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Agriculture and Food Global Practice
Development Finance Vice-Presidency

Abbreviations and Acronyms

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Annex 1: Revised GAFSP Operational Structure

Figure 1: Revised GAFSP Operational Structure

\$1.2 billion in grant funding⁵ to 31 low-income countries for 48 projects supporting agricultural development across the entire value chain. The decision-making and governance body of the Public Sector Window is the Steering Committee (SC)⁶, comprising an equal share of voting members between contributing donors and regional representatives. Grants are allocated on a competitive Call for Proposal basis for public sector investments and technical assistance (TA) that are demand-

development plan, in the case of African countries the National Agriculture Investment Plan (NAIP) developed through the Comprehensive African Agriculture Development Programme (CAADP) process. Recipients implement GAFSP projects with implementation support provided by their selected SE – the African Development Bank (AfDB), Asian Development Bank (ADB), Inter-American Development Bank (IDB), International Fund for Agricultural Development (IFAD) or World Bank (WB) for investment projects and/or technical assistance, and the Food and Agriculture Organization (FAO) of the United Nations or World Food Programme (WFP) for TA only. As of December directly enhanced the livelihoods of over 10.4 million people, of which about 40 percent are women, and projects are on track to reach 15 million smallholders and their families by 2025. To date, \$252 million in incomes has been generated for farmers each year and project impact evaluations are highlighting income gains among targeted recipients ranging from 18 percent to 44 percent in countries including, *inter alia*, Haiti, Liberia, Nepal and Rwanda.

5. **The Private Sector Window**, which was originally envisaged to be part of the WB-managed FIF, is managed directly by IFC⁷ and is overseen by the Donor Committee (DC).⁸ The Private Sector Window is the only venue for funding private sector activities under the current structure. IFC is the sole SE under the Private Sector Window and hosts its Secretariat. Under the GAFSP Program, **the Private Sector Window has provided \$330 million for 66 investment projects and \$30m in advisory assistance for 71 projects across more than 30 countries** of which over 50 percent in the past two years have been in settings of fragility, conflict and violence. As of 2019 farmers, and supported the creation of 6,100 jobs, 40 percent of which are for women. Over the period FY13-19, for every dollar that the Private Sector Window has invested into projects, it has leveraged on average 1.6 times that funding from IFC and 5.3 times in total project financing, including from commercial partners. GAFSP offers an appropriate degree of concessionality in its financing, structured in investments where that concessionality is used to mitigate the risk for the investment partners, helping IFC to extend its reach in low income countries, in line with the principles of blended finance.⁹ This distinguishes Private Sector Window financing from, for requires that IFC also offer co-financing from its own balance sheet. GAFSP has enabled IFC to

⁵ A total of \$1.3 billion has been committed in funding decisions by the Steering Committee. This includes grant funding to countries (\$1.2bn), administrative fees, the Trustee and CU budgets, and monitoring and evaluation costs.

⁶ The Steering Committee (SC) is composed of voting and non-voting members. Voting members are limited to an equal number of major donors and recipient representatives. Non-voting members are representatives from SEs, Trustee, civil society organizations and the Director for Sustainable Development in the Executive Office of the Secretary-General at the United Nations.

⁷ Refer to GAFSP – An Update to the Board of Executive Directors of the World Bank, document number 56717, September 9, 2010 for an update on Private Sector Window arrangements.

⁸ The Donor Committee (DC) comprises GAFSP donors that contribute funds to the Private Sector Window.

The principles are accessible [here](#)

for agriculture and food security. Public Sector Window investments were found to be in line with country investment plans, successfully delivered by experienced SEs and increasingly addressing key cross-cutting issues such as climate change and gender equity. By channeling investment and

12. Consistent with the above objectives, t

- **Grant contributions from donors will be held in the FIF for which the World Bank serves as Trustee** (Annex 1, Figure 1). The contributions from donors held in the FIF can be allocated for public or private sector activities through a dual-track funding model. The IFC will continue to administer their existing GAFSP Trust Funds¹⁷ for private sector activities alongside the FIF. IFC-administered Trust Funds will be outside the governance structure of the FIF.
- **The SC adopted a dual-track funding model: (i) Grant-based Financing, and (ii) Business Investment Financing** (Annex 1, Figure 2).
 - **The Grant-based Financing track will fund public sector or producer organization-led proposals** submitted through SEs for SC approval following an open call for proposals process. The SC will decide whether a Call for Proposals will be targeted to eligible governments or producer organizations, or both.
 - **Proposals for public sector-led financing should also support private sector development in the applicant country.** As part of the proposal, a mandatory opportunities analysis¹⁸ is required to identify possible technical assistance and advisory services oriented towards exploring and building private sector engagement opportunities.
 - **Producer organization-led proposals will offer financing to the farmer-focused private sector.** This builds on the MMI pilot experience and provides access to GAFSP funding to farmer or producer organizations and civil society organizations through one SEs.
 - **The Business Investment Financing track will offer multi-year budget envelopes to be managed by existing SEs to support business-led private sector financing.** Existing SEs that have private sector investment arms or departments and are applying the Enhanced Blended Finance Principles will be eligible to apply for funding under this track in response to a SC-issued internal Call for Proposals. Funding under this track will, through the SEs, offer concessional/blended financing targeted to Small and Medium Enterprises (SMEs).
- **The FIF will continue to operate on a Call for Proposals basis** Under GAFSP 2.0, the Calls may be *open* Calls for Proposals targeted to eligible countries or producer organizations for Grant-based financing and *internal* Calls targeted to the GAFSP SEs with a private sector investment arm for Business Investment Financing. The SC decides on launching a call under either track and makes all allocation decisions against submitted proposals. Any approved GAFSP fund allocations will be channeled through the selected SE(s), whose applicable policies and procedures will apply. Potential synergies and complementarity between the tracks as well as the continuing the trust funds administered by IFC for private sector activities is expected and will be closely coordinated by the FIF CU and IFC Secretariat.

VI. Timeline and Next Steps

18. Following approval by the Board of this proposal for restructuring, the CU and Trustee will develop the required restructuring documents²⁰ in collaboration with relevant members of the SC. The objective is to have

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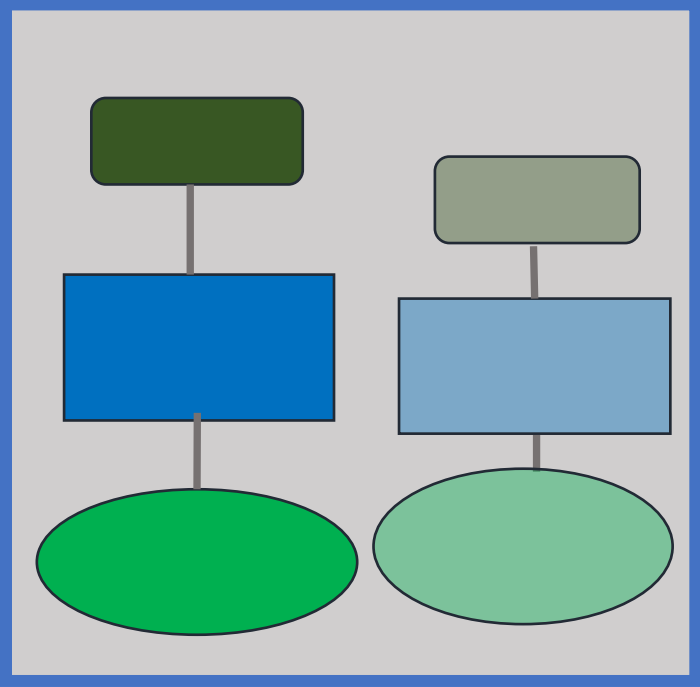


Figure 2: GAFSP 2.0 Operational Model

PROPOSAL-BASED SUBMISSIONS to GAFSP SC	
GRANT-BASED FINANCING <i>SC allocation to individual project submissions</i>	BUSINESS INVESTMENT FINANCING <i>SC allocation of budget envelope to be managed by SE over agreed time period, to cover a number of resulting investments</i>
Open Call for Proposals (CfP)	