

INVESTING IN
AGRICULTURE
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PARTICULARLY
DURING TIMES
OF CRISIS.

80
PERCENT

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690
MILLION

That's how many people went to bed hungry at night in 2020.

3
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That's how many people lack access to sufficient, safe, healthy food.

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These numbers show that the world is not making necessary progress towards achieving the Sustainable Development Goal 2 (SDG2) *to end hunger, achieve food security and improved nutrition, and promote sustainable agriculture*. Meanwhile, COVID-19 is further exposing the fragility and interdependence of food systems globally. And, the compounding stresses of climate change, a spike in economic instability and conflict, and now the pandemic, threaten the livelihoods of millions around the world - many of whom are farmers who we depend on for our food.



WHY INVEST IN **GAFSP**?

Investing in agriculture is the most powerful way to transform food systems to become more resilient and sustainable.

With their local experience and knowledge, smallholder farmers and their organizations, governments, and small businesses are best placed to respond to their unique circumstances and adapt to the dual challenges of climate change and food insecurity - they just need the right support.

Significant gaps remain in terms of progress and resources; so, to make this possible, we need to intensify our current efforts. More concerted, targeted investments in agriculture are key to reaching the SDGs by 2030, particularly SDG2 (Zero Hunger).

In a time when COVID-19 is further exacerbating the great challenge of achieving SDG2 with mounting shocks and stresses, investing in food and agriculture through the **Global Agriculture and Food Security Program (GAFSP)** will help close this gap.

By financing innovative investments along the entire agricultural value chain—from **farm to fork**—GAFSP supports smallholder farmers to resiliently and sustainably produce, consume, and sell enough safe and healthy food to feed a growing population. This transforms rural communities by creating inclusive markets and jobs, increasing income and good nutrition, and reducing hunger and poverty - all where it's needed most.

GAFSP Focus Areas

Addressing these complex and interlinked challenges requires taking a holistic approach to development.



WHO WE ARE

A DECADE AGO, the G20 came together to launch GAFSP in response to the 2007–08 food price crisis, to address a clear need for investment in agriculture and food security in low-income countries, and to support smallholder farmers and businesses recover and grow in the medium to long term. Today, GAFSP is a leading global financing instrument dedicated to fighting hunger, malnutrition, and poverty in more than 45 of the world’s poorest countries.

Since its launch in 2010, **GAFSP has invested US\$1.6 billion to support more than 13 million smallholder farmers and their families**, including 5.6 million women. GAFSP’s model was designed to stimulate farm and non-farm entrepreneurial activity and rural livelihoods, and can be used as a ready financing instrument to help producer organizations, governments, and the local private sector to respond effectively to food insecurity and stave off another food crisis.


GAFSP CONTRIBUTES TO:



GAFSP is not an implementing vehicle, but rather it **pools resources from multiple donors and targets additional, complementary funds** to competitively selected projects that are delivered through partnerships with multilateral development agencies and private sector actors. Experience has shown that GAFSP financing has been critical, particularly for countries and emerging businesses that historically have had few alternative sources of financing.

Through its Supervising Entities, GAFSP offers a range of public and private investment tools, such as grants, technical assistance, concessional loans, blended finance, and advisory services, provided across the entire value chain.

SUPERVISING ENTITIES

- African Development Bank (AfDB) 
- Asian Development Bank (ADB) 
- Food and Agriculture Organization (FAO) 
- Inter-American Development Bank (IDB) 
- International Fund for Agricultural Development (IFAD) 
- World Bank 
- World Food Programme (WFP) 
- International Finance Corporation (IFC) 

SPOTLIGHT TOGO

SUPPORTING RURAL DEVELOPMENT IN TOGO

In Togo, a US\$20 million GAFSP-supported project, implemented by IFAD, contributed to improving food security and incomes of smallholder farmers through the development of the rice, maize, and cassava value chains. Project activities focused on increasing production and productivity, as well as improving processing and marketing of crops. It also mainstreamed climate change adaptation into its interventions through collaboration with the Global Environment Facility (GEF). It implemented key activities to promote climate-smart agriculture, such as the installation of automatic weather stations and reforestation.

Overall, the project reached over 300,000 people, of whom about half were women. The project saw a decrease in the rate of households experiencing food insecurity over several months from 84 percent of households in 2012 to 62 percent in 2016. Over the same period, the share of chronically malnourished children also decreased from 38 percent to almost 25 percent.



OUR APPROACH

GAFSP is collectively governed by agricultural development stakeholders, led by a Steering Committee comprised of voting and non-voting members. What makes GAFSP’s governance structure unique is that farmers’ organizations and civil society organizations participate in decision-making alongside donors, recipients, and Supervising Entities, contributing their regional and local knowledge and expertise.

The Program’s approach, coupled with its governance structure, fosters mutual accountability, transparency, knowledge exchange, and learning within and beyond GAFSP.

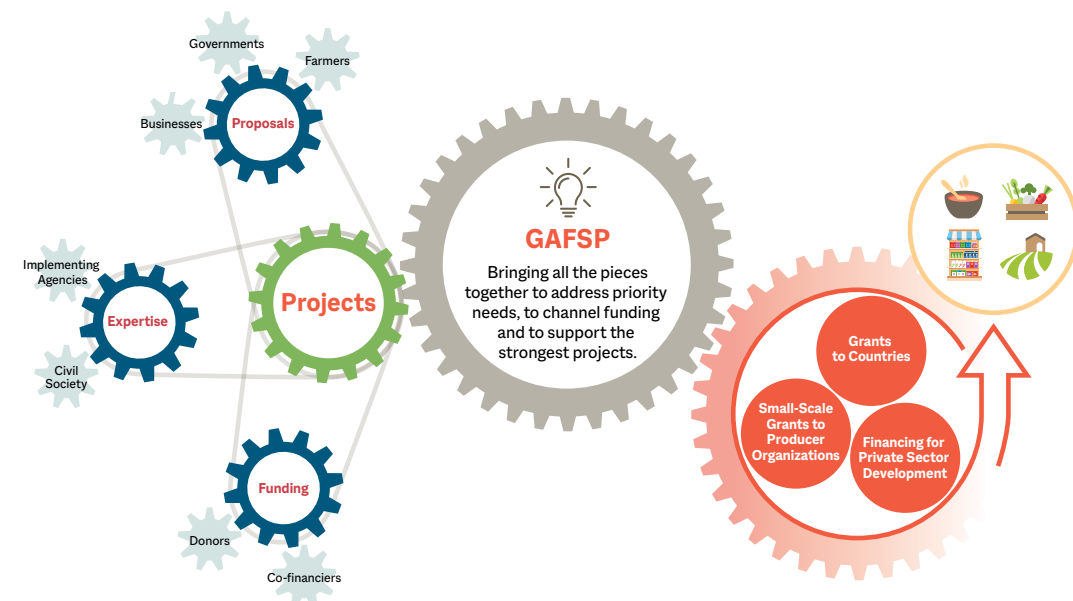
From farm to fork, GAFSP offers a range of public and private investment tools that can be customized to meet the needs and interests of recipients along the entire agriculture value chain.

GRANTS TO COUNTRIES: GAFSP provides grants to low-income country governments to support national agriculture and food security investment plans developed together with farmers, agribusinesses, technical experts, and civil society organizations.

SMALL-SCALE GRANTS TO PRODUCER ORGANIZATIONS: GAFSP directly supports smallholder farmers and their organizations and focuses on producer organizations, civil society organizations, and small and medium enterprises.

PRIVATE SECTOR DEVELOPMENT: GAFSP uses blended finance solutions, concessional funding, and advisory services to support investments designed to improve the livelihoods of smallholder farmers and their families living in the world’s poorest countries. These typically have a high potential for impact but may not generally attract commercial funding due to perceived high risks.

GAFSP OPERATIONAL MODEL



SPOTLIGHT CÔTE D'IVOIRE

In Côte d'Ivoire, IFC and the Private Sector Window of GAFSP—in partnership with leading cocoa company Cargill—is supporting several initiatives through investment and advisory services that are helping to transform the cocoa sector.

An educational program for cocoa cooperative managers that provides training in digital finance, sustainability, and navigating commercial credit systems. The program, called Coop Academy 2.0, is providing additional training and support for women leaders in the cocoa sector and is expected to reach an estimated 140 cooperatives and 140,000 farmers.

Another program, also supported by GAFSP, is helping digitize cocoa payments for farmers, which has improved traceability. Removing cash from the process has also provided safety to thousands of cooperative staff and members. GAFSP is also supporting a three-year truck leasing deal that provides affordable interest rates for many smallholder farmers, who struggle to get their cocoa beans to market. The deal is structured through a facility supported by GAFSP in which lending risks are jointly shared by Cargill, IFC, and the Société Ivoirienne de Banque (SIB), one of the country’s largest banks.

SPEEDING UP THE COCOA SECTOR IN CÔTE D'IVOIRE



HOW GAFSP IS RESPONDING TO COVID-19

The impact of COVID-19 is being felt all over the world, particularly in rural farming communities where disruptions are already increasing food and nutrition insecurity. It is clear that this pandemic will present considerable, long-lasting economic challenges and is rapidly exacerbating a food and nutrition crisis.

GAFSP is helping smallholder farmers and their countries adapt to new realities under COVID-19. Because of its **flexible and responsive approach**, the Program has moved quickly to address the threats of hunger and malnutrition that have accompanied the pandemic.

To support COVID-19 response efforts in the immediate term, GAFSP has made close to US\$60 million in additional funding available to top up or re-purpose ongoing public sector and producer organization-led projects.

In the medium to longer-term, GAFSP will launch a new Call for Proposals in early 2021 and all eligible countries will be able to apply. This Call would be strategically timed to fund COVID-19 recovery and would support countries and small businesses to strengthen the performance, resilience, and sustainability of their agriculture sector and food systems in a changing climate.

+US\$53 million

in additional financing to ongoing public sector projects in Bhutan, Cambodia, Ethiopia, Haiti, Honduras, Lao PDR, Rwanda, Senegal, Uganda, Yemen, Zambia

+US\$3 million

directly to producer organization-led projects in Bangladesh, East Africa, Senegal and Mali.

SPOTLIGHT BANGLADESH

In Bangladesh, COVID-19's effects have been swift and potentially devastating. Prices of perishable food products plummeted within weeks of the country's first diagnosed case. GAFSP pivoted to stave off potential disaster: FAO provided technical support to Sara Bangla Krishak Society (SBKS) to set up 57 call centers in northern and southern Bangladesh that could be used by all farmers, regardless of their membership status in producer organizations.

These call centers act as a communication hub between farmers, input dealers, traders, and service providers, facilitating the sale of food commodities and agricultural inputs at a good price. Run by youth mobile phone operators, the centers also have the benefit of creating needed jobs for Bangladesh's youth. The virtual call centers have benefitted about 30,000 small-scale farmers of which 46 percent are women, with the potential to reach many more through other projects that are replicating the call center approach. With the support of GAFSP and FAO, SBKS and producer organizations have used minimal start-up funding to create a stable and sustainable network that can broaden its scope to address other challenges as the crisis evolves.

PREVENTING A FOOD CRISIS DURING COVID-19 IN BANGLADESH



OUR RESULTS

GAFSP PORTFOLIO

US\$1.6 BILLION
total portfolio

US\$1.3 BILLION
in public sector
funds

US\$330 MILLION
in private sector
funds

US\$13.2 MILLION
to support producer
organizations

GAFSP IS POSITIVELY IMPACTING THE LIVES OF MILLIONS OF FARMERS, THEIR FAMILIES, AND THEIR COMMUNITIES.

13.4 MILLION SMALLHOLDER FARMERS and their families benefited from GAFSP-funded projects

5.6 MILLION WOMEN received agricultural support

1.2 MILLION PEOPLE with improved nutrition through increased access to nutritious food and dietary diversity

80% OF PROJECTS DIRECTLY address climate change

97% OF PUBLIC INVESTMENT PROJECTS help develop rural infrastructure

62% OF PROJECTS CREATE ECONOMIC OPPORTUNITIES through on- and off-farm jobs

US\$252 MILLION IN IMPROVED INCOMES generated for farmers each year

250,000+ HECTARES OF ARABLE LAND that adopted new agricultural technologies

2,000+ KILOMETERS OF PUBLIC ROADS constructed or rehabilitated

370,000+ HECTARES OF PRODUCTIVE AGRICULTURAL LAND provided with new or improved irrigation and drainage services

1,600+ WATER USER ASSOCIATIONS created to address water insecurity

GAFSP PROVIDES A STRONG RETURN ON INVESTMENT.

US\$2.1 OF CO-FINANCING LEVERAGED for every US\$1 invested in the public sector

US\$5.3 OF PRIVATE FINANCING LEVERAGED for every US\$1 invested in the private sector

SPOTLIGHT RWANDA

A US\$50 million GAFSP-supported project implemented by the World Bank increased the productivity and commercialization of hillside agriculture, benefitting more than 280,000 farmers, of whom half were women. The project improved the composition of peoples' diets by carrying out nutrition awareness training and constructing almost 50,000 kitchen gardens. By mid-2016, about 83 percent of households targeted by this project were consuming an acceptable diet, including food from various food groups.

Although funds from GAFSP were fully utilized by December 2015, the Government of Rwanda is still implementing the project with its own funds, as well as those from other development partners, to sustain the achieved outcomes and continue its efforts to improve the livelihood of farmers.

A PATHWAY OUT OF POVERTY FOR FARMERS



INVESTING IN GAFSP

In the face of the challenges of climate change, food insecurity, and now COVID-19, GAFSP's mandate is as relevant today as it was a decade ago, if not more so. Investing in GAFSP will leverage a decade of experience to help catalyze a global resurgence on the SDGs.

Strengthening the global food system through diverse sources of finance, innovative partnerships, and a range of operational tools will be crucial to realize the SDGs. Looking ahead to 2030, investment in agriculture can play a critical role in achieving all 17 SDGs, not least because economic growth in agriculture is **two to four times more effective** in reducing poverty as growth generated in non-agriculture sectors.

GAFSP's donors partner with recipient countries, civil society organizations, and other stakeholders to improve the lives of smallholder farmers and their families. Over the last 10 years, the Program's donors have committed US\$1.7 billion. But, GAFSP requires an additional US\$1.5 billion for the period 2020-2025 to ensure that GAFSP is fully funded. This will enable GAFSP to launch predictable Calls for Proposals throughout this period and continue supporting smallholder farmers, businesses, and countries to achieve food and nutrition security for all.



“Ending hunger in a world of changing climate is maybe one of the greatest challenges we will face in the 21st century. GAFSP comes with tools, the flexibility and the expertise we need to do just that.!”

—DR. GERD MÜLLER

German Federal Minister of Economic Cooperation and Development

GAFSP is looking to engage other donors and stakeholders in this important initiative.

WHERE GAFSP WORKS

GAFSP works in countries with the greatest needs, focusing on members of the International Development Association (IDA) which are in non-accrual. As of 2020, the GAFSP portfolio is active in more than 45 countries, with more than 60% of funds in Africa and other projects located across Asia, Latin America and the Caribbean, and the Middle East and North Africa.





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