Contingencies						
	2021	**2022**	**2023**	**2024**	**2025**	**2026**	**Total**
I. Investment Costs							
A. Goods							
1. Equipment & materials	29,827	10,576	16,159	16,812	2,442	742	76,559
2. Vehicles	536	-	-	-	-	-	536
3. Goods, services & inputs	14,091	5,376	13,836	10,886	1,686	1,856	47,732
Subtotal Goods	44,454	15,953	29,995	27,699	4,128	2,599	124,827
B. Works	-	-	-	-	-	-	-
C. Training and Workshops	4,853	6,795	6,588	5,798	3,811	2,172	30,016
D. Consultancies	11,851	12,838	6,242	5,349	2,700	1,682	40,663
E. Grants & subsidies	26,729	15,400	15,400	15,400	15,400	-	88,329
Total Investment Costs	87,888	50,986	58,226	54,245	26,038	6,453	283,835
II. Recurrent Costs							
A. Operating costs	650	1,267	1,267	1,267	1,267	1,267	6,984
B. Salaries & allowances	679	714	714	714	714	714	4,251
Total Recurrent Costs	1,330	1,981	1,981	1,981	1,981	1,981	11,235
Total PROJECT COSTS	89,218	52,967	60,207	56,226	28,019	8,434	295,071

Table A4.10. Expenditure Accounts by Financiers

Republic of Côte d'Ivoire
COTE D'IVOIRE AGRI-FOOD SECTOR DEVELOPMENT PROJECT
Expenditure Accounts by Financiers
(US$ Million)

	The Government		IDA_SUW		IDA		Beneficiaries		Total		For.	Local (Excl.	Duties &
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Exch.	Taxes)	Taxes
I. Investment Costs													
A. Goods													
1. Equipment & materials	0.0	-	75.2	98.3	1.3	1.7	-	-	76.6	25.9	45.9	16.8	13.8
2. Vehicles	0.0	-	0.5	100.0	-	-	-	-	0.5	0.2	0.3	0.1	0.1
3. Goods, services & inputs	3.2	6.7	29.1	60.9	15.5	32.4	-	-	47.7	16.2	23.9	15.3	8.6
Subtotal Goods	3.2	2.6	104.8	84.0	16.8	13.5	-	-	124.8	42.3	70.1	32.3	22.5
B. Works	-	-	-	-	-	-	-	-	-	-	-	-	-
C. Training and Workshops	1.4	4.5	10.1	33.6	18.6	61.9	-	-	30.0	10.2	1.5	28.5	-
D. Consultancies	4.4	10.9	25.1	61.7	11.2	27.4	-	-	40.7	13.8	2.0	38.6	-
E. Grants & subsidies	1.3	1.5	10.0	11.3	46.3	52.4	30.7	34.7	88.3	29.9	-	88.3	-
Total Investment Costs	10.3	3.6	150.0	52.8	92.8	32.7	30.7	10.8	283.8	96.2	73.6	187.7	22.5
II. Recurrent Costs													
A. Operating costs	3.7	52.9	-	-	3.3	47.1	-	-	7.0	2.4	2.7	3.2	1.1
B. Salaries & allowances	0.4	9.1	-	-	3.9	90.9	-	-	4.3	1.4	-	3.9	0.3
Total Recurrent Costs	4.1	36.3	-	-	7.2	63.7	-	-	11.2	3.8	2.7	7.1	1.4
Total PROJECT COSTS	14.4	4.9	150.0	50.8	100.0	33.9	30.7	10.4	295.1	100.0	76.3	194.9	23.9

Table A4.11: Procurement Accounts by Financiers

Republic of Côte d'Ivoire
COTE D'IVOIRE AGRI-FOOD SECTOR DEVELOPMENT PROJECT
Procurement Accounts by Financiers
(US$ Million)

	The Government		IDA_SUW		IDA		Beneficiaries		Total		For.	Local (Excl.	Duties &
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Exch.	Taxes)	Taxes
1. Consultancies	4.4	10.9	25.1	61.7	11.2	27.4	-	-	40.7	13.8	2.0	38.6	-
2. Works	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Vehicles	0.0	-	75.8	98.3	1.3	1.7	-	-	77.1	26.1	46.2	17.0	13.9
4. Equipment_material	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Training	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Workshops	1.4	4.5	10.1	33.6	18.6	61.9	-	-	30.0	10.2	1.5	28.5	-
7. Goods, services & inputs	3.2	6.7	29.1	60.9	15.5	32.4	-	-	47.7	16.2	23.9	15.3	8.6
8. Salaries & allowances	0.4	9.1	-	-	3.9	90.9	-	-	4.3	1.4	-	3.9	0.3
9. Operating costs	3.7	52.9	-	-	3.3	47.1	-	-	7.0	2.4	2.7	3.2	1.1
10. Grants & subsidies	1.3	1.5	10.0	11.3	46.3	52.4	30.7	34.7	88.3	29.9	-	88.3	-
11. Unallocated	-	-	-	-	-	-	-	-	-	-	-	-	-
Total PROJECT COSTS	14.4	4.9	150.0	50.8	100.0	33.9	30.7	10.4	295.1	100.0	76.3	194.9	23.9

Table A4.12: Local/Foreign/Taxes by Financiers

Republic of Côte d'Ivoire
COTE D'IVOIRE AGRI-FOOD SECTOR DEVELOPMENT PROJECT
Local/Foreign/Taxes by Financiers
(US$ Million)

	The Government		IDA_SUW		IDA		Beneficiaries		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
I. Foreign	3.3	4.3	61.7	80.9	11.3	14.8	-	-	76.3	25.9
II. Local (Excl. Taxes)	9.9	5.1	69.4	35.6	84.9	43.6	30.7	15.7	194.9	66.0
III. Taxes	1.2	5.0	18.9	78.9	3.8	16.1	-	-	23.9	8.1
Total Project	14.4	4.9	150.0	50.8	100.0	33.9	30.7	10.4	295.1	100.0

Table A4.13: Project Components by Year – Investment/Recurrent costs

Republic of Côte d'Ivoire
COTE D'IVOIRE AGRI-FOOD SECTOR DEVELOPMENT PROJECT
Project Components by Year -- Investment/Recurrent Costs
(US$ '000)

	Totals Including Contingencies						
	2021	2022	2023	2024	2025	2026	Total
A. Component 1: Improving the business environment and institutional strenghtening							
1. Sub-Component 1.1. Strengthening the capacity of the key public entities overseeing the sector							
Investment Costs	9,541	690	328	246	226	221	11,253
Recurrent Costs	92	106	106	106	106	106	625
Subtotal Sub-Component 1.1. Strengthening the capacity of the key public entities overseeing the sector	9,633	797	434	353	333	328	11,877
2. Sub-Component 1.2. Enhancing value chain coordination and partnerships							
Investment Costs	588	2,534	2,248	2,456	1,680	1,168	10,675
Recurrent Costs	-	-	-	-	-	-	-
Subtotal Sub-Component 1.2. Enhancing value chain coordination and partnerships	588	2,534	2,248	2,456	1,680	1,168	10,675
3. Sub-Component 1.3. Addressing food safety, sanitary and phytosanitary (SPS) issues							
Investment Costs	554	3,420	4,015	2,470	1,225	341	12,024
Recurrent Costs	-	-	-	-	-	-	-
Subtotal Sub-Component 1.3. Addressing food safety, sanitary and phytosanitary (SPS) issues	554	3,420	4,015	2,470	1,225	341	12,024
Subtotal Component 1: Improving the business environment and institutional strenghtening	10,775	6,751	6,697	5,279	3,237	1,837	34,576
B. Component 2: Building productive and resilient agri-food value chains							
1. Sub-Component 2.1. Increasing access to technology, innovation, and advisory service including digital technologies							
Investment Costs	12,707	16,405	4,178	3,476	3,251	1,725	41,742
Recurrent Costs	-	-	-	-	-	-	-
Subtotal Sub-Component 2.1. Increasing access to technology, innovation, and advisory service including digital technologies	12,707	16,405	4,178	3,476	3,251	1,725	41,742
2. Sub-component 2.2. Development of storage, logistics and improved market infrastructure							
Investment Costs	28,400	9,780	29,200	27,400	1,500	-	96,280
Recurrent Costs	-	-	-	-	-	-	-
Subtotal Sub-component 2.2. Development of storage, logistics and improved market infrastructure	28,400	9,780	29,200	27,400	1,500	-	96,280
Subtotal Component 2: Building productive and resilient agri-food value chains	41,107	26,185	33,378	30,876	4,751	1,725	138,022
C. Component 3: Mobilizing productive private investments along the value chains							
1. Subcomponent 3.1: Building the operating capacities of partner financial institutions							
Investment Costs	1,000	-	-	-	-	-	1,000
Recurrent Costs	-	-	-	-	-	-	-
Subtotal Subcomponent 3.1: Building the operating capacities of partner financial institutions	1,000	-	-	-	-	-	1,000
2. Subcomponent 3.2: Facilitating access to finance for private investment in agri-food value chains							
Investment Costs	25,400	15,400	15,400	15,400	15,400	-	87,000
Recurrent Costs	-	-	-	-	-	-	-
Subtotal Subcomponent 3.2: Facilitating access to finance for private investment in agri-food value chains	25,400	15,400	15,400	15,400	15,400	-	87,000
Subtotal Component 3: Mobilizing productive private investments along the value chains	26,400	15,400	15,400	15,400	15,400	-	88,000
D. Component 4: Project Management and Coordination							
Investment Costs	9,698	2,757	2,857	2,797	2,757	2,997	23,862
Recurrent Costs	1,238	1,875	1,875	1,875	1,875	1,875	10,611
Subtotal Component 4: Project Management and Coordination	10,936	4,631	4,731	4,671	4,631	4,871	34,472
E. Component 5: Contingent Emergency Response Component (CERC)							
Investment Costs	0	-	-	-	-	-	0
Recurrent Costs	-	-	-	-	-	-	-
Subtotal Component 5: Contingent Emergency Response Component (CERC)	0	-	-	-	-	-	0
Total PROJECT COSTS	89,218	52,967	60,207	56,226	28,019	8,434	295,071
Total Investment Costs	87,888	50,986	58,226	54,245	26,038	6,453	283,835
Total Recurrent Costs	1,330	1,981	1,981	1,981	1,981	1,981	11,235

Table A4.14: Expenditures Accounts by year

Republic of Côte d'Ivoire
COTE D'IVOIRE AGRI-FOOD SECTOR DEVELOPMENT PROJECT
Expenditure Accounts by Years -- Totals Including Contingencies
(US$ '000)

	Totals Including Contingencies						
	2021	2022	2023	2024	2025	2026	Total
I. Investment Costs							
A. Goods							
1. Equipment & materials	29,827	10,576	16,159	16,812	2,442	742	76,559
2. Vehicles	536	-	-	-	-	-	536
3. Goods, services & inputs	14,091	5,376	13,836	10,886	1,686	1,856	47,732
Subtotal Goods	44,454	15,953	29,995	27,699	4,128	2,599	124,827
B. Works	-	-	-	-	-	-	-
C. Training and Workshops	4,853	6,795	6,588	5,798	3,811	2,172	30,016
D. Consultancies	11,851	12,838	6,242	5,349	2,700	1,682	40,663
E. Grants & subsidies	26,729	15,400	15,400	15,400	15,400	-	88,329
Total Investment Costs	87,888	50,986	58,226	54,245	26,038	6,453	283,835
II. Recurrent Costs							
A. Operating costs	650	1,267	1,267	1,267	1,267	1,267	6,984
B. Salaries & allowances	679	714	714	714	714	714	4,251
Total Recurrent Costs	1,330	1,981	1,981	1,981	1,981	1,981	11,235
Total PROJECT COSTS	89,218	52,967	60,207	56,226	28,019	8,434	295,071

ANNEX 5: Financial and Economic Analysis

I. Introduction

1. **Overview**. The Côte d'Ivoire Agri-food Sector Development Project will work to enhance the competitiveness of selected agri-value chains through interventions to expand and improve market infrastructure and logistics in Project areas and enhance value addition throughout the agri-food chains. The resulting increased competition and efficiency within the value chains will be reflected in higher farm-gate prices which will drive the production mix and the adoption of on-farm improved technologies to enhance crop yields and labour productivity, with expected positive effects in terms of increased production (possibly displacing imports) and higher incomes for farmers.

2. The economic rationale for project's benefits hinges on the enhanced financial profitability of SMEs and smallholders estimated through representative models of (i) rainfed cassava and irrigated vegetables smallholder production (on farm budgets); (ii) aquaculture SME production; (iii) cassava semi-industrial and industrial processing SME investments; and (iii) investments in market logistic platforms. More details are provided below in the models' specifications.

3. **Project area and target beneficiaries**. The project area includes six Agropoles. Project's beneficiaries are smallholder farmers and SMEs involved in food production, processing, and marketing along the food crop value chains. They will benefit directly from project interventions to improve access to modern technologies and finance, improve their skills and practices, upgrade and modernize their processing units, and gain better access to markets through their inclusion in more efficient value chains. They are expected to increase their productivity and the quality of their products and thus improve their income and generate jobs in rural areas. The analysis is based on the following hypotheses of project's targets:

a. 212,500 cassava producers (50 percent of target producers will be women);

b. 254,000 producers of vegetables (each cultivating 1 ha of irrigated land therefore covering an area of 254,000 hectares).

c. 400 SMEs involved in small-size investments (between US$10,000 and US$100,000 of investment costs);

d. 150 SMEs involved in medium-size investments (between US$100,000 and US$500,000 of investment costs);

e. 10 SMEs involved in large-size investments (between US$500,000 and US$5,000,000 of investment costs).

4. The size of the investments is in line with the MG windows implemented under project Component 3.

5. **Structure of the analysis.** This Annex reports the financial and economic analysis (EFA) of the project, including financial models, the computation of NPV and EIRR as well as the risk and sensitivity analyses, together with the economic analysis, which includes a description of the expected project economic benefits. The economic analysis also includes the estimated environmental benefits (net GHG emissions as externalities) computed using the Ex-Ante Carbon Balance Tool (EX-ACT). The details of the GHG analysis are reported as a separate Annex to the main project appraisal document. The analysis is conducted in a very conservative way to derive realistic results.

II. Financial Analysis

6. **Objectives**. The objectives of the financial analysis are: (i) to assess the financial viability of the development interventions promoted under the proposed Project; (ii) to examine the impact of Project interventions on the incomes of the households (HHs) and SMEs targeted, therefore determining the incentive for the target group for engaging in the proposed activities; and (iii) to establish the framework for the economic analysis of the Project, which will complement the financial analysis to assess the justification from the overall economy' perspective (see section III of this Annex).

7. **Methodology.** The financial models consider two different scenarios: (i) the 'without Project' (WOP) scenario, which refers to 'business as usual' (i.e. the analytical baseline); and (ii) the 'with project' (WP) scenario which considers the investments and innovations promoted by the Project. The assumptions made under each of the two scenarios are detailed in the models' specifications below. The analysis is developed through financial budget models and financial performance indicators that are instrumental for assessing the impact of Project interventions on economic activities of target beneficiaries, such as incremental net margins and the financial internal rate of return (FIRR) of the investments.

8. The models report all the quantities of inputs and outputs, their unit costs and prices. Investment costs are estimated for all models but the Cassava farm production model (for which no major investments are expected by farmers). The investment costs are covered through the MGs according to percent contributions depending on the window size (small, medium, large investments), as described in the main project document (see component 3).

9. Net margins (net cash flow) is derived by subtracting the costs of labor from the gross margins[67]. Gross margins are obtained as difference between total revenue and total operating (variable) costs before and after labour costs[68]. Total revenue is computed considering all farm production which is valued using the farm-gate market price[69]. Operating costs include the costs for running the activities conducted every year during the intervention period, and thereafter during the operational phase of the Project. Incremental net margins simulate the income increase for the target beneficiaries switching from the WOP production conditions to the WP case. Indeed, the estimated benefits result from the comparison among the two scenarios (increments are computed with respect to the baseline). In case of 'new' investments, the baseline net margin is assumed to be equal to the value of labor needed under the WP model, evaluated using the average wage (opportunity cost of labor), which is a proxy of the beneficiaries' 'foregone income' consequent to their engagement in the 'new' investments.

10. The models developed within this analysis should be seen only as indicative, being a representative set of possible smallholder households' and SMEs' activities among many others that are eventually combined in more complex production activities and investment options. The list of models and the relative assumptions, including

[67] All costs borne at HH level will be included in the models. Thus, HHs' financial capacity to cover the incremental production costs will already be considered in the net margins and corresponding HHs' incomes.

[68] Total revenue is computed considering all farm production which is valued using the farm-gate market price. No self-consumption is considered, since the analysis is aimed at estimating HHs' incomes in the WOP and WP scenarios and not at indicating how the income is spent. In any case, including food consumption in the computations would not change the analytical results, as there would be no difference between the value of food purchase on the market and the foregone revenue corresponding to the self-consumption.

[69] No self-consumption is considered, since the analysis is aimed at estimating HHs' incomes in the WOP and WP scenarios and not at indicating how the income is spent. In any case, including food consumption in the computations would not change the analytical results, as there would be no difference between the value of food purchase on the market and the foregone revenue corresponding to the self-consumption.

the investments considered, under both WOP and WP scenarios, is summarized in **Table A5.1**. The detailed models are reported in the Excel worksheets in the Project Life File.

Table A5.1: List of financial models

Rainfed cassava production at farm level
Irrigated vegetables production at farm level (tomatoes, eggplant, chilli pepper, okra)
Aquaculture production at SME level
Semi-industrial cassava processing at SME level
Industrial cassava processing at SME level
Logistic platform, large operator

11. **Data.** Following data are collected:

i) technical and economic parameters to build farm rainfed and irrigated crop production models, i.e. crop yields, inputs used (seeds, fertilizers, equipment, labor, water), and infrastructure investments, under both conventional and improved management, input costs and output prices at farm-gate. Crops considered in the models include rainfed cassava and irrigated vegetables (tomatoes, eggplant, chili pepper, okra);
ii) technical and economic parameters for intensive aquaculture production, i.e. size of the infrastructure investments, inputs and output quantities, fingerling, feed and other input costs, and output prices. The model considers fish farming of tilapia and catfish species, for which ample market demand exists;
iii) technical and economic data related to industrial and semi-industrial processing of cassava to produce fermented lafun (*attiekè*), unfermented flour (gari), chips, dry starch, flour and skins (as by product for feed use). Data include infrastructure and equipment, operations and needed inputs, transformation rates and outputs obtained, input purchase and output selling prices: and
iv) technical and financial data related to building and managing a logistic platform to improve the commercialization of agriculture products (vegetables, cassava and other products). Data include infrastructure parameters (size and characteristics of the investment) as well as costs and revenues.

12. **Model specifications**. In the **WOP scenario**, cassava farmers practice 'conventional farming' and are not engaged in any improved practice. Traditional crop cultivation is labor intensive with limited access to mechanization equipment. Farmers do not have access to improved varieties and overall productivity is low. Also, farmers have limited links with markets and can count on low farm-gate prices. Similarly, vegetable producers have low access to: (i) quality inputs (seed varieties, fertilizers) and water (ineffective irrigation schemes and insufficient water availability); (ii) market, due to inefficient value chains, reduced availability of storage infrastructures, limited knowledge/access to post-harvest conservation and mechanization. As a consequence, they experience low yields, reduced and variable product quality (difficult sanitary conditions of output with commercialization problems), low farm-gate prices. The corresponding WOP models are representative of the current situation which is assumed to remain unchanged during project implementation.

13. In the **WP scenario,** the implementation of market infrastructure and facilities due to project-supported investments (e.g., wholesale markets, logistic platforms) will reduce assembly cost from bulking and will contribute to farm-gate output prices gains and improved overall access to market and increased competition (post-harvest). It is assumed that increased market opportunities (price, volume) at consumers' level will be

transmitted to the producers because of increased market competition along the chain thanks also to stronger linkages to traders (higher quality and certified produce), and aggregation of their product. Driven by the expected price increase and thanks to project financial support (MG, small size window) and technical assistance from the project, including access to mechanization services and irrigation schemes (small-scale irrigated agriculture perimeters areas with drip irrigation) as well as better climate-information services, farmers will: (i) adopt modern irrigation technology (drip irrigation system for vegetables production) and to other inputs (including small-scale mechanization services); (ii) adopt high yielding climate resilient cultivars of the local varieties (e.g., African vegetables) and others as well environmentally friendly technologies (e.g. Integrated pest management – IPM); and (iii) enhance their entrepreneurial capacity (including weather and market information, training and business advice, improved management of irrigated crops). Consequently, farmers will improve crop yields and products' quality, and reduce post-harvest losses, gaining better selling prices. After the investment and start-up phase, yields will increase gradually with respect to WOP. Farm-gate price increase with respect to WOP case is assumed to be 10 percent (which is a very conservative assumption).

14. Aquaculture producers will access to quality fry/quality seeds for Tilapia and Catfish and will adopt intensive fish production technologies, implement water use efficiency and adequate waste management methods. Cassava processing investments will be realised for semi-industrial production of fermented lafun (attiekè) and unfermented flour (gari) (34 percent and 36 percent transformation rate, respectively). Thanks to access to technical assistance the SME will be able to develop business plans and will have the managerial and technical capacity to implement and manage their investments. Good working conditions, modern technology, better management, and reduced length of processing will improve productive capacity and competitiveness with positive impacts on the financial returns. Industrial cassava processing will produce dry starch and flour (30 percent and 40 percent transformation rate, respectively) through modern processing technology. The logistic platform will consist of storage, warehouse, packaging station facilities which will offer marketing services to producers in the area. The investment will generate net margins through space renting, charges on the production commercialized as well as other charges (e.g. weighing services, extended storage services).

15. **Results.** The financial models show that the incremental net margins are all significantly positive demonstrating the financial profitability of project investments. Summary results are shown in **Table A5.2**.

Table A5.2: Summary results of the financial analysis

Models	Unit	Conventional (WoP)	Improved (WP)	
		Net margin		FIRR %
Rainfed cassava production at farm level	FCFA/ha	13,500	136,596	59%
Irrigated vegetables production at farm level	FCFA/ha	139,530	484,584	8%
Aquaculture production at SME level	FCFA/unit	1,095,000	2,344,295	21%
Semi-industrial cassava processing at SME level	FCFA/unit	1,000,000	6,622,150	28%
Industrial cassava processing at SME level	FCFA/unit	16,468,333	48,551,613	28%
Logistic platform, large operator	FCFA/unit	65,994,000	321,317,901	35%

16. **Opportunity cost of capital.** The financial discount rate provides the alternative financial returns/opportunity costs to the investor. It has been used in this analysis to assess the viability and robustness of the investments as compared with market alternatives. The discount rate is estimated at 5.8 percent (see **Table A5.3**), computed as average between: (i) average deposit interest rate paid by commercial or similar banks in the country; and (ii) lending interest rate. Latest data available refer to the year 2017. All proposed investments indicate a financial profitability higher than the opportunity cost of capital.

Table A5.3: Computation of the opportunity cost of capital, year 2017

Indicator	Deposit interest rate	Lending interest rate	Average
Rate (%)	6.5%	5.1%	5.8%

Source: The World Bank (see *https://data.worldbank.org*).

III. Economic Analysis

17. **Objectives.** The economic analysis objectives are to: (i) determine the viability of the project as a whole, in which aggregated economic benefits are compared with total project costs; (ii) assess project impact and the overall EIRR; and (iii) perform sensitivity analysis in order to measure the robustness of the expected impact, and to measure variations in the overall EIRR due to unforeseen factors. Details of the economic analysis will be available as Excel worksheets in the Project Life File.

18. **Methodology and Assumptions.** The economic analysis is based on the estimation of the benefits gained from the increased economic performance of HHs and SMEs targeted by the project. The main quantifiable economic benefits from the project are represented by the net incremental benefits as computed in the financial analysis, i.e. the difference between the annual net benefits in the WOP and WP scenarios. Such benefits are aggregated over the total number of beneficiaries. The economic analysis is conducted over a 30-year period, included the 6-year project period. Specifically, the models discussed in the financial analysis above are linked with the number of target beneficiaries (see above) to estimate the overall flow of benefits and compute the ERR.

19. **Estimation of the economic benefits.** Economic benefits are estimated using economic prices (instead of the financial ones). Economic values are obtained using mostly market prices since there are few market

distortions. Côte d'Ivoire is one of the world's leading producer and exporter of cocoa beans and cashew nuts and its economy is fairly open compared with those of its neighbours.

20. Financial prices of tradable goods are converted into economic ones using a Standard Conversion factor (SCF) computed through the following formula: SCF= SER/OER where OER is the Official Exchange Rate and SER is the Shadow Exchange Rate[70]. Average imports and exports over the 2008-19 period have been used for computing the SER which is set equal to 541.58 XOF/US$. Given that the OER is equal to 541 XOF/US$ and that a VAT of 18 percent is also applied to all tradable goods, the final SCF is 1.001. Market prices of all tradable goods are therefore transformed in economic prices by applying this SCF. Such computations are shown in **Table A5.4**.

Table A5.4: Computation of the Standard Conversion factor (SCF) used in the economic analysis

	Average 2008-2019 M $	
1) total imports (M)	9,335	
2) total exports (X)	11,411	
3) import taxes (Tm)	934	
4) export taxes (Tx)	911	
SER	541.582	SER=(M+X)/[(M+Tm)+(X-Tx)]*OER
OER	541.000	
SCF	1.001	SCF=SER/OER
VAT	0.180	
SCF	0.821	SCF with VAT of 18% also applied to all tradable goods

21. Standard economic analysis links social discount rates to the long-term growth prospects of the country where the project takes place. This is because future benefits and costs should be valued at their marginal contribution to welfare, which will be lower the higher is growth and the richer are future project beneficiaries. and a social discount rate of 5 percent is chosen. Historically, sustained real per capita consumption growth rates ranging from 0 percent to 5 percent per year have been most commonly observed. This implies discount rates ranging from 0 percent to 10 percent per year (see 'Technical Note on Discounting Costs and Benefits in Economic Analysis of World Bank Projects', The World Bank, 2010). We choose the midpoint of this range, as a benchmark value, as also recommended by The World Bank[71]. This is also in line with the economic growth in Côte d'Ivoire (GDP has grown at an average annual rate of about 6 percent over the 1990-2019 period[72], and has been projected to grow by 7 percent in 2020). An economic cost of labour of 820 FCFA/day (computed using the SCF reported above, starting from the financial cost of 36,000 FCFA/month which is the guaranteed agricultural minimum wages

[70] SER= ([(M + Tm) + +(X - Tx)]/ (M + X))* OER, where M= total imports, X = total exports, Tm = import taxes, and Tx = export taxes.
[71] See Discounting Costs and Benefits in Economic Analysis of World Bank Projects, OPSPQ. May 9, 2016. "Where no country-specific growth projections are available, we suggest using 3 percent as a rough estimate for expected long-term growth rate in developing countries. Given reasonable parameters for the other parameters for the other variables in the standard Ramsey formula linking discount rates to growth rates, this yields a discount rate of 6 percent. Where there is reason to expect a higher (lower) growth rate, a higher (lower) discount rate should be chosen. The extreme case of a sustained 6 percent annual per capita growth over the project lifetime would yield a discount rate of 12 percent." Note prepared by Marianne Fay (GGSVP) et al, February 18, 2016.
[72] See World Bank dataset, *https://data.worldbank.org/*

and the corresponding working hours[73]) is used as a wage shadow rate. The summary results of the economic analysis are reported in **Table A5.**.

Table A5.5: Summary results of the economic analysis

Models	Unit	Conventional (WoP)	Improved (WP)	Incremental net benefits
		Net benefit		
Rainfed cassava production at farm level	FCFA/ha	11,082	112,129	101,047
Irrigated vegetables production at farm level	FCFA/ha	114,538	397,786	283,249
Aquaculture production at SME level	FCFA/unit	898,865	1,924,388	1,025,523
Semi-industrial cassava processing at SME level	FCFA/unit	820,881	5,436,000	4,615,119
Industrial cassava processing at SME level	FCFA/unit	13,518,550	39,855,119	26,336,570
Logistic platform, large operator	FCFA/unit	54,173,251	263,763,909	209,590,657

22.**Adoption rate and computation of the overall flow of benefits**. To compute the overall flow of direct benefits of the Project, the overall number of HHs and SMEs adopting the proposed technologies is computed based on the targeting strategy of the Project and of the phasing of proposed interventions. An adoption rate of 80 percent is hypothesized, to keep the benefits' estimates realistic and conservative. The flow of economic benefits is shown in **Table A5.66**. The table shows a cumulative sequence of annual incremental benefits computed based on the realistic assumption of gradual adoption of the proposed activities and progressive implementation of planned investments.

Table A5.6: Flow of economic benefits (000 US$)

Models	Flow of economic benefits (000 $)						
	2021	2022	2023	2024	2025	2026	Total
Rainfed cassava production at farm level	-	7,451	7,451	7,451	7,451	7,451	37,254
Irrigated vegetables production at farm level	-	30,088	30,088	30,088	30,088	30,088	150,439
Aquaculture production at SME level	-	61	61	61	61	61	303
Semi-industrial cassava processing at SME level	-	273	273	273	273	273	1,365
Industrial cassava processing at SME level	-	1,168	1,168	1,168	1,168	1,168	5,842
Logistic platform, large operator	-	620	620	620	620	620	3,099
Total	-	39,661	39,661	39,661	39,661	39,661	198,303

23. **Indirect Project Beneficiaries.** Logistics platforms and wholesale markets will not benefit only project supported investments but will generate benefits also to other stakeholders and chain actors, including other SMEs and smallholders. There will also be large numbers of farmers who will benefit indirectly from the project through diffuse knowledge of improved rainfed and irrigated crop and aquaculture production. Consumers would also benefit from more, better quality agriculture products and better prices, with positive effects in terms of improved nutrition and overall food security. In addition to this, all those living in the rural areas where supported SMEs and households will be located will benefit from strengthened local economies resulting from inflows of income and strengthened local demand. There will also be increased job opportunities for unemployed and underemployed women and men living in rural areas. The expansion of crop production will also promote development of other complementary economic activities (e.g. input dealers). Thus, project activities will

[73] Working hours cannot exceed 48 hours per week (8 hours per day) for agricultural enterprises (e.g., farms, establishments and agricultural enterprises), up to a maximum of 2,400 hours per year (Article 1 of Decree 96- 203 of 7 March 1996 relating to Hours of Work). The SMIG (*Salaire minimum interprofessionnel garanti*) was increased to FCFA 60,000/month in 2013. The SMAG (*Salaire minimal dans le secteur Agricole*) remains unchanged at FCFA 36,000/month. This corresponds to FCFA 1,000/day which is used as opportunity cost of labour here (although in reality it may vary according to labor availability).

indirectly stimulate the whole rural economy benefiting rural population (including the rural poor) through increased demand for goods and services, additional employment opportunities and possibly reduced rural-urban migration. However, these indirect benefits are not considered in this analysis.

24. **Economic Project Costs.** Project costs are considered including price and physical contingencies as shown in the Costs Annex. No investment costs after PY6 will be considered as necessary. Operating costs, as well as equipment and materials, will be included from Year 7 to 30, as it is assumed that these costs will have to be incurred if the benefits of the project are to be sustained. To avoid double counting of the costs, only the incremental economic costs of the project are considered (i.e. the costs of activities funded by the project). Costs already included in the estimation of the net incremental benefits of the individual Project activities models (e.g. the costs borne by farmers engaging in the proposed activities accounted for in the economic models) will be excluded as they will already be incorporated in the aggregation of the HHs or activity models[74].

25. **Economic viability and sensitivity analysis**. Results are shown in **Table A5.7**. The following economic viability indicators are computed: (NPV, i.e. the difference between the present values of benefits minus the present value of costs); and the (EIRR, i.e. the value of the discount rate for which the NPV is zero). By comparing the EIRR with the opportunity cost of capital in Côte d'Ivoire (5.8 percent, see **Table A5.3**) it is found that the Project is capable to generate a higher rate of return (16.5 percent) demonstrating the economic profitability of the project. The NPV (US$144.7 million) is positive indicating that the proposed investment is socially profitable. To test the robustness of the results, a sensitivity analysis is carried out to assess the impact of changes in the main parameters affecting the economic outcome of the project as a result of (a) changes in project costs; (b) changes in the expected benefits from the investments in the value chains promoted by the project; and (c) delays in project execution due to the risks that have been identified in the project's risk analysis. The results show that the project remains economically viable even in the case of adverse changes in project costs and benefits. A reduction in project benefits by 20 percent results in an EIRR of 9.4 percent. A 20 percent increase in project costs reduces the EIRR to 10.6 percent.

Table A5.7: Economic Rate of Return and Sensitivity Analysis

	Base case scenario	Cost increments		Benefits increments		Benefits decrease		Benefits delay	
		+10%	+20%	+10%	+20%	-10%	-20%	1 year	2 year
EIRR	**16.5%**	13.3%	10.6%	13.0%	23.7%	13.0%	9.4%	12.2%	9.4%
NPV (000 $)	144,705	113,527	82,349	190,354	236,003	99,057	53,408	108,732	74,472

26.**Climate change mitigation benefits analysis.** The economic analysis is complemented by an estimation of the potential environmental benefits in terms of impacts on GHG emissions and C sequestration (Climate change mitigation), because of the implementation of project on interventions. The details of the GHG estimations are reported in a separate Annex. The results show that the Project is expected to overall sequester 6.6 Mt CO_2e over 20 years, corresponding to 0.3 Mt CO_2e per year, mainly due to the adoption of CSA practices such as minimum tillage and residue retention over rainfed cassava and irrigated vegetables fields which will more than offset the increase in the GHG emissions consequent to the increase in inputs use, and building infrastructure for cassava processing, market logistics and aquaculture production.

[74] It is assumed that all Project activities will contribute to benefits generation. Thus, total economic costs will be included in the computation of the profitability indicators. Total economic costs, calculated using the COSTAB software, can be found in the worksheet 'COMYRT' (linked to the worksheet 'EIRR-NPV' in the EFA Excel file). Such costs will not be included in the models which report only the costs borne at HH level by farmers and investors. Therefore, there is no double counting of the costs and both cost elements should be considered as complementary to each other.

27. **EIRR and NPV have been re-calculated considering the contribution of the climate benefits.** Both a low and high shadow price of carbon scenarios are used[75]. Under the low shadow price of carbon scenario, GHG mitigation benefits are valued at US$ 40 per tCO_2e (starting in 2021 with average annual increases of 2.25 percent, reaching US$63 per tCO_2e in 2040). Under the high shadow price of carbon scenario, GHG mitigation benefits are valued at US$82 per tCO_2e (in 2021), reaching US$125 per tCO_2e in 2040. The project economic viability improves when the climate benefits are included, as shown in Table A5.8.

Table A5.8: Project economic viability with climate benefits

a. low Carbon price	EIRR	35.1%
	NPV (US$000)	347,307
b. High carbon price	EIRR	67.0%
	NPV (US$ 000)	549,910

[75] Based on: World Bank. 2017. Guidance Note on Shadow Price of Carbon in Economic Analysis.

ANNEX 6: Assessment of the Net Carbon Balance with EX-ACT

1. **Corporate mandate.** The World Bank has adopted, in its 2012 Environment Strategy, a corporate mandate to conduct GHG emissions accounting for investment lending in relevant sectors. The ex-ante quantification of GHG emissions is an important step in managing and ultimately reducing GHG emissions, and it is becoming a common practice for many international financial institutions. Such emissions are global environmental benefits or costs which are externalities-related and public in nature.

2. **Methodology.** To estimate the impact of agricultural investment lending on GHG emission reduction and carbon sequestration, the World Bank has adopted the Ex-Ante Carbon-balance Tool (EX-ACT), developed by the FAO in 2010. EX-ACT allows the ex-ante assessment of a project's net carbon balance, defined as the net balance of CO_2 equivalent (CO_2eq) GHG emitted or sequestered as a result of project implementation (WP case) compared to a WOP scenario and which is selected as an indicator of the mitigation potential of the project. EX-ACT estimates the carbon stock changes (emissions or sinks), expressed in equivalent tons of CO_2 per hectare and year[76].

3. **Project boundary and key assumptions.** The project area has a tropical moist climate. The dominant soil type is low activity clay soil. The project implementation phase is 6 years of actual implementation, and the capitalization phase is assumed to be 14 years, resulting in a 20-year implementation period, which is common in the use of EX-ACT and aligned with the project period for the EFA. The analysis further assumes the dynamics of change to be linear over the duration of the project. Data used to describe climate patterns and soil characteristics cannot consider the variability of existing soil and climatic conditions and the results of the analysis should therefore be considered only as an average for the whole potential investment area. Assumptions adopted are very conservative in order not to overestimate the potential expected benefits

4. **Cropland management, irrigation and agricultural input use.** The implementation of conservative practices (reduced/no tillage, residue retention) is expected to increase overall soil Carbon and fertility, and to reduce soil loss and erosion. The project results in increased productivity through improved technology and irrigation systems. Also, it determines an increased use of fertilizers and, limitedly to vegetables, of pesticides (even though IPM techniques will be in place limiting waste and pollution).

5. **Energy and impact of infrastructure works.** It is expected that energy consumption will increase considerably because of the activities related to cassava processing and market logistics and, to a lesser extent, the irrigation improvements. Further, the project will result in increased GHG emissions due to the construction of new infrastructure, namely industrial buildings for the processing and market activities and aquaculture ponds. The impact of increased traffic on the access roads has not been estimated in the absence of data, as it is considered to be negligible.

6. **Table A6.1** presents the details of the assumptions and data used in the Ex-Act calculations, based on the cropped area and the crop budgets prepared for the EFA.

[76] See more here: *http://www.fao.org/tc/exact/carbon-balance-tool-ex-act/en/*

Table A6.1: Summary of Ex-Act assumptions and data

Ex-ACT assumptions and data

Cropland management

	Conventional	Improved	Area (ha)	yield used (t/ha): Conventional	yield used (t/ha): Improved
Rainfed cassava production	Full tillage, low C input, residue burned	No tillage, high Carbon input, no manure, residue retained	340,000	20.0	26.0
Irrigated vegetable production	Full tillage, low C input, residue burned	No tillage, high Carbon input, no manure, residue retained	203,200	8.0	11.2

Inputs

	Conventional				Improved			
	urea	N-fertiliz	P	K	urea	N-fertiliz	P	K
	t/year	t/year	t/year	t/year	t/year	t/year	t/year	t/year
Rainfed cassava production	-	-	-	-	17,000	3,400	3,400	3,400
Irrigated vegetable production	30,480	6,177	6,177	6,177	48,768	48,898	48,898	48,898
Total	30,480	6,177	6,177	6,177	65,768	52,298	52,298	52,298

	fungicides		herbicides		insecticides	
	conv	improv	conv	improv	conv	improv
	t/year	t/year	t/year	t/year	t/year	t/year
Rainfed cassava production	-	-	-	-	-	-
Irrigated vegetable production	-	406	-	406	406	813
Total	-	406	-	406	406	813

Irrigation

	Conventional	Improved	Area (ha)
Irrigated vegetable production	Surface without IRRS	Solid set sprinkle	203,200

Construction

		sqmt each	nr.	total sq mt
market platform	industrial buildings	10,000	8	80,000
cassava process large	industrial buildings	1,680	120	201,600
cassava process small	industrial buildings	78	160	12,480
		Ha each	nr	total ha
Aquaculture	freshwater pond	1	160	138

Energy consumption

	Kw/sqmt/year	MWh per year each	nr	total Mwh
market platform	150	1,500	8	12,000
cassava process large	120	202	120	24,192
cassava process small	100	8	160	1,248
Total				37,440.00

7. **Results.** The net carbon balance quantifies GHGs emitted or sequestered because of the project compared to the WOP scenario. Over the project duration of 20 years, the project leads to overall climate change mitigation benefits of 6.6 million tCO_2eq that are emitted less than under a business-as-usual scenario. This is equivalent to annual mitigation benefits of 0.33 tCO_2eq per year. While net benefits can be considered moderate to intermediate, it can be stated in summary that the project manages to realize significant mitigation benefits even though it (a) increases the intensity of the cultivated area; (b) leads to moderate increases in fertilizer application rates at large scales; (c) builds processing and market infrastructures. While increases in rainfed and irrigated crop productivity and consequently fertilizer use is a precondition for achieving the overall socioeconomic benefits of the project, leading to sustainably increased production and farm income, they also imply increases in GHG emissions and loss of carbon stocks. However, the analysis shows that this impact is by far offset by the adoption

of CSA practices including no tillage and residue retention. **Table A6.2** provides a summary of the results. The EX-ACT file with the detailed analysis is available in the Project File.

Table A6.2: Ex-ACT preliminary results for the Côte D'Ivoire Agri-food Sector Development Project

Project name	AFP - Civoire						
Continent	Western Africa	**Project duration (in years)**		**Total area (ha)**	543,338	**Global warming potential (100 yrs)**	
Country	Côte d'Ivoire	Implementation	6	Mineral soil	543,200	CO_2	1
Climate	Tropical	Capitalization	14	Organic soil	0	CH_4	34
Moisture	Moist	Period analysis	20	Waterbodies	138	N_2O	298

		GROSS FLUXES (In tCO_2-e over the whole period analysis)			SHARE PER GHG OF THE BALANCE (In tCO_2-e over the whole period analysis)					AVERAGE ANNUAL EMISSIONS (In tCO_2-e/yr)		
PROJECT COMPONENTS		WITHOUT	WITH	BALANCE	CO_2 BIOMASS	CO_2 SOIL	N_2O	CH_4	OTHER	WITHOUT	WITH	BALANCE
Land use changes	Deforestation	0	0	0	0	0	0	0		0	0	0
	Afforestation	0	0	0	0	0	0	0		0	0	0
	Other land-use	0	0	0	0	0	0	0		0	0	0
Cropland	Annual	36,479,006	17,185,762	-19,293,243	0	-14,742,009	7,451,832	-12,003,067		1,823,950	859,288	-964,662
	Perennial	0	0	0	0	0	0	0		0	0	0
	Flooded rice	0	0	0	0	0	0	0		0	0	0
Grasslands & Livestock	Grasslands	0	0	0	0	0	0	0		0	0	0
	Livestock	0	0	0			0	0		0	0	0
	Forest mngt.	0	0	0	0	0	0	0		0	0	0
	Inland wetlands	0	0	0	0	0	0	0		0	0	0
	Coastal wetlands	0	0	0	0	0	0	0	0	0	0	0
	Inputs & Invest.	4,717,528	17,411,857	12,694,329		0	5,232,713		7,461,617	235,876	870,593	634,716
Total emissions, tCO_2-e		**41,196,534**	**34,597,620**	**-6,598,914**	**0**	**-14,742,009**	**12,684,545**	**-12,003,067**	**7,461,617**	**2,059,827**	**1,729,881**	**-329,946**
Total emissions, tCO_2-e/ha		**75.8**	**63.7**	**-12.1**	**0.0**	**-27.1**	**23.3**	**-22.1**	**13.7**			
Total emissions, tCO_2-e/ha/yr		**3.8**	**3.2**	**-0.6**	**0.0**	**-1.4**	**1.2**	**-1.1**	**0.7**	**0.0**	**0.0**	**0.0**

+ = Source / - = Sink

Project name	AFP - Civoire						
Continent	Western Africa	**Project duration (in years)**		**Total area (ha)**	543,338	**Global warming potential (100 yrs)**	
Country	Côte d'Ivoire	Implementation	6	Mineral soil	543,200	CO_2	1
Climate	Tropical	Capitalization	14	Organic soil	0	CH_4	34
Moisture	Moist	Period analysis	20	Waterbodies	138	N_2O	298

		GROSS FLUXES (In tCO_2-e over the whole period analysis)			SHARE PER GHG OF THE BALANCE (In tCO_2-e over the whole period analysis)					AVERAGE ANNUAL EMISSIONS (In tCO_2-e/yr)		
PROJECT COMPONENTS		WITHOUT	WITH	BALANCE	CO_2 BIOMASS	CO_2 SOIL	N_2O	CH_4	OTHER	WITHOUT	WITH	BALANCE
Land use changes	Deforestation	0	0	0	0	0	0	0		0	0	0
	Afforestation	0	0	0	0	0	0	0		0	0	0
	Other land-use	0	0	0	0	0	0	0		0	0	0
Cropland	Annual	36,479,006	17,185,762	-19,293,243	0	-14,742,009	7,451,832	-12,003,067		1,823,950	859,288	-964,662
	Perennial	0	0	0	0	0	0	0		0	0	0
	Flooded rice	0	0	0	0	0	0	0		0	0	0
Grasslands & Livestock	Grasslands	0	0	0	0	0	0	0		0	0	0
	Livestock	0	0	0			0	0		0	0	0
Forest mngt.		0	0	0	0	0	0	0		0	0	0
Inland wetlands		0	0	0	0	0	0	0		0	0	0
Coastal wetlands		0	0	0	0	0	0	0	0	0	0	0
Inputs & Invest.		4,717,528	17,411,857	12,694,329		0	5,232,713		7,461,617	235,876	870,593	634,716
Total emissions, tCO_2-e		**41,196,534**	**34,597,620**	**-6,598,914**	**0**	**-14,742,009**	**12,684,545**	**-12,003,067**	**7,461,617**	**2,059,827**	**1,729,881**	**-329,946**
Total emissions, tCO_2-e/ha		**75.8**	**63.7**	**-12.1**	**0.0**	**-27.1**	**23.3**	**-22.1**	**13.7**			
Total emissions, tCO_2-e/ha/yr		**3.8**	**3.2**	**-0.6**	**0.0**	**-1.4**	**1.2**	**-1.1**	**0.7**	**0.0**	**0.0**	**0.0**

+ = Source / - = Sink

ANNEX 7: Performance Based Conditions and Verification Protocols

1. Table A7.1 summarizes the list of PBCs considered for their contribution to the objectives of the Program. Several PBCs entail sub-indicators, which increases scalability of disbursements. The PBCs selected supports the ToC by contributing to two major expected outcomes to increase competitiveness of the selected value chains. These are (i) higher efficiency of food safety and quality and (ii) increased product market through wholesale marketing platform.

Table A7.1: Performance Based Conditions (PBCs)

PBCs	Eligible activities linked to PBC	Costs (US$ 000)
PBC #1: The national Agency in charge of food safety is created and operational and the regulatory framework strengthened - (Linked disbursement of US$3.80 million)		
Result #1.1: The decree of creation of the national agency in charge of food safety is adopted and its business plan is elaborated (Linked disbursement of US$0.8 million)	Supporting the institutionalization and operationalization process of the Agency in charge of Food Safety	755
Result # 1.2: The reinforcement plan is implemented (Linked disbursement of US$3.0 million)	Institutional strengthening sanitary and/or phytosanitary control and certification of plant materials and genetic material for aquaculture	349
	Strengthening national capacities to conduct collective expertise in SPS risk analysis	174
	Improving SPS control, inspection and certification systems	606
	Strengthening the capacities of decision makers and technical directorates involved in food control and certification system	1,290
	Improving the infrastructure and equipment of official inspection and control services at the peripheral levels and SPS control posts (port and airport)	600
PBC # 2: Public laboratories on food safety are upgraded and the capacity of national services providers are strengthened - (linked disbursement of US$4.75 million)		
Result # 2.1: Rehabilitation works and equipment of the public laboratories are completed (Linked disbursement of US$1.25 million)	Upgrading public food safety laboratories	1,250
Result # 2.2: Training sessions have been conducted for national service providers (Linked disbursement of US$3.5 million)	Strengthening the capacities of ANADER and specialized service providers in the support, advice, and training of professionals in the targeted value chains	560
	Strengthening the operational capacities of professionals in the vegetable sector (seeds, pre-harvest, post-harvest, distribution)	2060
	Implementing a program of information, communication and promotion of "Origin Côte d'Ivoire"	870
PBC #3: The national legal and regulatory framework for the establishment, management, and financing of WFM is updated and operational and the Abidjan WFM is operational - (Linked disbursement of US$30.0 million)		
Result# 3.1: A decree to reinforce the current regulatory framework is issued; a draft law on the national legal and regulatory framework is transmitted to the Recipient's; the regulatory	Update and finalization of regulatory market framework	1,500
	Technical feasibility study and business plan definition for Abidjan WFM	500
	Environmental and social studies for Abidjan WFM	2,500

texts are prepared (Linked disbursement of US$10.8 million)	Technical details and work supervision for Abidjan WFM	1,500
	Advance for construction and equipment of Abidjan WFM	4,800
Result# 3.2: The construction works, and equipment of the wholesale market are completed (Linked disbursement of US$19.2 million)	Construction of Abidjan wholesale market	15,200
	Equipping and operationalization of the market	4,000

2. Rationale for selecting PBCs

Three PBCs have been selected to support key reforms aimed at strengthening the food quality and control system and improving the wholesale marketing of food commodities.

PBC #1*: The Agency in charge of Food Safety is established and operationalized and the regulatory framework strengthened.* This PBC has two main indicators. The first one relates to the establishment of the national food safety agency through (i) the signature of a government decree; (ii) the adoption of the Agency business plan including official texts. These activities will be coordinated by the Prime Minister Office as it is cross-sectorial and would involve participation of the MINADER, MIRAH and MCI. The second indicator is about the percentage of implementation of the reinforcement plan on food safety for the technical directorates of the MINADER, MIRAH and MCI. Process indicators will include (i) building national capacities to conduct collective expertise in SPS risk analyses; (ii) strengthening of SPS control and certification of plant material and genetic material for aquaculture through the development of reference framework, good practices guides; and (iii) improving the capacities of decision makers and technical directorates involved in food control and certification systems. The process would involve the three technical ministries and will be coordinated by the Food Safety Agency. Disbursement will be scalable based on the process indicators.

PBC #2. *Public food safety laboratories upgraded and capacities of value and value chains professionals as well as service providers trained on food safety.* This PBC supports (i) the improvement of the infrastructure and equipment used for official food safety controls of public laboratories; and (ii) the training of value chain stakeholders to enhance their capacities on food safety standards. The infrastructure and equipment improved will target public laboratories such as LANADA and LANEMA. Value chain actors and service providers who will benefit from the trainings on food safety schemes will include ANADER, professionals of vegetables, cassava and aquaculture value chains. Disbursement will be scalable for each indicator on the basis of the achievement of intermediate outputs.

PBC# 3. The national legal and regulatory framework is improved and a wholesale market in Abidjan is fully operational. Under this PBC, disbursement will be conditioned to (i) the strengthening of a legal and regulatory framework through the adoption of a decree to reinforce the current regulatory framework, the submission of a draft law for the new regulatory framework to the parliament and the preparation of the accompanying regulatory texts. These regulations will be conducive of an optimal business model, attractive to the operators and restricting unfair competition in wholesale market surroundings; and (ii) the construction of the first phase of a wholesale market in Abidjan and the provision of equipment and technical assistance to bring it to full operational capacity. Compliance with this PBC#3 will be the responsibility of MCI, local authorities and relevant interprofessional bodies. The disbursement will be scalable.

3. Verifying the achievement of the PBCs annually and compliance with the World Bank procedures and the eligible expenditures for the activities implemented will provide the basis for disbursement. Disbursement throughout the project implementation period will be based on the verification of achieved disbursement linked results following the requirements set in the PBC manual. For scalable PBCs, payment will be made in proportion to the achieved results for each period after verifying the PBCs.

4. Verification protocols are as follows:

(i) *Data source/agency*: The PCU, the lead implementing agency will collect and consolidate data and report on the achievement of the PBCs. Data providers will be MINADER, MIRAH, MCI, Prime Minister Office and affiliated agencies such as ANADER, local territorial authorities, and others.

(ii) *Verification entity*: The achievement of the PBCs will be monitored by relevant institutions and reviewed on an annual basis by the PCU and verified by an independent Verification Agent. This verification entity will conduct yearly third-party independent verification on progress in the achievement the PBCs. An external audit cabinet will be competitively hired to conduct temporarily this task until the national Court of Audit is capacitated to take over this responsibility.

(iii) *Verification procedures*: The GIs will review and approve the reports prepared by the Program Coordination Unit Unit. Approved reports will be submitted to the Ministry of Economy and Finance for submission to the World Bank, along with the accompanying evidence of activities completion. In addition, the GIs will carry out site inspections and in-depth reviews of specific items on a random sample basis.

ANNEX 8: Current WBG–financed Projects Supporting the Côte d'Ivoire Employment and Economic Transformation Agenda

Table A8.1: Current projects financed by the WBG that support the Côte d'Ivoire employment and economic transformation agenda

	PIDUCAS: Infrastructure for Urban Development and Competitiveness of Second Cities	We-Fi Project: Increasing Access to Markets and Finance for Women-led Cooperatives and Enterprises in Côte d'Ivoire	JET Project: Competitive Value Chains for JET
Development objective	Create conditions for improved competitiveness in Bouaké and San Pedro.	Address financial and non-financial constraints faced by women-owned/led small and medium enterprises (SMEs).	Support economic transformation through more diversified and higher production/exports in targeted value chains.
Geographical focus	Abidjan, Bouaké, and Korhogo for three zones: South, Center and North	National (for institutional development) and Bouaké and San Pedro through PIDUCAS for matching grants (MGs) to micro, small, and medium enterprises (MSMEs)	Abidjan, Bouaké, and Korhogo for three zones: South, Center and North
Project beneficiaries	• SME promotion agency (Ag-CI PME). • Municipalities of Bouaké and San Pedro. • Private sector business service providers. • MSMEs, cooperatives, and informal operators in and around Bouaké and San Pedro.	• Women-led cooperatives and MSMEs. • Ag-CI PME.	• Ag-CI PME. • Enterprises and smallholder farmers with a focus on women-owned or women-led cooperatives and SMEs.
Institutional support	• Technical assistance to Ministry of Commerce and Industry (MCI) and Ag-CI PME. • Support to the municipalities of Bouaké and San Pedro. • Capacity building to private sector business development service providers. • Institutional strengthening for the National Office for Food Crop Commercialization (OCPV).	• Capacity-building for Ag-CI PME to improve the provision of services to SMEs. • Rapid Industry Structure Analytics (RISA), in particular of the horticulture industry, including stakeholder mapping and analysis. • Design of technical assistance and MG program targeted at women-led cooperatives and SMEs in the Bouaké and San Pedro areas under the PIDUCAS Project. The MG program will facilitate their access to a range of service providers (e.g., agricultural extension, logistics) enabling them to sell their products to more lucrative markets such as grocery retail outlets. • Program to connect women-led cooperatives and SMEs to urban markets (lead buyers in Abidjan). • Design of diversification activities for women under the Cocoa Integrated Value Chain Project.	• Development of specialized common services (technical specifications and delivery models for logistics, quality control, technology, traceability, digital platforms, technology scouting, skills training or financing) for five priority agricultural sectors: cashew, cotton, horticulture, rubber, and palm oil) and other high-potential sectors in manufacturing (e.g., cosmetics, rubber, textiles, and plastics). • Establishment of Technology Centers for plastics. • Support for reforms in four areas: (1) simplification and rationalization of trade procedures; (2) physical connectivity; (3) measures to support the private sector, in particular SMEs (e.g., fiscal policy, rationalizing inspections for SMEs, improving their access to finance); and (4) availability and management of land for commercial use.
Public infrastructure	Rehabilitation of the Bouaké Wholesale Market	NA	NA

	PIDUCAS: Infrastructure for Urban Development and Competitiveness of Second Cities	We-Fi Project: Increasing Access to Markets and Finance for Women-led Cooperatives and Enterprises in Côte d'Ivoire	JET Project: Competitive Value Chains for JET
Private sector development	• Entrepreneurship program (through capacity building, mentoring, and coaching). • Support of MSMEs, cooperatives, and informal operators in Bouaké and San Pedro, through the MG program for SMEs designed under the We-FI Project, targeted in particular to women-led cooperatives and SMEs operating in agricultural value chains, including cocoa.	• Design of financial products and/or programs (beyond the MG program) best suited to meet the critical financing gaps faced by women-led cooperatives and SMEs. • Potentially leverage IFC risk-sharing facilities (RSFs) (e.g., Agri-RSF) to support access by women-led cooperatives and SMEs to financial institutions by providing 50 percent loss coverage for a targeted portfolio. With the Agri-RSF, IFC and its client agree on terms and eligibility criteria related to Borrower profile, facility or loan purpose and products, as well as portfolio criteria defining limits and caveats on portfolio such as single obligor limit, overdraft limit, and so on. • Provide training to women-led cooperatives and SMEs to improve their business performance and access to finance.	• Strengthening capacities of MFIs as key provider of financial services of financial services. • Increase supply of credit to MSMEs through the provision of risk-sharing instruments, such as the government partial credit guarantee fund (FPGME). • Develop early-stage and venture capital finance for MSMEs on the supply side (service providers) and demand side (enterprises/farms) through MGs/vouchers).

ANNEX 9: WBG Program Adjustment in Response to COVID-19 in Côte d'Ivoire

1. **The World Bank Group's engagement in Côte d'Ivoire has been guided by the Performance and Learning Review (PLR)[77] which re-affirmed the priority areas of the FY2016-2019 World Bank Group's CPF and extended it to FY2021.** It is built on three pillars: (i) Accelerating Sustainable Private Sector-Led Growth; (ii) Building Human Capital for Economic Development and Social Cohesion; and (iii) Strengthening Public Financial Management and Accountability. The PLR encouraged a greater focus on addressing rising inequalities as a possible source of fragility.

Impact of the COVID-19 pandemic on the country and Government response

2. **As of April 2021, the pandemic in Côte d'Ivoire seems largely under control and the economy appears to be recovering – but the dent in economic growth in 2020 will nonetheless have an impact for the population. As of May 8, 2021, Côte d'Ivoire has confirmed 46,344 cases with 291 deaths.** Based on survey data from October 2020, poverty increased from 39.4 percent pre-COVID-19 to 43 percent over the summer, but started to recede to 41.5 percent in October 2020, reversing recent gains in poverty reduction (particularly in urban areas). In April 2020**,** 43 percent of the household heads in Abidjan reported being either unemployed or inactive, compared to 15 percent in 2018. The projected economic downturn will have additional adverse social effects and further impact on already deficient health and education outcomes in a country with widespread poverty (39.5 percent in 2018) and a Human Capital Index (HCI) of 0.35.

3. **The crisis has affected the economy through domestic and external transmission channels.** On the domestic front, social-distancing measures caused a sharp deceleration in economic activity, particularly in the hospitality, construction, transportation, and retail sectors, which account for almost half of GDP and employment. On the external front, the global crisis reduced external demand for Ivorian exports and is negatively affecting remittances and tourism. Disruptions to global supply chains have also delayed FDI inflows. As a result, the economy was projected to grow by 2.0 percent in 2020 (5 percent lower than pre-COVID-19 estimates), worsening the external position and opening an unanticipated financing gap of US$2 billion (3.6 percent of GDP).

4. **Beyond the ongoing COVID health plan, the Government is implementing a large emergency response package**. They have established four dedicated funds to protect the poor and vulnerable (Solidarity Fund) and preserve jobs and sustain firms ((1) Large enterprises, (2) Small and Medium-sized enterprises, (3) the Informal sector). Further allocations were implemented for the agricultural and other sectors.

5. **In addition to participating in the G20 Debt Service Suspension Initiative (DSSI), the Government has called on its partners to support the national response plan**. IMF disbursed an additional US$975 million (RCF/RFI) as well as US$280 million as ECF/EFF funding in 2020, and further budgetary support included US$89 million from the AfDB, US$27.5 million from the BOAD, US$49.5 million from the IDB, and US$47.5 million from Germany.

WBG support for responding to the crisis

6. **The lending program as proposed in the PLR has already been delivered, making full use of additional IDA18 and Scale-Up-Facility resources**. Several analyses that will feed into the next SCD and be the basis for the next CPF (e.g., a Country Economic Memorandum, a Country Private Sector Diagnostic, a poverty analysis, and a human capital diagnostic) are under way, though their preparation has been slowed down by the COVID crisis.

7. **The indicative IDA19 allocation is SDR862 million, of which SDR383 million were frontloaded to FY21.**

[77] Performance and Learning Review of the Country Partnership Framework for the Republic of Cote d'Ivoire for the Period of FY16-FY20, Report Number 122566-CI.

The lending program for FY21-FY22 is geared towards supporting the jobs and economic transformation agenda (including in agriculture), expanding the social safety net, and reducing fragility risks in the North of the country – all priorities made even more urgent by the COVID crisis. Other interventions will focus on forestry investments to sustainably support our operations in the cocoa sector.

8. **In the immediate term, the WBG is re-directing close to 20 percent of the undisbursed IDA portfolio (about US$2 billion) towards program components and objectives that support COVID-19 crisis impact mitigation, and will develop a new lending program for FY21-22 along the lines of the WBG COVID-19 Approach Paper "*Saving Lives, Scaling-up Impact and Getting Back on Track*"**:

- *To save lives*, the World Bank has approved US$35 million from the Fast track Facility for COVID and has activated a US$40 million CERC of an ongoing IDA-funded health project. An AF to the COVID-19 emergency response and system preparedness strengthening project for US$ 100 million has recently been approved.
- *To protect the poor and vulnerable* – the World Bank has provided technical assistance to the Government through the MEF, in designing the COVID-19 Solidarity Fund; it is pursuing the expansion of the ongoing Productive Social Safety Net Project (P143332); and is prioritizing COVID-affected areas for WASH investments under the Urban Water Supply Project (P156739). For FY21-22, it will advance the preparation of a new national shock-responsive Social Safety Net program (PforR; early FY22).
- *To save livelihoods, preserve jobs, and ensure more sustainable business growth and job creation* – IFC is providing technical assistance to the MEF in designing the modalities of the funds for the Large Enterprises and for SMEs. The World Bank is restructuring the agriculture portfolio[78] to deploy resources in support of farmers in most impacted value chains. It is re-directing funds under the Infrastructure for Urban Development and Competition project (P151324) towards supporting SMEs' access to finance. Finally, it is accelerating labor-intensive works across the infrastructure portfolio to boost employment and growth. The lending program for FY21-FY22 focuses on youth skills (Youth Employment and Skills – P172800; early FY22) and transversal reforms to support SME development and access to finance (Jobs and Economic Transformation – P172425; FY21) to investing and reforming agricultural value chains for higher productivity (Cocoa Integrated Value Chain Development – P168499; and Agri-Food Sector Development – P171613; FY21). The programs on SME and agricultural value chains are prepared with IFC's support. All are exploring the possibility of either using a PforR instrument or an IPF with Performance-Based Conditions.
- *To strengthen policies, institutions and investments for resilient, inclusive, and sustainable growth* – by sustaining the continuity of government services through digitalization (via the Enhancing Government Effectiveness for Improved Public Services program (P164302)). The FY22 will address sources of fragilities by preventing insecurity in the North through a multi-sectoral approach of infrastructure, services, and community engagement.

9. **In order to support Côte d'Ivoire in its crisis response, a COVID Emergency Response and Recovery Development Policy Financing (DPF) (P174110) for US$300 million has been approved by the Board and already disbursed.** The DPF aims to advance reforms that contribute to protect vulnerable households and preserve jobs. Several reforms will also support the country's longer-term objective of sustainable, inclusive, and resilient growth by setting the foundations for a national adaptative safety net and by stimulating private sector investments, particularly from SMEs, through a better investment climate and an enhanced access to finance. The ongoing programmatic Sustainable and Inclusive Growth DPF (P169828) will be delayed to early FY22.

Selectivity, Complementarity, Partnerships

[78] Cashew Value Chain Competitiveness Project (P158810) and E-Agriculture Project (P160418).

10. **The above plans for portfolio restructuring and new lending have been discussed with the Ivorian authorities and have been shared with the other main development partners through the existing donor coordination platform**. There is a close coordination with the IMF, the AfDB, and the EU on budget support operations with the first two institutions having approved their operations and the EU being at the final stage.

ANNEX 10: Côte d'Ivoire Map