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THE AFRICAN DEVELOPMENT BANK GROUP



APPRAISAL REPORT
ADDITIONAL FINANCING FOR THE VALUE CHAINS, AGRICULTURAL AND
RURAL ENTREPRENEURSHIP SUPPORT PROJECT
[PACVEAR-GAFSP]

GUINEA-BISSAU

USD 11.982 MILLION

GAFSP: USD 10 MILLION

ADF GRANT: USD 1.982 MILLION

BOARD APPROVAL DATE: 29 FEVRIER 2024

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CURRENCY EQUIVALENTS

Effective exchange rate in June 2023

Currency unit ¹	CFAF
UA 1	815.09
USD 1	616.77

FISCAL YEAR

1 January 2023 - 31 December 2023

WEIGHTS AND MEASURES

1 metric tonne	2,204.62 pounds (lb)
1 kilogramme (kg)	2.20462 lbs
1 metre (m)	3.28 feet (ft)
1 millimetre (mm)	0.03937 inch (")
1 kilometre (km)	0.62 mile
1 hectare (ha)	2.471 acres

¹ Add any other foreign or local currencies relevant to the project and their currency equivalents.

ABBREVIATIONS AND ACRONYMS

AAAC	Competent Environmental Assessment Authority
ADB	African Development Bank
ADF	African Development Fund
AF	additional financing
CSP	Country Strategy Paper
ECOWAS	Economic Community of West African States
ESMP	Environmental and Social Management Plan
GAFSP	Global Agriculture and Food Security Programme
GDP	gross domestic product
GMS	Gender Marker System
IFAD	International Fund for Agricultural Development
IMF	International Monetary Fund
ISS	Integrated Safeguards System
MAFDR	Ministry of Agriculture, Forestry and Rural Development
PACVEAR	Value Chains, Agricultural and Rural Entrepreneurship Support Project
PADES	Southern Regions Economic Development Support Project
PDCV-Riz	Rice Value Chain Development Project
PMU	Project Management Unit
PNIA	National Agricultural Investment Programme
SDG	Sustainable Development Goal
SiSSAN	National Food Security and Nutrition Monitoring System
SRI	Intensive Rice Cultivation System
UA	Unit of Account
UN	United Nations
WAEMU	West African Economic and Monetary Union
WFP	World Food Programme

PROJECT INFORMATION SHEET

CLIENT INFORMATION

Name of Original Project	VALUE CHAINS, AGRICULTURAL AND RURAL ENTREPRENEURSHIP SUPPORT PROJECT (PACVEAR)
Name of Additional Financing Project	VALUE CHAINS, AGRICULTURAL AND RURAL ENTREPRENEURSHIP SUPPORT PROJECT - GAFSP (PACVEAR-GAFSP)
Sector	Agriculture
Borrower/Grant Recipient	Guinea-Bissau
Project Instrument	Grant
Execution Agency	Ministry of Agriculture and Rural Development

COUNTRY AND STRATEGIC CONTEXT

Country Strategy Paper Period:	2022-2026
Country Strategy Paper Priorities Supported by Project:	Support structural transformation anchored on infrastructure and governance reforms for inclusive growth
Government Programme (PRSP, NDP or equivalent):	The National Agricultural Investment Plan (2 nd generation) 2017-2030
Project classification:	Promotion of plant production sectors Sustainable management of natural resources
	<ul style="list-style-type: none"> ● SDG 1 (End Poverty) ● SDG 2 (End Hunger) ● SDG 4 (Quality Education) ● SDG 5 (Gender Equality) ● SDG 8 (Sustained Economic Growth and Decent Work) ● SDG 13 (Climate Action) <ul style="list-style-type: none"> ● Eliminate hunger and ensure food sovereignty ● Promote sustainable agriculture
Country Performance and Institutional Assessment:²	3.2 (2020)
Projects at risk in the country portfolio:	56% as of 30 October 2023

PROJECT CATEGORISATION

Environmental and social risk categorisation	Original project	Category 2
	Overall project ³	Category 2
Does the project involve involuntary resettlement?	Original project	No
	Overall project	No
Climate safeguards categorisation	Original project	[Category 1/2/3]
	Overall project	[Category 1/2/3]
Fragility lens assessment	Original project	Yes

² Obtain CPIA rating here - [National Policy and Institutional Assessment \(afdb.org\)](#) (VPN required)

³ Overall Project is the original project + additional financing.

	Overall Project	Yes
Gender Marker System categorisation:	Original Project	Category 2
	Overall Project	Category 2

ADF/ADB KEY FINANCING INFORMATION

Source	Amount (in million)		Financing Instrument
	UA	USD	
African Development Bank	1.5		ADF GRANT
GAFSP		10	GAFSP GRANT
Total project cost:	1.5	10	
Bank additional financing as a percentage of original project total cost	7.65% for ADF 16 and 38.61% for GAFSP		
Reason(s) for additional financing (tick all that apply)	[] Financing gap; [x] Cost overrun; [x] Project scale-up; [] Project modification; [] Emergency or post-emergency operation		

PROJECT DEVELOPMENT OBJECTIVE AND COMPONENTS

AF Project development objective:	Component 1: Improve the competitiveness of the rice and vegetable value chains in order to drive inclusive and sustainable growth in the agricultural sector.
AF Project components:	Component 2: Improve the competitiveness of agricultural value chains: UA 4.08 million
	Component 3: Promote agricultural entrepreneurship: UA 4.54 million
	Component 4: Project coordination and management: UA 0.442 million

AF PROJECT PROCESSING SCHEDULE TO BOARD APPROVAL

Identification:	N/A
Preparatory Mission:	N/A
PCN Approval:	N/A
Appraisal Mission:	19 - 25 June 2023
Planned Board Presentation:	29-02-2024
Effectiveness:	30-03-2024
Project Implementation Period:	01-03-2024 to 30-06-2026
Planned Mid-term Review:	Mars 2025
AF Project Closing Date:	30-06-2026
Original Project Closing Date:	31-12-2024

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1. BACKGROUND

Following a Global Agriculture and Food Security Programme (GAFSP) call for proposals, Guinea-Bissau received additional financing of USD 10 million to support implementation of the Value Chains, Agricultural and Rural Entrepreneurship Support Project (PACVEAR). Furthermore, by correspondence No. 210/GMPIR/2023 of 24 June 2023, the Government requested that UA 1.5 million of its ADF 16 resources be allocated to this operation.

PACVEAR was approved on 16 September 2019 for an amount of UA 10.62 million, broken down as follows: (i) TAF grant: UA 5.46 million; (ii) TAF loan: UA 3.04 million; (iii) ADF grant: UA 1.06 million; (iv) Government: UA 0.20 million; (v) beneficiaries: UA 0.86 million.

The project is perfectly consistent with Guinea-Bissau's strategic policies, in particular the Terra Ranka Strategic and Operational Plan (2015-2025) which hinges on four major drivers of economic growth, including agriculture and agri-business. It is also in line with Sub-programme 1: "Promotion of Plant Production Sectors" of the 2nd generation National Agricultural Investment Programme (PNIA), adopted in December 2017 with the aim to develop food crops (including rice) and market gardening through the better management of water resources and increased access to production factors. It is also consistent with the guidelines of the Agricultural Development Policy Letter (LPDA) and its action plan which aims to ensure food security, increase and diversify agricultural exports and improve the living conditions of rural communities.

PACVEAR is aligned with the 2015-2026 CSP pillar which aims to support structural transformation anchored on infrastructure and governance reforms for inclusive growth.

Overall objective of PACVEAR-GAFSP: Provide additional financing to foster the economic inclusion of smallholder farmers through the promotion of modern and sustainable agricultural techniques that would improve productivity and competitiveness and generate sustainable income for rural communities, thereby improving the food security and nutrition of households.

Project area and beneficiaries: The original project covers three regions in the north and east of the country, namely: Bafata, Oio and Gabu, out of the 9 (nine) regions in Guinea-Bissau. The additional financing will extend the project area to Quinara region in the south. The total area covered by the additional financing represents more than 65% of the national territory and is home to over 55% of the country's population. Ultimately, the project will have a direct impact on 4,400 households/farmers, or 35 000 people, including at least 13 000 women.

2. ADDITIONAL FINANCING

2.1. Rationale

The requested additional financing is mainly justified by: (i) cost overrun on hydro-agricultural works; and (ii) the scaling up of the school canteen support component. These two justifications are consistent with the Bank Group's Revised Policy on Additional Financing approved by the Board of Directors in June 2021.

2.2.1 Cost overrun for hydro-agricultural works

The original project provided for the development of 660 hectares of rice farms and 60 hectares of vegetable farms. Technical studies indicated an overrun of about 30% in the cost of hydro-agricultural works, stemming from: (i) price hikes triggered by the effects of Russia's invasion of Ukraine and the COVID 19 pandemic; (ii) technical options for developing the lowlands (dyke height and length) and vegetable farms (solar energy and fencing to keep off stray animals); and (iii) inclusion of the Binhoni lowlands (180 ha) and 20 ha of vegetable farms that had not been developed under the PDCV-Riz project due to the lack of financial resources. These new works will be financed with ADF 16 resources as requested by the Government. The decision to carry out these works is justified as Guinea-Bissau currently experiences a chronic food production deficit. The rice production deficit for the period 2020-2021 stood at 187,174 tonnes. Moreover, during the Dakar 2-Feed Africa Summit: "Food Sovereignty and Resilience", Guinea-Bissau prepared its compact, which aims to sustainably improve and increase the productivity, production and value of agricultural, livestock and aquacultural products by expanding

irrigated surface areas, but also by intensifying production systems through access to quality inputs and services and the processing and conservation of agricultural, livestock and aquacultural products. Projections over the 2025-2030 period indicate an additional production of 185,250 tonnes of white rice, and the development of 20,000 ha of lowland surface areas with better water control (total and partial) and 10,000 ha of mangroves.

2.2.2 Scaling up support for school canteens

Under the original project, support was provided, on a pilot basis, to three school canteens through information, sensitisation and education activities on nutrition, hygiene and preventing the resurgence of water-borne diseases. The additional financing will make it possible to scale up support for school canteens throughout the project area and in the Quinara region, thanks to WFP which is implementing the Local School Nutrition Programme (HGSP). This programme, pursuant to Decree-Law No. 1/2019 to regulate school nutrition services, was launched in 2020 after the implementation of a pilot phase in the Cacheu and Ohio regions.

Support for school canteens is a social safety net which aims to secure a diversified and nutritious daily meal for every child at school, using local foodstuffs, to ensure the effective presence of children throughout the school year. Such support lays emphasis on strengthening agricultural production to satisfy demand (local schools). The additional financing will make it possible to connect smallholder farmers with consumers. In the medium and long term, it is expected to (i) strengthen food sovereignty and stabilise the incomes of smallholder farmers, and (ii) develop local businesses and create jobs for women and young people. According to the WFP, national school nutrition programmes currently create some 1,700 new jobs in food processing and production and feed 100,000 children in school canteens.

2.2. Expected Outcomes

The additional financing (AF) should make it possible to achieve the objectives and outcomes of the original project. Specifically, it would impact around 2,500 smallholder farmers and benefit 76,700 school children. It will help to improve literacy rate in the project area by increasing school enrolment by 3% and school attendance from 95% to 97%. The AF will also enable the additional production of 2,580 tonnes of rice and 1,200 tonnes of vegetables (onion, tomato, cabbage, carrot, okra, pepper, etc.). These outcomes will be achieved through activities to be carried out under the three project components:

Component 1: Improve the competitiveness of agricultural value chains: (i) rehabilitation/development of 430 ha of rice fields benefiting 860 households; (ii) development of 40 ha of vegetable farms with solar powered irrigation on about 10 sites benefiting 10 women's associations; (iii) establishment of demonstration farms for SRI (4) and vegetable (5) cultivation; (iv) construction of 3 storage warehouses with a capacity of 50 tonnes to reduce post-harvest losses; (v) procurement of 40 power tillers and 10 huskers; and (vi) establishment of 23 management committees to ensure sustainability. In addition, the TAAT Rice Compact coordinated by AfricaRice will work in synergy with CORAF and INPA to develop a national catalogue of crop varieties to facilitate the sharing of genetic material beyond the national borders and increase regional seeds trade. It should be noted that the GAFSP will finance the development of (i) 150 ha of lowlands under partial water control; (ii) 50 ha under total water control; and (iii) 20 ha of vegetable farms. The rest of the lowland developments are financed by the additional ADF Grant and part of the resources of the initial project.

Component 2: Promote agricultural entrepreneurship: (i) connection of 1,500 smallholder farmers with the school canteen programme involving the purchase of 2,500 tonnes of rice for 76,700 children in 378 schools; (ii) capacity-building for 1,500 smallholder farmers in SRI; (iii) capacity-building for MAFDR, the Ministry of Education, COSAN and INS; and (iv) Strengthening institutional capacities in the analysis of the food and nutritional situation. The ENABLE-TAAT Compact, in conjunction with the WFP and in collaboration with the relevant technical compacts (rice, vegetables/market gardening, etc.), will assist the implementation of activities involving the training of young people and women on best post-harvest management and agri-food processing practices, eco-friendly methods, business plan design, accessing financing and identifying markets.

Component 3: Strengthen project management and coordination: (i) establishment of operational and institutional mechanisms; (ii) strengthening of the original project steering committee; (iii) development of the capacity of the Project Management Unit to implement the overall project.

2.3. Revised Project Cost and Financing Arrangements

The cost of the overall project (original project and additional financing) is estimated at USD 26.016 million excluding taxes and customs duties, comprising: (i) USD 14.035 million for the ongoing original project (PACVEAR) approved by the Bank on 16 September 2019, to be completed in December 2024; and (ii) USD 11.982 million for the additional project (PACVEAR-GAFSP), **including USD 10 million from GAFPS resources**. The additional financing, which is a scale-up of the original project, represents 85.4% of the original project cost. Unit costs were estimated based on actual executed works and supply contracts in Guinea-Bissau in recent years (2020-2022). The scale-up concerns planned additional irrigation works, as well as programmed key activities under Component 2 of the project (to be implemented by WFP), concerning support for school canteens, capacity-building for value chain stakeholders on climate-resilient agriculture and processing best practices, and strengthening of the national food and nutritional security monitoring system. Customs duties and taxes are paid by the State, which should take the necessary measures to that end. A provision of 4% for physical contingencies and 3% for price increases was applied to Component 1 of the additional financing project.

Regarding project financing: (i) PACVEAR (original project) was financed to the tune of USD 14.035 million (53.9% of overall project cost), broken down as follows: TAF grant (27.73%), TAF loan (15.44%), ADF loan (5.38%), Government (1.02%), Beneficiaries (4.37%); and (ii) **PACVEAR-GAFSP is financed to the tune of USD 11.982 million (46.06% of the overall project cost) by a GAFSP grant of USD 10 million (38.44% of overall project cost) and an ADF grant of USD 1.982 million (7.62%)**. See tables below and detailed costs in Annex 2 and 3.

Table 1: Estimated Overall Project Cost (Original Project and Additional Financing) by Component

Component	USD million							Total	% of Overall Project Cost
	Original Project (PACVEAR)			Additional Financing (PACVEAR-GAFSP)					
	F.E	L.C.	Total	F.E	L.C.	Total			
Component 1: Improve the competitiveness of agricultural value chains	2.722	4.467	7.189	2.486	2.552	5.038	12.227	47.00	
Component 2: Promote agricultural entrepreneurship	1.837	2.934	4.771	1.607	4.393	6.000	10.771	41.40	
Component 3: Project coordination and management	0.198	0.952	1.150	0.084	0.501	0.585	1.734	6.67	
Total original project costs	4.758	8.352	13.110	4.178	7.445	11.623	24.733	95.07	
Provision for contingencies	0.185	0.330	0.515	0.099	0.102	0.202	0.717	2.76	
Provision for increase in prices	0.145	0.264	0.410	0.078	0.080	0.157	0.567	2.18	
Overall project costs	5.088	8.947	14.035	4.355	7.627	11.982	26.016	100	

Table 2: Overall Project Financing Sources (Original Project and Additional Financing)

Sources of Financing	USD million							Total	% of Overall Project Cost
	PACVEAR			PACVEAR-GAFSP					
	Currency	M. loc.	Total	Currency	M. loc.	Total			
TAF Grant	2.590	4.625	7.216			-	7.216	27.73	
TAF loan	1.454	2.564	4.017			-	4.017	15.44	
ADF loan	0.542	0.859	1.401			-	1.401	5.38	
GAFSP	-	-	-	3.432	6.567	10.000	10.000	38.44	
ADF Grant	-	-	-	0.922	1.060	1.982	1.982	7.62	
Government	0.079	0.185	0.264			-	0.264	1.02	
Beneficiaries	0.423	0.714	1.137			-	1.137	4.37	
Overall project costs	5.088	8.947	14.035	4.355	7.627	11.982	26.016	100	

Table 3: Additional Financing (PACVEAR-GAFSP) Costs by Expenditure Type

Expenditure Type	USD million			% of Overall Original Project Cost	% of Overall Project Cost
	Currency	M. Loc.	Total		
Property	0.906	2.309	3.216	27.67	26.84
Works	2.074	1.858	3.932	33.83	32.82
Services	1.172	2.844	4.016	34.55	33.52
Recurrent expenditure	0.025	0.434	0.459	3.95	3.83
Total original project costs	4.178	7.445	11.623	100	97.01
Provision for contingencies	0.099	0.102	0.202	1.73	1.68
Provision for price increase	0.078	0.080	0.157	1.35	1.31
Overall project costs	4.355	7.627	11.982	103.09	100

Table 4: Additional Financing Expenditure Schedule (PACVEAR-GAFSP)

Component	USD million			
	2024	2025	2026	Total
Component 1	0.514	4.364	0.160	5.038
Component 2	1.187	2.654	2.159	6.000
Component 3	0.088	0.089	0.408	0.585
Total original project costs	1.789	7.107	2.727	11.623
Physical contingencies under Component 1	0.021	0.175	0.006	0.202
Price contingencies under Component 1	0.016	0.136	0.005	0.157
Overall project cost	1.826	7.418	2.738	11.982
Total cost	15.24	77.15	100	

2.4. IMPLEMENTATION ARRANGEMENTS

PACVEAR-GAFSP will be implemented under the general supervision of the Ministry of Agriculture, Forestry and Rural Development (MAFDR) and specifically under the Directorate General for Agriculture. The steering and supervision of the project will be the responsibility of the original project Steering Committee (SC), established by Order No. 26/2019 of 23 September 2023. This SC will be modified by ministerial order at the start of the project to accommodate its specificities, in particular the inclusion of WFP, the Ministry of Education and two members of the civil society. The Steering Committee will meet at least once a year in ordinary session, chaired by the Minister of Agriculture, Forestry and Rural Development or his representative, and the PACVEAR PMU Coordinator will provide secretarial services.

The additional financing PMU will be the same as that for the original project (PACVEAR), comprising: (i) a coordinator; (ii) an administration and finance officer; (iii) a procurement specialist; (iv) a monitoring and evaluation specialist; (v) an infrastructure specialist; (vi) an agronomist specialised in value chains development; and (vii) an environmental and social safeguards specialist. The PMU will be reinforced by a gender and social engineering specialist to be recruited through a competitive procedure.

In line with the proposal submitted to the GAFSP, the World Food Programme, through technical assistance, will implement Component 2 which aims to support school canteens. The WFP has, since 2020, continued to implement its school nutrition programme, after the successful implementation of a pilot project in the Biombo region. The WFP also has proven experience in rice cultivation, particularly

through the implementation of the Intensive Rice Cultivation System (SRI) project. Lastly, the WFP is satisfactorily managing and coordinating the Emergency Food Security Support Project (PAUSA) financed by the Bank in 2022.

Field activities are implemented through agreements with technical services (DGEDR, DGA, DGFF, INPA, DNVA and DSCCS) and NGOs (ADPP, APRODEL, ADIC Nafaia, COAJQ) and service providers (consultancies and companies) recruited through a competitive procedure.

Through consultations with all stakeholders, annual planning will be carried out based on the results framework, the programme detailed costs framework, and execution timelines.

2.4.1. Procurement

Goods (including non-consultancy services), works, and consultancy services financed by the Bank under the project will be procured in accordance with the Procurement Framework for Bank Group-Funded Operations, October 2015 edition. Pursuant to Article 5.3 (e) of the Policy and in accordance with the provisions of Volume 2, Part A, Chapter G, of the Operations Procurement Manual (OPM), the WFP will apply its own procurement and eligibility rules for procurements under Component 2 of this project, in line with the schedule provided in the table in Annex 4-5 of this report. To that end, WFP will sign specific annexes to the fiduciary principles agreement (FPA) signed with the Bank in January 2018, and which guides WFP interventions when it acts as an executing agency (on behalf of a country) in a Bank-financed project. The applicable WFP procurement methods and procedures will be those set out in its rules, whereas the procurement performance monitoring and control mechanisms will be those agreed upon in the FPA. In that regard, submission by the WFP of the first implementation progress report shall be a condition precedent to disbursement of the second tranche of the grant/loan amount required to implement the project component for which it is responsible. The detailed procurement arrangements and procurement plan are presented in Annexes 4-5 of this report.

2.4.2. Financial Management, Disbursement, and Audit Arrangements

Financial management: The financial management of PACVEAR, including the additional financing, is the responsibility of the Ministry of Agriculture and Rural Development (MADR), acting through the PMU. The WFP will be responsible for the implementation of additional financing Component 2 based on an agreement to be concluded in that regard between the MADR and the WFP. The additional financing shall be subject to the same financial management arrangements as the original project. The PMU is composed of staff designated for all projects financed on external resources. They will be paid fixed monthly allowances from the resources of each project. The Executing Agency will submit to the Bank satisfactory evidence that the establishment of the PMU complies with the provisions of the Bank Group's Eligible Expenditure Policy, and acceptable performance contracts setting out remuneration based on the achievement of relevant performance indicators, in accordance with Presidential Directive No. 1/2023. Such evidence and the PMU staff contracts will be subject to the opinion of the Bank's fiduciary services, in accordance with the procurement arrangements. The Executing Agency will take measures for the recruitment of an accountant in line with the original project arrangements. The PMU will submit to the Bank the detailed PACVEAR budget reflecting the contribution of the additional financing to the original project budget and will provide information on the status of implementation of the original project. The PACVEAR procedures manual will be updated to include the additional financing.

Disbursement: GAFSP and ADF grant resources shall be disbursed in accordance with the Bank policies and procedures provided for in the Disbursement Handbook. Disbursements will be made through the direct payment method and the special account method. The direct payment method will be used for all works, goods, and services contracts. The special account method will be used for disbursement of GAFSP grant resources allocated to Component 2, to be implemented by the WFP. The special account method will also be used for disbursement of resources from the two grants allocated to recurrent expenditure. Three special accounts will be opened in the name of the project at the BCEAO or a commercial bank acceptable to the Bank. A special account will be dedicated to the GAFSP resources allocated to component 2. The other two special accounts will be dedicated to the GAFSP and ADF grant resources allocated to recurrent expenditure, respectively. Disbursements to the WFP will be made through the Executing Agency in compliance with the Bank's disbursement policies and procedures, as set out in the agreement between MADR and WFP. The WFP will open a dedicated bank account for project resources and expenditures. Use of the special account method is subject to reimbursement by the country of expenditure deemed ineligible by the Bank under the Economic and Financial Governance Strengthening Support Project (PARGEF), which closed on 31 August 2022, in the amount of CF AF

28,123,210.

External audit: The additional financing will be audited during the audit of PACVEAR financial statements by an external auditor, in line with the audit ToRs for Bank-financed operations. The PACVEAR audit will cover all project financing sources, including the additional financing, and the use of resources by all stakeholders including WFP. The original project auditor's contract expired upon audit of fiscal year 2022 financial statements. The PMU will take the necessary measures to include the additional financing in the auditing of PACVEAR, in line with the ToR approved by the Bank. The audit contract will cover a period not exceeding three fiscal years, renewable upon the audit of each fiscal year and based on the auditor's performance. The project audit reports must be submitted to the Bank no later than 6 (six) months after the close of the audited fiscal year.

2.4.3. Monitoring and Evaluation

The original project (PACVEAR) already has a baseline situation and a monitoring/evaluation system that makes it possible to draw up a quarterly results framework that reflects progress made by type of results at all levels (outputs, outcomes, impact). The monitoring/evaluation system will be updated to include the additional financing. In practice, the additional financing monitoring and progress reports will be combined with those of the original project.

2.4.4. Governance

Guinea-Bissau restored constitutional order after the 2012 coup d'état. Since then, the involvement of civil society organisations (CSOs) in the country's governance has improved, despite challenges in accessing online information and documentation on major development issues. The country ranked: (i) 32nd out of 37 countries in the ADB's Country Performance and Institutional Assessment (CPIA) with an average score of 2.6 (on a scale of 1 to 6) in 2018; (ii) 162nd out of 180 countries surveyed in 2021 for the Transparency International Corruption Perceptions Index; and (iii) 41st out of 54 countries for the 2020 Mo Ibrahim Index.

The involvement of sub-regional bodies (ECOWAS, WAEMU), political leaders, and civil society actors helped to appease the social climate after the attempted coup d'état in February 2022.

2.4.5. Sustainability

PACVEAR is a flagship government project designed to better structure the rice value chain in a bid to reduce the importation of rice, a staple food for the people of Guinea-Bissau.

Consultations with the various stakeholders (technical services, farmers' organisations, women's/youth associations, civil society, private sector, development partners, and beneficiary communities) during the preparation of the GAFSP proposal and at appraisal led to the making of suitable technical and operational choices adapted to the capacities of beneficiaries and which factor in lessons learned from previous projects.

As provided for under the original project, management committees for hydro-agricultural, pastoral and support infrastructure will be set up to facilitate community mobilisation and participation. Members of the management committees will benefit from organisational, technical, and management support to help them supervise the work of contractors, in conjunction with the project team and the works control firm. The committees will also be trained and equipped on the maintenance of infrastructure.

Lastly, WFP technical assistance in implementing the school canteen component, particularly in liaising farmers with schools and developing stakeholder capacities, will also ensure project sustainability. In addition, the Government is committed to promoting and facilitating the implementation of the national school canteens programme through Decree-Law No. 1/2019.

2.4.6. Risk Management

As set out in the risks matrix in Annex 4.2, the main project risks are: ((i) Political instability; (ii) The impact of the invasion of Ukraine by Russia; (iii) Limited capacity of the Ministry of agriculture; (iv) Limited ownership of beneficiaries; (v) Disasters and shocks related to climate change. The measures to mitigate these risks, which have average to low impact, are presented in Annex 4.2.

2.4.7. Knowledge-Building

The project will go a long way to promote knowledge generation as concerns: (i) the structuring of the rice sub-sector, (ii) the agricultural produce market; (iii) the national food security and nutrition monitoring system (SiSSAN); and (iv) youth and women's entrepreneurship. Such knowledge will be disseminated through various channels including catalogues and other innovative tools. Emphasis will be laid on local knowledge and experiences, as well as lessons learned from previous operations. In addition, the project intends to carry out a study on anaemia among children under the age of 5 years; develop a national catalogue of crop varieties to facilitate the sharing of genetic material and; revise the nutrition policy and strategic plan.

3. PROJECT FEASIBILITY

3.1. Technical Analysis

The project is aligned with Guinea-Bissau's national strategies, in particular the National Development Programme 2020-2030 vision. The project will help to operationalise the National Food Security Programme (PNSA) and the 2nd generation PNIA. The project is consistent with the vision expressed in the "Guinea-Bissau Compact" prepared during the Dakar 2-Feed Africa Summit on "Food Sovereignty and Resilience", namely: the sustainable improvement and increase of productivity, output and agricultural product development through the expansion of cultivated (and especially irrigated) surface areas, as well as the intensification of production systems through access to quality inputs and services, and the processing and conservation of agricultural, livestock and aquaculture products.

The project was designed through a participatory and inclusive approach driven by MADR. The technical options were discussed with the beneficiaries, bearing in mind their capacities and lessons learned from previous projects.

3.2. Financial and Economic Analysis

The financial and economic analysis of the overall project (PACVEAR and PACVEAR-GAFSP) was based on the following assumptions: (i) confirmation of additional incomes as calculated under the ongoing original project and as aggregated in the cash-flow table; (ii) estimation of additional income from the additional financing project based on prices, productivity and average production costs for the 2022/2023 farming season used for the baseline situation and the project situation, with realistic projections up to the cruising phase; (iii) establishment of cashflows over 20 years, following the merger of the cash flows of the original project and of the additional financing operation, which made it possible to calculate the financial and economic rates of return and their sensitivity to variations in certain indicators; (iv) an equal rate of inflation between expenses and resources in the cashflow table. The results of the financial and economic analysis show that the overall project is financially and economically sustainable with actual additional positive effects. The calculated additional income per beneficiary is as follows: lowland rice farms under partial control irrigation (USD 385.88), rice farms under full control irrigation (USD 812.29), mangrove rice farms under partial control irrigation (USD 800.94), vegetable farms (USD 316.15).

Table 1: Key Economic and Financial Figures of the Project (Cost-benefit Analysis)

<i>NPV (10% discount rate)</i>	USD 39.685 million
<i>IRR (baseline scenario)</i>	13.1%
<i>ERR (baseline scenario)</i>	15.1%

The economic rate of return (ERR) was calculated by applying a correction coefficient of 90% to factor costs, due to market distortions inherent in customs duties. Sensitivity tests based on: a 10% decrease in incomes; a 10% increase in costs; and a concurrent 10% decrease in incomes and 10% increase in costs yielded an IRR of 11.2%, 11.4% and 9.7% respectively, and an EER of 13.1%, 13.3% and 11.4% respectively.

Additional positive outcomes: Project activities will help to promote agriculture that is resilient to climatic shocks and environmental degradation. They will help to increase the supply of foodstuff, which would have an impact on improving the national GDP and reducing foreign exchange costs on the importation of some food items, particularly rice and vegetables. They will also improve the country's trade balance, and even its foreign exchange balance. The creation of various jobs and the additional income generated will help to reduce poverty in the project area and create growth and development hubs in the region, thereby reducing the rural exodus of agricultural workers, which is one of the drivers of poverty in the region. The actions to be carried out in conjunction with the WFP will make it possible to: (i) strengthen the institutional framework for analysing and monitoring the country's food and nutrition situation; (ii)

improve the school enrolment rate and the health of children in vulnerable areas by providing school children with nutritionally balanced meals through strengthening of the school meals programme; and (iii) prevent natural disaster risks.

3.3. Environmental Aspects and Climate Change

3.3.1. Environmental and Social Safeguards

Project category: The Competent Environmental Assessment Authority (AAAC) classifies PACVEAR/GAFSP under Category B, based on the level of risk, in line with Guinea-Bissau's national regulations, notably Law No. 10/2010 of 24 September 2010 on environmental assessments, Decree No. 7/2017 of 28 June 2017 to approve and regulate environmental and social impact assessment phases, and the requirements of the Bank's Integrated Safeguards System (ISS). Such categorisation corresponds to Category 2 of the Bank's Integrated Safeguards System (ISS). The E&S categorisation was validated in ISTS on 23 May 2023.

Environmental and social safeguards documents: The project, to be carried out in the Bafata, Gabu, Oio and Quinara regions, relates to additional financing for the ongoing PACVEAR. The original project had already developed an environmental and social safeguards framework which will also be used by the Borrower for the additional financing phase to prepare specific E&S safeguards instruments as soon as the sites (vegetable farms and rice fields) have been identified. Once these E&S safeguards instruments have been prepared by the Borrower, they will be reviewed and approved by the Bank and published by the country, and then by the Bank after approval by the Borrower, in accordance with ISS requirements.

Providing seed farmers with chemical fertilizers and phytosanitary products may lead to health and pollution risks resulting from inappropriate pesticide use and poor handling of the empty packages of synthetic chemical products. Consequently, PACVEAR/GAFSP will use the Pest Management Plan (PMP) drawn up for PACVEAR, updated in 2022 and approved by the Bank, for the distribution of seeds, fertilizers and phytosanitary products to farmers. The country published the PMP on 22 November 2022 and authorised the Bank to do same on 28 November 2022. The Bank published the PMP on its website on 15 December 2022.

The main potential environmental risks identified are: (i) pollution of soils and water bodies due to inappropriate pesticides use and poor management of empty packages of synthetic chemical products, (ii) poisoning of land and/or aquatic wildlife through the use of fertilizers and pesticides, and (iii) eutrophication of aquatic environments.

The project could generate the following social risks whose impact is low-to-moderate in the short term, and catastrophic in the long term: (i) health risks (population poisoning) due to the consumption of water and food contaminated by pesticides and agricultural inputs, the inhalation of pesticides and other chemical products or contaminated plant products or the mishandling of fertilizer and pesticides; (ii) gender-based violence (e.g. gender-based discrimination, claiming of undue favours, sexual harassment, etc.) in the sale/allocation of inputs at subsidised prices; (iii) possible conflicts of interest in the distribution and sale of inputs or the identification of beneficiaries entitled to loss of income/livelihoods as a result of project activities. However, such risks will be addressed through the ESMPs of specific studies and the project's Complaints Management Mechanism (CMM) to be set up before the start of irrigation works.

Involuntary resettlement: No resettlement is envisaged.

Public consultation: The stakeholders consulted during the preparatory mission, from 15 to 25 May 2023, on the management of PACVEAR/GAFSP environmental and social measures were: the PACVEAR PMU which is responsible for coordination; the Ministry of the Environment and Sustainable Development (MEDD) which is responsible for implementing the environmental and social policy; the Competent Environmental Assessment Authority (AAAC) attached to the Secretariat of State for the Environment at the MEDD; the environmental focal points (EFPs) at the Regional Delegations for Forestry and Wildlife; the Ministry of the Economy, Planning and Regional Integration (MEPIR); and representatives of the Ministry of Agriculture and Rural Development.

Borrower's capacity to implement E&S measures: The Borrower's E&S performance under the original project is deemed satisfactory, although physical activities involving implementation of E&S measures have not yet started. The complaints management mechanism has been established and preparations

are underway to set up committees for its operationalisation. Specific instruments are being developed and quarterly reports are submitted in accordance with the provisions of the financing agreement.

The PMU has a skilled environmentalist with proven expertise under PACVEAR who is able to coordinate the implementation of the project's environmental and social measures. To better manage the project's environmental aspects, the specialist will be supported by the Competent Environmental Assessment Authority (AAAC), under a framework agreement. In view of the environmental monitoring of project activities, the project will also involve environmental focal points (EFPs) from the regional delegations for forestry and wildlife. These focal points will undergo environmental and social assessment training and will benefit from the constant support of the AAAC for their various activities.

Environmental and social compliance: In addition to the above requirements, the Borrower will prepare quarterly reports on the implementation of E&S measures, whereas an annual E&S performance/compliance audit, conducted by an independent E&S safeguards expert, will be submitted annually, no later than the end of the first quarter of the following year. These reports will be shared with the Bank and made available to stakeholders. Also, the Borrower has committed to continue implementing the complaints management mechanism (CMM) in the locations where additional financing activities are implemented, disseminate it among all stakeholders and sustain its functioning throughout the project cycle. In the event of an EHS incident on a project site, the Borrower undertakes to notify the Bank immediately, no later than 48 hours after the incident, share the national authority's investigation report and, if deemed necessary by the Bank, prepare an independent analysis report on the root causes of the incident to be approved by the Bank in view of implementation. These obligations are reflected in the E&S conditions contained in the financing agreement. In view of the above, the project is compliant and ready for Board presentation, as evident in the ESCON Annexed hereto

3.3.2. Climate Change and Green Growth

This operation is about additional financing for an initial operation classified under Category 2 in accordance with the Bank Group's Climate Safeguards System. The activities planned under the additional financing are similar to those of the original operation in terms of climate sensitivity. Specifically, the additional financing would help to further strengthen the climate resilience of the rice and market gardening value chains by expanding investment into hydro-agricultural works, low-carbon (solar) irrigation technologies, and farmers' capacity-building on climate-resilient farming systems. Hence, the project is classified in the same climate category as the original operation (Category 2), since the planned additional financing activities could be exposed to certain physical climatic risks, in particular extreme hydro-climatic risks (droughts, floods, heavy rainfall), which could damage irrigation infrastructure and/or affect their capacity to constantly supply water to irrigated areas and farms.

Particular attention will therefore be paid to the aforementioned potential climatic hazards during the design and construction of hydro-agricultural infrastructure, in line with Guinea-Bissau's climate projections. The bidding documents (BDs) and ToRs for the recruitment of works consultants must ensure that the design of all infrastructure and works factors in the potential physical climatic risks to which the project could be exposed, as well as climate-smart infrastructure principles that are consistent with Guinea-Bissau's climate projections.

The project was assessed using the Paris Agreement alignment criteria established by multilateral development banks. Non-alignment factors were identified, and specific measures were adopted to ensure the project's climate alignment. The project therefore meets the provisions and criteria for alignment with the objectives of the Paris Agreement, which aims to limit global warming to below 2°C and increase the capacity of countries to cope with the impacts of climate change. Overall, the project will contribute largely to the implementation of the Bank's Strategic Framework on Climate Change and Green Growth (2021-2030). The project interventions are also well aligned with the adaptation options set out in Guinea-Bissau's Nationally Determined Contribution (NDC), with particular emphasis on hydro-agricultural works and investments in irrigation and water management technologies.

3.4. Other Cross-cutting Priorities

3.4.1. Poverty Reduction, Inclusion and Job Creation

The National Statistics Institute's (INS) latest poverty survey was conducted from 2018 to 2019 with the support of technical and financial partners. The data shows that 47.7% of the population of Guinea-Bissau is poor, with 13.7% living in extreme poverty. Such poverty rate, however, masks regional disparities. Although the rate in the capital city, Bissau, is estimated at 21.3%, the poverty rate in the Oio, Quinara, and Bafata regions that make up the project area is 61.5%, on average.

Regarding employment, despite the absence of recent statistics, unemployment among women and young people, particularly in urban areas, is a disturbing situation. Young people are largely affected by poverty (80% of poor persons are aged between 15 and 35 years). Entrepreneurship, notably among women, is largely dynamic in the informal sector but creates few decent jobs.

The project targets vulnerable populations in the country's poorest regions, in a bid to improve their incomes and create around 1 300 decent jobs.

3.4.2. Resilience-building Opportunities

The factors of fragility in the agricultural sector in Guinea-Bissau, as identified under the original project, have not changed significantly. Agriculture continues to face several major challenges with a significant impact on the socio-economic conditions of vulnerable groups, thus exacerbating the country's fragility. Firstly, the country suffers from chronic food shortages, with deficits in the production of basic foodstuffs, particularly rice, which has led to dependence on costly food imports. In addition, political and economic instability has hampered the development of the sector, discouraging investments and undermining job creation. Limited access to quality education has promoted a vicious vulnerability cycle, with young people (both boys and girls) and women being particularly disadvantaged.

The GAFSP additional financing is essential for improving the socio-economic conditions of the most vulnerable people by mitigating these challenges. By supporting initiatives to increase food production, the AF directly help to improve the population's food security, thereby reducing the vulnerability of households. In addition, by promoting investment in infrastructure and public services, the GAFSP financing increases access by local communities to essential services, thereby improving their quality of life and stimulating economic growth. Through financing of skills development programmes, particularly for young people and women, GAFSP provides opportunities for employment and economic empowerment, thereby helping to break the fragility cycle. Overall, the GAFSP financing is an opportunity to improve the socio-economic conditions of the people of Guinea-Bissau, thereby building the country's resilience to persisting challenges.

3.4.3. Gender Equality and Women's Empowerment

The overall PACVEAR project (original project and additional financing) is classified in Category 2, in line with the Bank's Gender Marker System (GMS). The project impacts contribute to the economic inclusion of smallholder farmers, particularly women, by improving their productivity, income, and food and nutritional security, as well as that of their families. Like all Category 2 projects, it is characterised by a gender analysis, a gender action plan, and a results framework that reflects gender commitments.

The project's gender analysis does not differ in substance from that of the original project but presents updated data where available. The identified challenges include: the poverty of rural women; their limited access to education, training, health care, and land ownership; their limited access to credit and technology, which undermines the productivity of their family farms; the drudgery of their tasks (e.g. rice husking); a high fertility rate and the burden of domestic chores, which leaves little time for paid work and keeps girls away from school, a situation compounded by limited household incomes, forced marriages, and early pregnancies; beliefs which subject women to men (considered to be family heads, community elders and leaders of various organisations, including those dedicated to women), thereby limiting their voice and decision-making powers.

The measures introduced under the original project to address these challenges will be maintained for the additional financing operation targeting the rice and market gardening sub-sectors, namely: improving women's access to land, water, inputs and production techniques, and to produce storage, processing and marketing facilities; increasing their participation and role in management mechanisms. Moreover, the additional financing will provide the following measures: women's access to markets and innovative and climate-smart farming techniques; incentives to keep girls and children with disabilities in school (school nutrition component); capacity development for project beneficiaries and partners on gender mainstreaming, particularly at the local level, to ensure the sustainability of approaches and outcomes after project completion (training, gender specialist at project management unit). The gender analysis and relevant action plan are detailed in Annex 3.3.

4. LEGAL INSTRUMENTS AND AUTHORITY

4.1. Legal Instrument

The legal instruments for the financing of this operation are: (i) an ADF grant agreement for the sum of UA 1.5 million and (ii) GAFSP grant agreement for the sum of USD 10 million, with the Bank acting as the supervisory entity for both.

4.2. Conditions Associated with the Bank's Intervention

The Bank's intervention shall be subject to fulfilment of the following conditions:

A. Conditions precedent to effectiveness

The two grant agreements shall be effective on their date of signature.

B. Conditions precedent to first disbursement

The Bank's first disbursement of the grants shall be subject to the effectiveness of the grant agreement and fulfilment by the Grant Recipient, as to form and substance, of the following conditions to the satisfaction of the Bank:

- (a) Submission of satisfactory evidence attesting to the establishment of the Project Management Unit (PMU) within the Executing Agency or extension of the mandate of an existing PMU.
- (b) Submission of supporting documents attesting to the appointment or recruitment of the PMU Coordinator and Administrative and Finance Officer, whose qualifications and terms of reference have been deemed acceptable by the Fund.
- (c) Submission of satisfactory evidence that the selection of designated PMU staff complies with the provisions of the Bank's Policy on Eligible Expenditure.
- (d) Submission of performance contracts, acceptable to the Bank, for designated PMU staff ensuring that their remuneration is commensurate to the achievement of relevant performance indicators.
- (e) Submission of evidence that the Project Steering Committee (PSC) is established, and its responsibilities defined.
- (f) Submission of evidence that the project is included in the 2024 State budget and is part of the Public Investment Programme.
- (g) Evidence of the opening at BCEAO or a commercial bank, acceptable to the Bank, of three special accounts in the name of PACVEAR to receive the GAFSP grant resources allocated to Component 2 of the additional financing, and the GAFSP and ADF grant resources allocated to operating costs, respectively.

C. Condition precedent to use of the special account method

Use of the special account method is subject to reimbursement, by the country, of expenditure deemed ineligible by the Bank under the Economic and Financial Governance Strengthening Support Project (PARGEF) that closed on 31 July 2022, in the amount of CFAF 28 123 210.

D. Conditions precedent to disbursements for works

Apart from the aforementioned *conditions precedent to grant effectiveness and to first disbursement*, the disbursement of grant resources for works under the Environmental and Social Management Framework (ESMF) shall be subject to fulfilment, by the Recipient, of the following additional conditions:

- (a) Submission of the site-specific E&S impact assessment (ESIA/ESMP) and, where applicable, the resettlement plan for works, in keeping with the ESMF and the Bank's E&S safeguards policies, as to form and substance, to the satisfaction of the Bank; and
- (b) Presentation of satisfactory evidence that all project-affected persons (PAPs) on a given site, have been compensated and/or resettled in accordance with the site-specific

ESMP, site-specific resettlement plan, and/or agreed works and compensation schedule, prior to the commencement of works on the site and, in any event, prior to their relocation and/or the expropriation of their land and related property.

E. Other commitments

The Grant Recipient undertakes to submit, to the satisfaction of the Bank:

- the PACVEAR procedures manual, updated with the additional financing information, no later than one month after grant effectiveness;
- the agreement between MADR and WFP on the implementation of Component 2 of the additional financing, no later than 6 (six) months after signature of the GAFSP grant agreement.

Environmental and social safeguards: The Recipient shall, and must require the Executing Agency and all its contractors, subcontractors and staff to:

- (a) implement the project in accordance with the Environmental and Social Management Plan (ESMP), Bank policies and applicable national legislation, in a manner and format satisfactory to the Bank;
- (b) prepare and submit to the Bank, as part of the project report referred to in Section 7.01 (project report) of this Agreement, quarterly reports on ESMP implementation no later than the 7th of the month following the end of the quarter, including any relevant information on shortcomings and their corresponding solutions;
- (c) refrain from any action that would undermine or hinder the implementation of the ESMP, including any modification, suspension, waiver and/or cancellation of any provision thereof, in whole or in part, without the prior written consent of the Bank; and
- (d) cooperate fully with the Bank if project implementation or a change in project scope results in the unexpected displacement and/or resettlement of persons, and refrain from commencing works on a project site until all the PAPs have been compensated and/or resettled in accordance with a RAP prepared by the Recipient.

4.3. **Compliance with Bank Policies**

- This project complies with all applicable Bank policies.
- There are exceptions to Bank policies.

Independent Recourse Mechanism of the African Development Bank Group

Communities and individuals who deem that they have been adversely affected by a project financed by the African Development Bank may file complaints with existing redress mechanisms at the project level or with the Bank's Independent Recourse Mechanism (IRM). The IRM ensures that communities and individuals affected by a project can submit their complaints to the Bank's Independent Recourse Mechanism, which determines whether harm has occurred or may occur through the Bank's failure to comply with its policies and procedures. To file a complaint or request further information, kindly refer to or visit the IRM website. Complaints may be filed at any time after the issue has been brought directly to the attention of the Bank and Bank management has had an opportunity to respond, before referring to the IRM.

5. **RECOMMENDATION**

Management recommends that the Board of Directors should approve the proposal to award additional financing in the form of an ADF grant of UA 1.5 million and a grant of USD 10 million to Guinea-Bissau for the purposes and subject to the conditions set out in this report.

6. RESULTS FRAMEWORK

LOGICAL FRAMEWORK OF THE REVISED PROJECT					
A PROJECT INFORMATION					
PROJECT NAME AND SAP CODE:		COUNTRY/REGION: Guinea-Bissau, West Africa			
PROJECT DEVELOPMENT OBJECTIVE: To improve the production, nutrition and income of rural smallholder farmers through support for value chains and agricultural entrepreneurship					
ALIGNMENT INDICATORS (S):		<i>People living below the poverty line</i> <i>Number of people suffering from hunger or malnutrition</i>			
B RESULTS MATRIX					
RESULTS CHAIN AND DESCRIPTION OF INDICATORS	RMF indicators	UNIT	BASELINE (2018)	TARGET AT COMPLETION (2027)	Means of verification
Outcome 1: Average income of rural farming households improves					
Average annual income of rice farming households	☒	XOF	104 500	355 000	- Surveys - Periodic monitoring reports
Average annual income of market gardening households	☒	XOF	85 862	198 000	- Annual reports - Surveys - Periodic monitoring reports
Outcome 2: Nutrition in the project area improves					
Food consumption score (GAFSP tier 1)	☒	%	(2022) Men 89 Women 89.7	Men 95 Women 95	WFP surveys
Children aged 6 to 23 months with an acceptable diet (GAFSP tier 1)	☒	%	(2022) Boys 8.6 Girls 5.4	Boys 15 Girls 15	WFP surveys
Women aged 15 to 49 years with minimal dietary diversity (GAFSP tier 1)	☒	%	(2022) 41.8	50%	WFP surveys
Outcome 3: Agricultural production increases					
Quantity of rice produced		Ton	135 000 (2018)	141 150	- Surveys - Periodic monitoring reports
Quantity of market garden produce		Ton	6 000 (2018)	9 800	- Surveys - Periodic monitoring reports
Agriculture productivity		Ton/ha	(2022) Rice : 3 Onion: 5 Cabbage: 4 Tomato: 4.5	Rice : 5 Onion: 15 Cabbage: 10 Tomato: 9.5	- Surveys - Periodic monitoring reports
Outcome 4: School enrolment in the project area improves					
School enrolment rates		%	0 (2022)	3%	- Periodic monitoring reports - School registers
School attendance rates		%	Girls = 94.9 Boys = 94.5 (2022)	Boys 97% Girls 97%	Periodic monitoring reports - School registers
Outcome 5: Jobs are created					
Number of additional jobs		Nb	0 (2023)	1 300 (2025)	- Periodic monitoring reports - School registers
COMPONENT 1: Improve the competitiveness of agricultural value chains (rice and market gardening)					
Output 1.1: Cultivated areas rehabilitated/developed					
Additional rice fields developed		Ha	0 (2022)	430 (40% women)	- Surveys - Periodic monitoring reports
Additional vegetable farms developed		Ha	0 (2022)	40 (90% women)	- Annual reports - Surveys - Periodic monitoring reports
Land area where climate-smart agriculture practices are implemented (hectare)		ha	(0) 2022	430 GAFSP: 200 ha	- Annual reports - Surveys - Periodic monitoring reports
Output 1.2: Transformative and protective infrastructure developed					
Road constructed or rehabilitated		Km	0 (2023)	25	- Surveys - Periodic monitoring reports
Number of processing, storage, and market facilities constructed and/or rehabilitated (facility)		Nb	0 2023	23 Warehouse: 3	

				Vaccination Park: 06 Boreholes: 05 Packaging unit: 1	
Anti-erosion dikelets constructed		Km	0 (2018)	20	- Surveys - Periodic monitoring reports
Surface area protected through reforestation		Km	0 (2018)	30	- Surveys - Periodic monitoring reports
Output 1.3: Farmers' associations structured, organised, and supported					
Number of people receiving direct benefits		(person)	(0) 2023	35 000 Women 13 000	Surveys - Periodic monitoring reports
Management committees comprising 40% of women set up and strengthened		Nb	0 (2018)	44	- Surveys - Periodic monitoring reports
Number of producer-based organizations supported (organization)		Nb	0 (2018)	32 (50% women)	- Surveys - Periodic monitoring reports
Persons trained in farming techniques and farm management		Nb	0 (2018)	22 000 (50% women)	- Surveys - Periodic monitoring reports
Persons who have received improved nutrition services and products		Nb	(0) 2022	1500 Women:1 200	Surveys - Periodic monitoring reports
Demonstration rice farms established for SRI		Nb	0 (2022)	4	- Surveys - Periodic monitoring reports
Demonstration vegetable farms established		Nb	0 2022	5	- Surveys - Periodic monitoring reports
Study/exchange trips organised		Nb	0 2022)	4	- Surveys - Periodic monitoring reports
Output 1.4: Rice seed sub-sector structured and developed					
Seed action plan designed		Nb	0 (2018)	1	- Surveys - Periodic monitoring reports
Economic interest groups of seed producers established and strengthened		Nb	0 (2018)	2	- Surveys - Periodic monitoring reports
Size of INPA seed farms established		Ha	0 (2018)	15	- Surveys - Periodic monitoring reports
Size of seed production units established		Ha	0 (2018)	40	- Surveys - Periodic monitoring reports
Climate-resistant rice seeds procured for the developed sites		Kg	0 (2018)	21 500	- Surveys - Periodic monitoring reports
COMPONENT 2: Promote agricultural and rural entrepreneurship					
Output 2.1: Youth entrepreneurship supported					
Young entrepreneurs incubated and supported		Nb	0 (2018)	100 (30% women)	- Surveys - Periodic monitoring reports
Existing private economic initiatives supported		Nb	0 (2018)	450 (30% women)	- Surveys - Periodic monitoring reports
Husking machines procured and set up		Nb	0 (2018)	40 (100% women)	- Surveys - Periodic monitoring reports
Mini dairy facilities set up		Nb	(2018)0	1	- Surveys - Periodic monitoring reports
Veterinary aides trained and equipped		Nb	0	15	- Surveys - Periodic monitoring reports
Initiatives carried out to produce and market local products and fortified foods		Nb	0	50 (50% women)	- Surveys - Periodic monitoring reports
Farmers that are supported in accessing improved marketing opportunities (farmer)*		Nb	0 2022	300 (50% women)	- Surveys - Periodic monitoring reports
Output 2.2: School canteens supported					
Pupils benefit from school canteens		Nb	75 733 2022	76 700 (48% women)	- Surveys - Periodic monitoring reports - School registers
Volume of local purchases for school canteens		T	251 (2022)	2 500	- Surveys - Periodic monitoring reports - Register of schools
Output 2.3: Capacities of MAFDR and other technical partners developed					
Persons receiving capacity development support		nb	0 (2022)	45 Women: 20	- Surveys - Periodic monitoring reports
Civil society organisations involved in implementing the project/NGO		Nb	0 2022	5	- Surveys - Periodic monitoring reports

7. CHANGES TO THE RESULTS FRAMEWORK OF THE ORIGINAL PROJECT

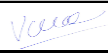

CHANGES TO THE PROJECT RESULTS FRAMEWORK		
Revisions to the Results Framework		Comments/Rationale
PROJECT DEVELOPMENT OBJECTIVE		
<i>Current</i>	<i>Proposed modification</i>	
Improve the rice and market gardening subsector production environment and promote enterprises in all segments of the targeted sub-sector value chains	<input checked="" type="checkbox"/> No change <input type="checkbox"/> Revised <input type="checkbox"/> New	This is the objective of the original project
RESULTS STATEMENTS AND INDICATORS		
<i>Current</i>	<i>Proposed modification</i>	
Outcome 1: Improved average income of rural farm households	<input checked="" type="checkbox"/> No change <input type="checkbox"/> Revised <input type="checkbox"/> New	
<u>Indicator 1.1</u> : Average annual income of rice-growing households increases	<input checked="" type="checkbox"/> No change <input type="checkbox"/> Revised <input type="checkbox"/> New	
<u>Indicator 1.2</u> : Average annual income of market gardening households increases	<input checked="" type="checkbox"/> No change <input type="checkbox"/> Revised <input type="checkbox"/> New	
Agriculture productivity	<input type="checkbox"/> No change <input type="checkbox"/> Revised <input checked="" type="checkbox"/> New	GAFSP indicator
Outcome 2: Nutrition in the project area improves	<input type="checkbox"/> No change <input type="checkbox"/> Revised <input checked="" type="checkbox"/> New	Nutrition-related activities have been introduced and will be implemented by the WFP
<u>Indicator 2.1</u> : Food consumption score improves (GAFSP tier 1)	<input type="checkbox"/> No change <input type="checkbox"/> Revised <input checked="" type="checkbox"/> New	Indicator required by GAFSP and WFP
<u>Indicator 2.2</u> : Children aged 6-23 months with an acceptable diet (GAFSP tier 1)	<input type="checkbox"/> No change <input type="checkbox"/> Revised <input checked="" type="checkbox"/> New	Indicator required by GAFSP and WFP
Effect 3: Agricultural production increases	<input type="checkbox"/> No change <input type="checkbox"/> Revised <input type="checkbox"/> New	
<u>Indicator 3.1</u> : Quantity of rice cultivated	<input type="checkbox"/> No change <input checked="" type="checkbox"/> Revised <input type="checkbox"/> New	Revised to factor production rise due to increased cultivated surface area
<u>Indicator 3.2</u> : Quantity of market garden produce	<input type="checkbox"/> No change <input checked="" type="checkbox"/> Revised <input type="checkbox"/> New	Revised to factor production rise due to increased cultivated surface area
Impact 4: School enrolment in the project area improves	<input type="checkbox"/> No change <input type="checkbox"/> Revised <input checked="" type="checkbox"/> New	Indicator introduced to measure the outcomes of the school canteen component to be implemented by the WFP
<u>Indicator 4.1</u> : School enrolment rates increase	<input type="checkbox"/> No change <input type="checkbox"/> Revised <input checked="" type="checkbox"/> New	Indicator introduced to measure the impact of the school canteen component to be implemented by the WFP
<u>Indicator 4.2</u> : Pupils' school attendance rate	<input type="checkbox"/> No change <input type="checkbox"/> Revised <input checked="" type="checkbox"/> New	Indicator introduced to measure the impact of the school canteen component to be implemented by the WFP

I STATEMENT OF RESULTS AND INDICATORS		
COMPONENT 1: Improve the competitiveness of agricultural value chains (rice and market gardening)		
<i>Current</i>	<i>Proposed modification</i>	
Output 1.1: Cultivated areas rehabilitated/developed	<input type="checkbox"/> No change <input checked="" type="checkbox"/> Revised <input type="checkbox"/> New	Introducing planned new developments
Indicator 1.1.1: Additional vegetable farms developed	<input type="checkbox"/> No change <input checked="" type="checkbox"/> Revised <input type="checkbox"/> New	New planned cultivated areas (180 ha)
Indicator 1.1.2: Additional vegetable farms developed	<input type="checkbox"/> No change <input checked="" type="checkbox"/> Revised <input type="checkbox"/> New	To factor planned new cultivated areas (40 ha)
Land area where climate-smart agriculture practices are implemented (hectare)	<input type="checkbox"/> No change <input type="checkbox"/> Revised <input checked="" type="checkbox"/> New	GAFSP indicator
Output 1.2: Construction of transformative support and protective infrastructure developed	<input type="checkbox"/> No change <input checked="" type="checkbox"/> Revised <input type="checkbox"/> New	To introduce other infrastructure as part of the AF
Indicator 1.2.1: Road constructed or rehabilitated	<input checked="" type="checkbox"/> No change <input type="checkbox"/> Revised <input type="checkbox"/> New	Change of the name of the indicator
Indicator 1.2.2: Number of processing, storage, and market facilities constructed and/or rehabilitated (facility)	<input checked="" type="checkbox"/> No change <input type="checkbox"/> Revised <input type="checkbox"/> New	To introduce 3 additional warehouses as part of the AF. GAFSP indicator
Indicator 1. 2.4: Anti-erosion dikelets constructed	<input checked="" type="checkbox"/> No change <input type="checkbox"/> Revised <input type="checkbox"/> New	
Indicator 1. 2.4: Protection of the various farms through reforestation	<input checked="" type="checkbox"/> No change <input type="checkbox"/> Revised <input type="checkbox"/> New	
Output 1.3: Farmers' associations structured, organised, and supported	<input type="checkbox"/> No change <input checked="" type="checkbox"/> Revised <input type="checkbox"/> New	Revised to consider planned new cultivated areas in the AF
Number of people receiving direct benefits	<input type="checkbox"/> No change <input type="checkbox"/> Revised <input checked="" type="checkbox"/> New	GAFSP indicator
Indicator 1.3.1: Management committees comprising 40% of women established and strengthened	<input checked="" type="checkbox"/> No change <input type="checkbox"/> Revised <input type="checkbox"/> New	
Number of producer-based organizations supported (organization)	<input type="checkbox"/> No change <input type="checkbox"/> Revised <input checked="" type="checkbox"/> New	GAFSP indicator
Indicator 1.3.2: Women's organisations (groups/associations) supported and structured	<input checked="" type="checkbox"/> No change <input type="checkbox"/> Revised <input type="checkbox"/> New	
Indicator 1.3.3: Training in production techniques and farm management provided	<input checked="" type="checkbox"/> No change <input type="checkbox"/> Revised <input type="checkbox"/> New	Increase in the proportion of women from 30% to 50%
Persons who have received improved nutrition services and products	<input type="checkbox"/> No change <input type="checkbox"/> Revised <input checked="" type="checkbox"/> New	GAFSP indicator
Indicator 1.3.4: Demonstration rice fields established	<input type="checkbox"/> No change <input checked="" type="checkbox"/> Revised	Revised to consider INPA needs

	<input type="checkbox"/> New	
Indicator 1.3.5: Demonstration vegetable farms established	<input type="checkbox"/> No change <input type="checkbox"/> Revised <input checked="" type="checkbox"/> New	Introduced to consider INPA needs
Indicator 1.3.6: Study /exchange trips organised	<input checked="" type="checkbox"/> No change <input type="checkbox"/> Revised <input type="checkbox"/> New	
Output 1.4: Rice seed subsector structured and developed	<input checked="" type="checkbox"/> No change <input type="checkbox"/> Revised <input type="checkbox"/> New	
Indicator 1.4.1: Development of a seed action plan supported	<input checked="" type="checkbox"/> No change <input type="checkbox"/> Revised <input type="checkbox"/> New	
Indicator 1.4.2: Logistical support for seed laboratory and INPA provided	<input checked="" type="checkbox"/> No change <input type="checkbox"/> Revised <input type="checkbox"/> New	
Indicator 1.4.3: Economic interest groups for seeds producers established and strengthened	<input checked="" type="checkbox"/> No change <input type="checkbox"/> Revised <input type="checkbox"/> New	
Indicator 1.4.4: INPA seed farm developed	<input checked="" type="checkbox"/> No change <input type="checkbox"/> Revised <input type="checkbox"/> New	
Indicator 1.4.5: Seed multiplication farms established	<input checked="" type="checkbox"/> No change <input type="checkbox"/> Revised <input type="checkbox"/> New	
Indicator 1.4.6: Climate-resistant rice seeds procured and distributed	<input type="checkbox"/> No change <input type="checkbox"/> Revised <input checked="" type="checkbox"/> New	To check the quantities of seeds acquired and distributed under the AF
COMPONENT 2: Promote agricultural and rural entrepreneurship		
Output 2.1: Youth entrepreneurship supported	<input checked="" type="checkbox"/> No change <input type="checkbox"/> Revised <input type="checkbox"/> New	
Indicator 2.1.1: Incubation and support provided to young entrepreneurs	<input checked="" type="checkbox"/> No change <input type="checkbox"/> Revised <input type="checkbox"/> New	
Indicator 2.1.2: Existing private economic initiatives supported	<input checked="" type="checkbox"/> No change <input type="checkbox"/> Revised <input type="checkbox"/> New	
Indicator 2.1.3: Husking machines procured and set up	<input type="checkbox"/> No change <input checked="" type="checkbox"/> Revised <input type="checkbox"/> New	There are also plans to procure 10 husking machines under the AF
Indicator 2.1.4: Mini dairy facility set up	<input checked="" type="checkbox"/> No change <input type="checkbox"/> Revised <input type="checkbox"/> New	
Indicator 2.1.5: Veterinary aides trained and equipped	<input checked="" type="checkbox"/> No change <input type="checkbox"/> Revised <input type="checkbox"/> New	
Indicator 2.1.6: Initiatives taken to produce and market local products and fortified foods	<input checked="" type="checkbox"/> No change <input type="checkbox"/> Revised <input type="checkbox"/> New	
Indicator 2.1.7: Young entrepreneurs benefit from marketing activities	<input type="checkbox"/> No change <input type="checkbox"/> Revised <input checked="" type="checkbox"/> New	The AF includes marketing activities benefiting young entrepreneurs

Farmers that are supported in accessing improved marketing opportunities (farmer)	<input type="checkbox"/> No change <input type="checkbox"/> Revised <input checked="" type="checkbox"/> New	GAFSP indicator
I Output 2: School canteens supported	<input type="checkbox"/> No change <input type="checkbox"/> Revised <input checked="" type="checkbox"/> New	Support for school canteens is a major component of the AF, to be implemented by the WFP
Indicator 2.2.1: Pupils benefit from school canteens	<input type="checkbox"/> No change <input type="checkbox"/> Revised <input checked="" type="checkbox"/> New	This indicator measures the number of pupils enrolled in school canteens
Indicator 2.2.2: Volume of local school canteens purchases	<input type="checkbox"/> No change <input type="checkbox"/> Revised <input checked="" type="checkbox"/> New	This indicator measures the volume of local agricultural products (rice, maize, vegetables) purchased in school canteens
I Output 3: capacities of MAFDR and other technical partners developed	<input checked="" type="checkbox"/> No change <input type="checkbox"/> Revised <input type="checkbox"/> New	
Indicator 2.3.1: Capacities of MAFDR staff developed	<input type="checkbox"/> No change <input type="checkbox"/> Revised <input checked="" type="checkbox"/> New	
Persons receiving capacity development support	<input type="checkbox"/> No change <input type="checkbox"/> Revised <input checked="" type="checkbox"/> New	GAFSP
Indicator 2.3.2: Civil society organisations involved in project implementation/NGO	<input type="checkbox"/> No change <input type="checkbox"/> Revised <input checked="" type="checkbox"/> New	This indicator measures the level of involvement of civil society in the project

8. ENVIRONMENTAL AND SOCIAL COMPLIANCE REPORT (ESCON)

A. Basic Information ¹			
Project Title: Support to Value Chains and Agricultural and Rural Entrepreneurship (PACVEAR-Additional Funding)		Project "SAP code": P-GW-A/	
Country: Guinea Bissau	Lending Instrument ² : DI <input checked="" type="checkbox"/> FI <input type="checkbox"/> CL <input type="checkbox"/> BS <input type="checkbox"/> GU <input type="checkbox"/> RPA <input type="checkbox"/> EF <input type="checkbox"/> RBF <input type="checkbox"/>		
Project Sector: Agriculture	Task Team Leader: Aimé BICABA		
Appraisal date: June 19 to 26, 2023	Estimated Approval Date: 20/11/2023		
Environmental Safeguards Officer: Mikidarou ISSIFOU IBRAHIMA/Gratien BONI			
Social Safeguards Officer: xxx			
Environmental and Social Category: 2	Date of categorization: 23/05/2023	Operation type: SO <input checked="" type="checkbox"/> NSO <input type="checkbox"/> P <input type="checkbox"/>	
Is this project processed under rapid responses to crises and emergencies?		Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Is this project processed under a waiver to the Integrated Safeguards System?		Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
B. Disclosure and Compliance Monitoring			
B.1 Mandatory disclosure			
Environmental Assessment/Audit/System/Others (specify: Pest Management Plan –(PMP))			
Was/Were the document (s) disclosed <i>prior to appraisal</i> ?		Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/> NA <input type="checkbox"/>
Date of "in-country" disclosure by the borrower/client		22/11/2022	
Date of receipt, by the Bank, of the authorization to disclose		28/11/2022	
Date of disclosure by the Bank		15/12/2022	
Resettlement Action Plan/Framework/Others (specify: NA.			
Was/Were the document (s) disclosed <i>prior to appraisal</i> ?		Yes <input type="checkbox"/>	No <input type="checkbox"/> NA <input checked="" type="checkbox"/>
Date of "in-country" disclosure by the borrower/client		[Date]	
Date of receipt, by the Bank, of the authorization to disclose		[Date]	
Date of disclosure by the Bank		[Date]	
Vulnerable Peoples Plan/Framework/Others (specify: NA.			
Was the document disclosed <i>prior to appraisal</i> ?		Yes <input type="checkbox"/>	No <input type="checkbox"/> NA <input checked="" type="checkbox"/>
Date of "in-country" disclosure by the borrower/client		[Date]	
Date of receipt, by the Bank, of the authorization to disclose		[Date]	
Date of disclosure by the Bank		[Date]	
If in-country disclosure of any of the above documents is not expected, please explain why: NA.			
B.2. Compliance monitoring indicators			
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?		Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/> NA <input type="checkbox"/>
Have costs related to environmental and social measures, including for the running of the grievance redress mechanism, been included in the project cost?		Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/> NA <input type="checkbox"/>
Is the total amount for the full implementation for the Resettlement of affected people, as integrated in the project costs, effectively mobilized and secured?		Yes <input type="checkbox"/>	No <input type="checkbox"/> NA <input type="checkbox"/>
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?		Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/> NA <input type="checkbox"/>
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?		Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/> NA <input type="checkbox"/>
C. Clearance			
Is the project compliant to the Bank's environmental and social safeguards requirements, and to be submitted to the Board?			
		Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Prepared by:	Name	Signature	Date
Environmental Safeguards Officer:	Mikidarou ISSIFOU IBRAHIMA /Gratien BONI		28/10/2023
Social Safeguards Officer:	xxxxx		
Task Team Leader:	Aimé BICABA		31/10/2023
Submitted by:			
Sector Director:	Vincent CASTEL OiC for Martin FREGENE/		02/11/2023
Cleared by:			
Director SNSC:	Maman-Sani ISSA		05/11/2023

¹ Note: This ESCON shall be appended to project appraisal reports/documents before Senior Management and/or Board approvals.

² DI=Direct Investment; FI=Financial Intermediary; CL=Corporate Loan; BS=Budget Support; GU=Guarantee; RPA=Risk Purchase Agreement; EF=Equity Financing; RBF=Results Based Financing.

9. AF ELIGIBILITY CRITERIA

AF eligibility criteria relating to cost overrun	Compliance (Yes/No)	Justification/reference to the relevant paragraphs
<p>i. Satisfactory project performance: Development objective (DO) rating of 3 or above (satisfactory); Implementation progress (IP) rating of 3 or above (satisfactory); The achievements/outcomes and results reported following the latest project investment policy review show that its impact to date has been consistent with the expectations set out in the resettlement plan; Key loan/grant provisions are largely complied with, including auditing, financial management, and environmental and social safeguards reporting requirements; projects with fiduciary or environmental and social safeguard difficulties or other documented issues should have resolved such issues or developed a feasible action plan prior to assessment of the additional financing; projects that experienced implementation difficulties in the past should have resolved such difficulties and be running smoothly for at least 6 months prior to the AF request.</p>	Yes	The project is non-problematic, based on the Bank's performance rating system.
<p>ii. The provision of additional financing is a better option compared with starting a new project.</p>	Yes	The AF is the best option as activities are inter-linked and are carried out in the same area targeted by the original project.
<p>iii. Overall, the project is aligned with the relevant Bank strategies, priorities and policies, as well as with national, regional and sector priorities, and the general environment is conducive to its success.⁴⁵</p>	Yes	<p>The project is clearly in line with Guinea-Bissau's strategic policies, in particular the Terra Ranka strategic and operational plan (2015-2025). It is consistent with Sub-programme 1: "Promotion of Plant Production Sub-sectors" of the 2nd generation National Agricultural Investment Programme (PNIA), adopted in December 2017, and with the National Food Security Programme (PNSA). It is aligned with Guinea-Bissau's Nationally Determined Contribution to the Paris Climate Agreement.</p> <p>The project objectives are consistent with the Bank's "High 5s". The project is aligned with CSP 2022-2026, the Bank's Gender Strategy, and its Climate Change Policy.</p>
<p>iv. The project is broadly in line with the development objectives of the original project.⁶</p>	Yes	The development objective of the AF is the same as that of the original project.
<p>v. Broadly, the project is technically feasible.</p>	Yes	The technical solutions adopted are based on previous experience and have been discussed with the beneficiaries and the Government.
<p>vi. Broadly, the project is economically and financially sustainable.</p>	Yes	ERR was 15.1% and IRR 13.1%.

vii. The institutional, fiduciary, environmental and social arrangements for the overall project are satisfactory.	Yes	The operation will be managed by the original project PMU. The adopted environmental and social measures are relevant.
viii. The risk mitigation measures for the overall project are satisfactory. ⁷	Yes	The recommended mitigation measures are relevant and make it possible to manage the identified risks.
ix. The project's quality at entry (QaE) and its overall credit risk assessments are deemed satisfactory for sovereign operations financed by ADB resources in ADF-only countries.	Yes	The final design and environmental/social impact studies for this operation are available.
x. The reasons for cost overrun are beyond the control of the Borrower/Recipient; such reasons could not be foreseen during project preparation and the Borrower/Recipient provides a justification therefor; the Borrower/Recipient is not in a position to make AF available; Moreover, the Borrower/Recipient has not found other lenders, and this justifies the request for additional financing from the Bank Group.	Yes	See point
xi. The project cannot be downsized without undermining its capacity to achieve its development objectives and sustainability.	No	Downsizing the project would undermine project objectives in terms of produced volumes (rice and market gardening).
xii. The AF is less than 30% of the cost of the original project (net of taxes and duties).	No	The AF includes other investments approved by the GAFSP.
xiii. Could the Borrower/Recipient or the project executing entity have taken steps earlier to prevent the cost overrun?	No	The reasons for cost overrun were difficult to foresee and the amount to be mobilised by Borrower is huge.
xiv. Were the conclusions of the supervising engineer's reports factored into the analysis?	Yes	It is the engineer's reports that highlighted the cost overrun.
xv. Were sufficient time and budget resources allocated to pre-construction activities, including the preparation and detailed review of engineering designs (e.g. updating designs with new information on costs, finetuning projections on the price trends of civil engineering inputs and conducting an in-depth technical review to ensure the quality of engineering designs)? Have adequate financial arrangements been made regarding compensation and mitigation measures prior	Yes	The consulting engineer was given all the time needed to conduct the studies, which concluded that the project will not require any compensation.

⁴ Original project and additional financing project.

⁵ "Region" means any recognized group of Regional Member Countries (RMCs) whose mandate is consistent with that of the Bank Group (regional economic communities, river basin organisations, etc.).

⁶ Project objectives may be the original project objectives (such as additional financing for cost overrun, financing shortfalls or project modifications) or revised objectives (in case of project modification or extension).

⁷ Subject to approval by the Credit Risk Committee regarding exposure limits and availability of resources.

to the commencement of reconstruction?		
xvi. Have the engineer's estimates been updated to reflect market value at appraisal and have adequate allocations been made for risks associated with provisioning delays?	Yes	The consulting engineer's estimates have been updated and an amount has been allocated in the budget for possible contingencies.
xvii. Is time between project preparation and implementation minimized to reduce the likelihood of a cost overrun resulting from higher-than-expected bid prices?	Yes	The technical studies were completed in July 2023.
AF Eligibility criteria relating to scale-up of the project	Compliance (Yes / No)	Justification/reference to relevant paragraphs
Development objective (DO) rating of 3 or above (satisfactory); Implementation progress (IP) rating of 3 or above (satisfactory); The achievements/outcomes and results reported following the latest project investment policy review show that its impact to date has been consistent with the expectations set out in the resettlement plan; Key loan/grant provisions are largely complied with, including auditing, financial management, and environmental and social safeguards reporting requirements; projects with fiduciary or environmental and social safeguard difficulties or other documented issues should have resolved such issues or developed a feasible action plan prior to assessment of the additional financing; projects that experienced implementation difficulties in the past should have resolved such difficulties and the project running smoothly for at least 6 months prior to the AF request.	No	The project is non-problematic, based on the Bank's performance rating system.
i. Is additional financing for additional or expanded activities the best mechanism to optimise project development impact and outcomes in the area or sector concerned, compared with other instruments such as a repeated project, an entirely new operation or even non-lending instruments? In other words, is additional financing better than starting a new operation?	Yes	Additional financing is the best mechanism as activities are interrelated. It makes it possible to optimise the project development impact and outcomes.
ii. Is the selection of beneficiaries for large-scale activities based on objective criteria (as opposed to political reasons)?	Yes	The selection of beneficiaries is based on objective criteria: (i) level of poverty and vulnerability; (ii) commitment of beneficiaries; (iii) synergy with other projects.
iii. Is the Borrower/Recipient committed to scaling up project activities? Would the preparation of an additional loan or grant result in procedural or other cost efficiencies for the Borrower/Recipient, compared with a repeated project or an entirely new operation? Can the scale or scope of the additional project be easily accommodated in the context of the ongoing project, based on the Borrower/Recipient's current implementation capacity and other project	Yes	The Borrower undertakes to scale up project activities within the framework of REWARD. The AF is the best option as it optimises the project outcomes and benefits from the experience of the current PMU for its implementation.

arrangements?		
iv. Was the scale-up provided for within the resettlement plan of the original project? Has the Borrower/Recipient provided justification? Is the Borrower/Recipient able to source for the AF? Has it been able to find other donors and has it justified the request to the Bank Group for additional financing?	No	The Borrower was able to mobilise a large share of the AF from GAFSP (78%)
v. Does the AF comply with the Policy on Expenditure Eligible for Bank Group Financing?	Yes	The AF complies with the Policy on Expenditure Eligible for Bank Group Financing.
vi. Are there any delays in implementing project activities if AF is granted?	No	The AF does not disrupt the implementation schedule.
vii. Is the Borrower/Recipient committed to or able to process the AF in time to ensure the smooth and successful implementation of the activities it would support?	Yes	The country has accepted WFP involvement to facilitate implementation of the project.

TECHNICAL ANNEXES

[Please use the following link to download the annexes](#)

[Only include annexes which are different from those of the original project. If there is no difference, kindly indicate this by including the title of the annex and stating: "identical to original project".](#)

Annexes Relating to the Strategic Context

- Annex 1-1: Classification of Projects by High 5, Area of Intervention and SDGs
- Annex 1-2: Current AfDB Portfolio in Guinea Bissau
- Annex 1-3: Similar Projects Financed by the Bank and Other Partners in the Country
- Annex 1-4: Comparative Socio-economic Indicators of Guinea Bissau
- Appendix 1-5: Map of the Project Area
- Annex 1-6: Country Development Programme
- Annex 1-7: Sector and Institutional Analysis
- Appendix 1-8: Development Partners Support Matrix

Annexes Relating to Project Description

- Annex 2-1: Detailed Theory of Change
- Annex 2-2: Detailed Project Components
- Annex 2-3: Detailed Project Costs
- Annex 2-4: Lessons Learned

Annexes Relating to Project Feasibility

- Annex 3-1: Economic and Financial Analysis
- Annex 3-2: Project Fragility and Resilience Assessment Note
- Annex 3-3: Promotion of Gender Equality and Women's Empowerment

Annexes Relating to Project Implementation

- Annex 4-1: Monitoring Plan
- Annex 4-2: Risks Matrix
- Annex 4-3: Detailed Implementation Plan
- Annex 4-4: Detailed Implementation Arrangements
- Annex 4-5: Detailed Supply Arrangements
- Annex 4-6: Detailed Financial Management and Disbursement Arrangements
- Annex 4-7: Detailed Audit Arrangements
- Annex 4-8: Project Implementation Support Plan and Arrangements