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Report No: 55565-TG

PROJECT APPRAISAL DOCUMENT

ON

A PROPOSED GRANT FROM THE
INTERNATIONAL DEVELOPMENT ASSOCIATION
IN THE AMOUNT OF SDR 5.8 MILLION
(US\$9 MILLION EQUIVALENT)

AND

A PROPOSED GRANT FROM THE
GLOBAL AGRICULTURE AND FOOD SECURITY MULTI DONOR TRUST FUND
IN AN AMOUNT EQUAL TO US\$19 MILLION

AND

A PROPOSED GRANT FROM THE FOOD PRICE CRISIS RESPONSE CORE MULTI
DONOR TRUST FUND
IN AN AMOUNT EQUAL TO US\$9 MILLION

TO THE

REPUBLIC OF TOGO

FOR THE

AGRICULTURE SECTOR SUPPORT PROJECT

March 17, 2011

Agriculture and Rural Development Unit
Sustainable Development Department
Country Department AFCF2
Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective January 31, 2011)

Currency Unit	=	XOF
XOF 479.79	=	US\$1
US\$ 1.56194	=	SDR 1

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

ANPAT	<i>Association Nationale des Producteurs Avicoles au Togo</i> (National Association of Poultry Producers of Togo)
ARAP	Abbreviated Resettlement Action Plan
AVE	<i>Auxiliaires Villageois d'Élevage</i> (Livestock auxiliary at village level)
AVSF	<i>Agronomes et Vétérinaires Sans Frontières</i> (Agronomists and Veterinarians without borders - NGO)
BOAD	<i>Banque Ouest Africaine de Développement</i> (West Africa Development Bank)
CAADP	Comprehensive Africa Agriculture Development Programme
CAGIA	<i>Centrale d'Achat et de Gestion des Intrants Agricoles</i> (MAEP Agency for agricultural inputs purchase and management)
CCFCC	<i>Comité de Coordination de la Filière Café Cacao</i> (Coffee & Cocoa Value Chains Coordination Committee)
CDP	Community Development Project
CIDR	<i>Centre International de Développement Rural</i> (International centre for rural development - NGO)
CIFCC	<i>Comité Interprofessionnel des Filières Café-Cacao</i> (Coffee and Cocoa Interprofessional Board)
CIPS	<i>Comité Interministériel de Pilotage Stratégique</i> (Inter-ministerial Steering Committee)
CPC	<i>Centrale des Producteurs de Céréales</i> (Togo Cereal Producer Organization)
CPM	<i>Commission de Passation des Marchés</i> (Procurement Commission)
CTP	<i>Comité Technique de Pilotage du Secteur Agricole</i> (Technical Steering Committee for the Agriculture Sector)
CVD	<i>Comité Villageois de Développement</i> (Village Development Committee)
DE	<i>MAEP-Direction de l'Élevage</i> (Directorate for Animal Husbandry)
DPA	<i>MAEP- Direction des Pêches et de l'Aquaculture</i> (Directorate for Fisheries and Aquaculture)
DPAC	Directorate for Planning and Agricultural Cooperation
DPO	Development Policy Operation
EBID	ECOWAS Bank for Investment and Development
ECOWAP	ECOWAS Regional Agriculture Policy
ERR	Economic Rate of Return

ESMF	Environment and Social Management Framework
ESOP	<i>Entreprises Services et Organisations Paysannes</i> (Business Services & Producer Organizations)
ETD	<i>Entreprises Territoires et Développement</i> (Enterprises Territories and Development - NGO)
FNGPC	<i>Fédération Nationale des Groupements de Producteurs de Coton du Togo</i> (Togo Federation of Cotton Producers' Groups)
FRR	Financial Rate of Return
FUCEC	<i>Fédération des Unions de Coopératives d'Épargne et de Crédit</i> (Federation of Savings and Credit Cooperative Groups - MFI)
FUPROCAT	<i>Fédération des Unions de Groupements de Producteurs de Café et de Cacao du Togo</i> (Togo Federation of Coffee & Cocoa Producers' Groups Unions)
GEF	Global Environment Fund
ICAT	<i>Institut de Conseil Agricole et d'Appui Technique du Togo</i> (Togo Institute for Agricultural Extension)
ICF	International Consultancy Firm
IDA	International Development Association
IFAD	International Fund for Agricultural Development
IFDC	International Fertilizer Development Center (NGO)
IFR	Interim Un-audited Financial Reports
INADES	<i>Institut Africain pour le Développement Economique et Social</i> (African Institute for Economic and Social Development - NGO)
ITRA	<i>Institut Togolais de la Recherche Agricole</i> (Togo Institute for Agricultural Research)
GAfsp	Global Agriculture and Food Security Program
GDP	Gross Domestic Product
GFRP	Global Food Response Program (Food Price Crisis Response Trust Fund)
GoT	Government of Togo
GVPR	<i>Groupement des Vétérinaires Privés</i> (Private Veterinary Association)
MAEP	<i>Ministère de l'Agriculture, de l'Élevage et de la Pêche</i> (Ministry of Agriculture, Livestock and Fisheries)
MFI	Micro Finance Institution
MTEF	Medium Term Expenditure Framework
MERF	Ministry of Environment and Forest Resources
NAIP	National Agriculture Investment Plan
NGO	Non-Governmental Organization
NSCT	<i>Nouvelle Société Cotonnière du Togo</i> (New Togo Cotton Company)
PADAT	<i>Projet d'Appui au Développement Agricole au Togo</i> (Togo Rural Development Support Project)
PASA	<i>Projet d'Appui au Secteur Agricole du Togo</i> (Togo Agriculture Sector Support Project)
PER	Public Expenditure Review
PIM	Project Implementation Manual
PNIASA	<i>Programme National d'Investissements Agricoles et de Sécurité alimentaire</i> (National Agriculture and Food Security Investment Program)
PPBME	Planning, Programming, Budgeting, Monitoring and Evaluation
PPF	Project Preparation Facility

PRSP	Poverty Reduction Strategy Paper
RAFIA	<i>Recherche, Appui et Formation aux initiatives d'Auto développement</i> (Research, Advice and Training for self-development initiatives - NGO)
RAP	Resttlement Action Plan
RBMAS	Results Based Management and Accountability System
REMATO	<i>Réseau d'Epidémio-surveillance des Maladies Animales au Togo</i> (Togo animal diseases surveillance network)
RESOP	<i>Réseau des ESOP</i> (ESOPs Network)
RPF	Resettlement Policy Framework
SDR	Special Drawing Rights
SOTOCO	<i>Société Togolaise du Coton</i> (Togo Cotton Company)
UTCC	<i>Unité Technique Café-Cacao</i> (Coffee & Cocoa Technical Unit)
WAAPP	West Africa Agricultural Productivity Project
WAGES	Women Association for both Gain Economic and Social (MFI)

Regional Vice President:	Obiageli Katryn Ezekwesili
Country Director:	Madani M. Tall
Sector Director:	Jamal Saghir
Sector Manager:	Karen M. Brooks
Task Team Leader:	Christian Berger

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PAD DATA SHEET

TOGO
Agriculture Sector Support Project

PROJECT APPRAISAL DOCUMENT

Africa Region
AFTAR

Date: March 17, 2011 Country Director: Madani M. Tall Sector Director: Jamal Saghir Sector Manager: Karen M. Brooks Team Leader(s): Christian Berger Project ID: P118045 Lending Instrument: Specific Investment Loan, (SIL)	Sector(s): General agriculture, fishing and forestry sector (61%); Crops (39%) Theme(s): Rural development (72%); Rural policies and institutions (28%) Environmental Assessment Category: B- Partial Assessment
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Project Financing Data:

Proposed terms:

Loan Credit Grant Guarantee Other: Trust Funds

Source	Total Amount (US\$M)
Total Project Cost:	53.9
Co-financing:	
• Global Agriculture and Food Security Program:	19.0
• Global Food Price Response Program (FPCR-MDTF Core):	9.0
Borrower:	7.9
Beneficiaries:	9.0
Total Bank Financing:	9.0
IDA	9.0
New	9.0
Recommitted	0

Borrower: Republic of Togo

Responsible Agency: Ministry of Agriculture, Livestock and Fisheries

Contact Person: M. TCHEMI TCHAMBI Wouro Aurélien

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Fax No.: (+228) 221 1062

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Estimated Disbursements IDA (Bank FY/US\$ million)					
FY	12	13	14	15	16
Annual	1.0	2.0	2.9	2.5	0.6
Cumulative	1.0	3.0	5.9	8.4	9.0
Estimated Disbursements GAFSP (Bank FY/US\$ million)					
FY	12	13	14	15	16
Annual	1.9	3.9	5.9	5.6	1.7
Cumulative	1.9	5.8	11.7	17.3	19.0
Estimated Disbursements GFRP (Bank FY/US\$ million)					
FY	12	13	14	15	-
Annual	1.7	3.6	3.5	0.2	-
Cumulative	1.7	5.3	8.8	9.0	-
Project Implementation Period: April 12,2011 – June 30, 2016					
Expected effectiveness date: July 1, 2011					
Expected closing date: December 15, 2016 (GFRP closing date: December 15, 2015)					
Does the project depart from the CAS in content or other significant respects?				<input type="radio"/> Yes <input checked="" type="radio"/> No	
If yes, please explain:					
Does the project require any exceptions from Bank policies? Have these been approved/endorsed (as appropriate by Bank management)? Is approval for any policy exception sought from the Board?				<input type="radio"/> Yes <input checked="" type="radio"/> No	
If yes, please explain:					
:					
Does the project meet the Regional criteria for readiness for implementation?				<input checked="" type="radio"/> Yes <input type="radio"/> No	
If no, please explain:					
The objectives of the Agriculture Sector Support Project are to (i) rehabilitate and reinforce productive capacities among targeted beneficiaries across Selected Value Chains, and (ii) foster an enabling institutional environment for the development of the agricultural sector, in the Recipient's territory.					

Project description:

Component 1 - Promotion of strategic food crop, export crop and freshwater fish production (US\$24.1 million, of which GAFSP Support of US\$17.5 million; Government and Beneficiaries: US\$6.6 million) is to support three productive sub-sectors through improved productivity and value-added of key commodities chosen for their growth potential and poverty reduction impact.

Component 2 - Recovery of the livestock sub-sector (US\$14.1 million of which GFRP support of US\$9.0 million; Government and Beneficiaries: US\$5.1 million) is to provide emergency short term support to rehabilitate small ruminant and poultry production.

Component 3 - Support for capacity building and sector coordination (US\$15.7 million of which IDA support of US\$9.0 million; GAFSP support of US\$1.5 million; and Government: US\$5.2 million) is to enable the institutional setup implement sound agricultural investments through PNIASA (National Agriculture and Food Security Investment Program / *Programme National d'Investissements Agricoles et de Sécurité Alimentaire*), while preparing for the transition to a sector wide approach in the future.

Safeguard policies triggered	
Environmental Assessment (OP/BP 4.01)	<input checked="" type="radio"/> Yes <input type="radio"/> No
Natural Habitats (OP/BP 4.04)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Forests (OP/BP 4.36)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Pest Management (OP 4.09)	<input checked="" type="radio"/> Yes <input type="radio"/> No
Physical Cultural Resources (OP/BP 4.11)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Indigenous Peoples (OP/BP 4.10)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Involuntary Resettlement (OP/BP 4.12)	<input checked="" type="radio"/> Yes <input type="radio"/> No
Safety of Dams (OP/BP 4.37)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Projects on International Waters (OP/BP 7.50)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Projects in Disputed Areas (OP/BP 7.60)	<input type="radio"/> Yes <input checked="" type="radio"/> No

Conditions and Legal Covenants:

Financing Agreement Reference	Description of Condition/Covenant	Date Due
Article 4.01(a)	The Recipient has adopted the Project Implementation Manual	Prior to effectiveness
Article 4.01 (b)	Each of the GFRP and GAFSP Grant Agreements has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled	Prior to effectiveness

Article 4.01(c)	The Technical Advisory Agreement has been executed and delivered by the parties thereto and all conditions precedent to its effectiveness (other than the effectiveness of this Agreement) have been fulfilled	Prior to effectiveness
Article 4.01 (d) and Schedule 2, Section I.F.2	The recipient shall have (i) opened the Project Account, and (ii) deposited the Initial Deposit therein in the amount of (or equivalent to) US\$1.5 million, or such amount as agreed with the Association, as part of the required Counterpart Funds	Prior to effectiveness
Schedule 2, Section I.F.3	The Recipient shall deposit in the Project Account as part of the Counterpart Funds an amount equivalent to not less than US\$1.6 million, or such other amount as agreed by the Association	On the first anniversary of the Effective Date, and every year thereafter until the closing date
Schedule 2, Section II.B.4	Appointment of an external auditor acceptable to IDA	Not later than four (4) months after effectiveness
Schedule 2, Section II.B.5	Appointment of an internal auditor consultant to be integrated in the IGF team (<i>Inspection Générale des Finances</i>)	Not later than three (3) months after effectiveness
Schedule 2, Section II.B.6	Availability of a computerized accounting system at the MoA to fit Project needs and generate consolidated financial statements	Not later than three (3) months after effectiveness

I. Strategic Context

A. Country Context

1. Togo is a small country in West Africa with a population of 6.5 million (2009), of which about 70 percent live in rural areas. Togo remains a very poor country, ranking 142 out of 178 according to the 2009 Human Development Index. About 62 percent of the population lives below the national poverty line, with poverty higher in rural areas.
2. In May 2002, as a consequence of the political and economic crisis, Togo fell into arrears with the World Bank, and operations were suspended, along with almost all dialogue and analytical work. This long crisis severely affected the economy of Togo and hampered the capacity of the government to deliver basic social services to the majority of its population. Most donors left Togo during the crisis years and support for agriculture development dwindled. The country is now emerging from these crisis years during which economic growth was slow and volatile. However, during the past year and a half, Togo's economic recovery has been dampened by the global recession. GDP growth is estimated at 3.1 percent in 2009, while real GDP per capita barely grew. Togo is unlikely to achieve many of its Millennium Development Goals by 2015. The Government of Togo (GoT) has limited fiscal space and weak mechanisms and capacities to react. In 2009, it adopted a full Poverty Reduction Strategy Paper (PRSP 2009–2011), whose ultimate objective is to achieve effective and sustainable improvement of people's living conditions by addressing the principal causes of poverty.
3. Togo was severely impacted by the surge in global food and fuel prices, further aggravated by heavy flooding in the summers of 2008 and 2010. Food prices rose by 34 percent on average¹ and never fell back. An assessment by the UN World Food Programme shows that coping strategies include adults reducing their daily food intake in favor of children, downgrading the nutritional quality of the main meal, eating seeds stocked for the next season, and selling livestock. To date, agriculture sector assistance from development partners (DPs) in response to the food price crisis has been focused on crop-related activities (through inputs support, such as seeds, fertilizers and equipment purchase) and safety net programs. Critical emergency support to the livestock sector has not yet been provided.
4. Togo's main economic activities are agriculture, phosphate mining, trade, and transit activities. Agriculture employs two thirds of the population and accounts for about 38 percent of GDP. However, this is mainly subsistence agriculture based on traditional practices and subject to the vagaries of climate and price fluctuations. Yields have been consistently low for food crops and the performance of the main export crops (cotton, coffee and cocoa) has been deteriorating. Meat and fish production are also low and the country faces massive imports to make up its food deficit. Rural infrastructure is scarce, poorly maintained, and constitutes a major constraint to growth. Economic studies show that agriculture will remain the main source of growth and employment for the foreseeable future. Growth in the sector is expected to have a strong effect on poverty reduction: it is estimated in the Togo CAADP/ECOWAP Compact that a 1 percent growth of agricultural GDP would lead to a 2 percent reduction in the incidence of poverty at national level.

¹ FAO final report (May 2009) : « *Analyse de la situation du secteur de l'alimentation et de l'agriculture au Togo à la suite de la flambée des prix des produits de base* »

B. Sectoral and Institutional Context

5. Agro-climatic conditions are generally favorable for agriculture in Togo, and the country benefits from the only natural deepwater port in West Africa, which facilitates trade and its role as a hub for the sub-region. The agriculture sector bears the greatest potential to directly increase the income of the poor. Food production has increased at an annual rate of 3.0 percent from 1990/91 to 2004/05, although on-farm productivity is still very low (with no or limited use of improved inputs, production methods and farm equipment), and the irrigation potential is largely untapped. Access to financing is limited outside the cotton system. The main food crops are cereals (maize, sorghum, millet, rice), tubers (cassava, yams) and legumes (cowpeas, soybeans), which roughly contribute to two thirds of the agricultural GDP. Animal protein production (meat and fish) is low and a large amount is imported (needs in meat are covered at 60 percent only and those in fish less than 50 percent, despite low consumption levels compared to other countries in the region), generating a significant need for hard currency. Traditional export crops have been declining: cotton production has fallen dramatically from 187,000 tons in 2003 to 25,000 tons in 2009, while cocoa and coffee exports have fallen by half to levels below 10,000 tons. A variety of other niche exports are possible, should private investors be encouraged. Developing Togo's agricultural potential requires both the promotion of exports, including to sub-regional markets for crops which already satisfy domestic demand, and selective import substitution, notably for rice and animal products, where there is rising demand stemming from strong population growth, urbanization and expected higher levels of income.

6. The livestock sector accounts for 14 percent of agricultural GDP. However, herders have not recovered from food price crisis effects and remain among the poorest. The sector's potential for growth and poverty reduction has been severely impacted by the recent food price crisis and subsequent lower revenues. Stock-raising in Togo is constrained by poor mastery of zootechnical parameters and remains seriously threatened by epidemics (prevalence of Newcastle disease ranges between 40 and 70 percent). Low household incomes make veterinary care out of reach, thus exacerbating animal mortality levels. Herders are facing distressed livestock product sales creating further asset depletion. In the case of small ruminants, the food crisis caused a negative selection process, with higher yielding and resistant breeding stock being sold off before its productive life span. Food crisis emergency assistance has focused on crop production only, and no support has been provided to restoring the livestock sub-sector following the food price crisis.

7. Recent analysis² identified key sector constraints, including: (a) typical low-input, low output-coping strategies which results in low productivity and weak agricultural integration with upstream and downstream activities; (b) lack of processing industries, while marketing of agricultural products faces constraints within the country and across borders; (c) inadequate research and extension, as well as services, limiting dissemination and adoption of new technology; (d) poor rural infrastructures and limited funding for agricultural water development. Additional cross-cutting issues also need to be addressed, such as land reform and poor access to financial services.

8. Apart from constraints deriving from low levels of investment in the agriculture sector, key challenges also include weak institutional capacities, insufficient coordination and weak services delivery due to a deteriorated business climate. In 2009, GoT engaged in the reform process of key line ministries to increase its capacity to embrace poverty reduction strategies and

² Country Economic memorandum, Diagnostic Trade Integration Study and the Irrigation Review Study

economic growth. The reform of the Ministry of Agriculture, Livestock and Fisheries (MAEP) already includes the first time implementation of a Medium Term Expenditure Framework (MTEF) in 2010, but much remains to be done for the ministry to be able to manage agricultural growth investment programs under the overall coordination of its General Secretariat. Throughout MAEP, there is a critical need to strengthen administrative organization and functions with new legal, financial and technical tools, and with a view to implement an efficient results based management system. Producers' organizations, active in Togo not only for traditional export crops but also for major food crops, need to be better prepared to sustain fruitful relationships with government agencies and the private sector and thus contribute to the development of organized value chains.

9. GoT considers that the agricultural sector is the key engine of economic growth as stated in the PRSP. The overall objective is to transform agriculture into a competitive sector using efficient production techniques and well trained, dynamic and professional farmers and farmer organizations, while integrating conservation of the environment and sustainable management of natural resources. The development of the sector should be equitable, integrate gender concerns and support vulnerable poor rural households. Togo encompassed the general orientations of the Comprehensive Africa Agriculture Development Program (CAADP) to design its national agriculture and food security investment plan (PNIASA: *Programme National d'Investissement Agricole et de Sécurité Alimentaire*); the country was first in West Africa to sign a national Compact (July 30, 2009), thereby committing to allocate at least 10 percent of the national budget to agriculture by 2010 and targeting 6 percent annual agricultural growth by 2015. A Partnership Framework was signed in February 2010 to structure dialogue with development partners for PNIASA implementation. The Bank was requested to take the lead and help mobilize donor agencies, align and harmonize their interventions, and strengthen capacities of rural institutions to achieve PNIASA implementation.

10. The Bank is co-chair of the newly created Agricultural Donor Working Group in Togo. A first group of donors (including the World Bank, IFAD, West Africa Development Bank-BOAD and ECOWAS Bank for Investment and Development-EBID) has indicated willingness to invest in the sector and support the first trans-sector PNIASA priorities in a concerted manner. Other donors may join in the future. The World Bank, through its International Development Association (IDA) and the use of trust funds (including the Global Food Response Program-GFRP and the Global Agriculture and Food Security Program-GAFSP), has committed to contribute resources for supporting the productive sectors and for institutional strengthening. The Bank is also committed to financing agricultural research and extension through a separate regional project, WAAPP (West Africa Agricultural Productivity Project). Additional Bank support is also under preparation through the TerrAfrica program (US\$5.49 million under GEF5 over the 2011-15 period) to provide "Ecological Support to Agricultural Activities of PNIASA", through the Ministry of Environment and Forest Resources.

11. Other Bank activities in Togo include a Development Policy Operation and the scaling up of the Community Development Project (CDP). The Third Economic Recovery and Governance Grant provides financial support (US\$16.3 million) to the GoT for the implementation of the government reform agenda for economic and social recovery and pro-poor growth; a fourth ERGG is in the pipeline, to be approved by the Board of Directors before the end of FY11. A Bank executed trust fund provided by the Bill & Melinda Gates Foundation has just initiated assistance to undertake a review of Togo public expenditure in the agriculture sector.

C. Higher Level Objectives to which the Project Contributes

12. Together with related other donor support, the proposed Bank project is a first step toward laying the groundwork for a sector-wide approach (SWAp) designed to support the implementation of Togo's PNIASA utmost priorities. The planned project will be integrated into the medium-term expenditure plan of MAEP and will include both sector investment and technical assistance. It is consistent with the Bank's Interim Strategy Note, and is aligned with the Poverty Reduction Strategy Paper (PRSP) and with the overall policy declaration of the GoT. The project would support the implementation of the findings of the Sources of Growth Study – Country Economic Memorandum (CEM) undertaken in FY09. The project will contribute to GoT achieving its economic growth objectives.

II. Project Development Objectives

A. PDO

13. The objectives of the Project are to (i) rehabilitate and reinforce productive capacities among targeted beneficiaries across Selected Value Chains, and (ii) foster an enabling institutional environment for the development of the agricultural sector, in the Recipient's territory.

B. Project Beneficiaries

14. Direct beneficiaries of the project include approximately 60,000 crop farmers, 13,000 animal herders, 1,600 fish producers and 500 fish merchants, within all five administrative regions of Togo (of which up to 40 percent females and young producers). In addition, about 650,000 households raising poultry and/or small ruminants will benefit from the dedicated animal vaccination campaigns. These groups will benefit from improved export crops and animal production techniques, as well as from the creation of processing and marketing enterprises and partnerships to organize the food crops value chains. Producers' organizations will be strengthened for major commodities produced in Togo. MAEP will also be among the direct beneficiaries of the project, through its reform and possible ability to pursue large investment programs under a SWAp in the future. Indirect beneficiaries include urban dwellers which will have access to a larger and more regular choice of locally produced food, as well as animal producers taking advantage of the multiplier effects of the animal health and animal breeding improvements.

C. PDO Level Results Indicators

15. Key indicators are largely selected from the Bank's and GAFSP's core indicators, and relate to changes in production (measured in metric tons and number of heads). These are: (i) farm output subject to project supported post-harvest value-adding schemes (rice, corn); (ii) increase of crop (coffee, cocoa) and continental fisheries output, and of livestock population (small ruminants, poultry) among project beneficiaries; (iii) rates of PNIASA financial execution (for PASA, PADAT and WAAPP altogether), and (iv) number of direct beneficiaries. Annex 1 provides details on the results framework and monitoring.

III. Project Description

16. The adoption of the Togo PNIASA program as a six-year investment plan (2010-15) is the basis for the project, making Togo the first country in West Africa to start implementing the outcome of the CAADP. Overall PNIASA coordination is under the responsibility of the General Secretariat of the MAEP. Table 1 outlines the structure of the program with an indication of present pledges from donors. It covers investments in all of the five PNIASA sub-programs on a nation-wide basis. Priority investments have been identified in each of the key production sub-sectors (food crops, export crops, livestock, fisheries), together with cross-cutting investments to provide relevant agricultural inputs and services.

Table 1: PNIASA Sub-programs, components and donor pledges (USD million)³

Sub-Programs and Components		IFAD	BOAD	EBID	IDA	GAFSP	GFRP	Total
1. Crop Production	Rural infrastructure	20.0*	15.0*	15.0*				50.0
	Promotion of food crops	13.5*				7.5		21.0
	Promotion of export crops					7.0		7.0
2. Animal Production	Traditional animal husbandry						9.0	9.0
	Small/medium size enterprises							-
3. Fish Production	Freshwater fisheries					3.0		3.0
	Maritime fisheries							-
4. Agric. Research & Extension	Technology development				12.0**			12.0
	Technology dissemination							
	Research/extension systems							
5. Capacity Building & Management	Institutional environment				9.0	1.5		10.5
	Management/sector coordination							
	Governance and right to food							-
Total		33.5	15.0	15.0	21.0 [9.0]	19.0 [19.0]	9.0 [9.0]	112.5 [37.0]

* IFAD, EBID and BOAD funding through PADAT (*projet d'appui au développement agricole au Togo*), signed in Dec. 2010

** IDA national and regional funding through the West Africa Agriculture Productivity Project (WAAPP-1C)

17. Financing amounts in Table 1 from the World Bank include US\$9 million from IDA, US\$9 million from the Global Food Response Program (GFRP) and US\$19 million from the Global Agriculture and Food Security Program (GAFSP), which together make up the US\$37 million covered by the present Project Appraisal Document. Support is to be combined into one single Bank operation to provide for a more integrated response to both short and longer term sector needs, and to minimize transaction costs. In addition, there is US\$12 million of IDA funds (consolidation of national and regional IDA resources) for Togo under the West Africa Agricultural Productivity Project (WAAPP) which is being prepared in parallel to strengthen the national agricultural research system and extension services.

³ Areas shaded in grey indicate PASA project financing

18. A grant from IFAD (US\$13.5 million) is made available to promote productivity gains for food crops through small farmers' access to input packages and post-harvest facilities, starting in early 2011. Additional GAFSP funding of US\$20 million is also provided through IFAD, mainly to develop rural infrastructures. Loans from BOAD (US\$15 million) and EBID (US\$15 million) should be both starting in 2012 and essentially concentrate on the rehabilitation and development of rural infrastructures (including rural roads and water development schemes). Other donors have recently expressed interest in supporting the PNIASA, such as the Islamic Development Bank for irrigation development.

19. Donor interventions through parallel financing are complementary and not overlapping. Pursuant to the Partnership Framework document signed⁴ in Lomé on February 4, 2010, all development partners involved agreed on harmonized institutional mechanisms and management procedures and to undertake joint missions with GoT (from the onset of projects preparation to supervision and evaluation). GoT has committed to allocate 10 percent of its public budget to the agriculture sector and US\$20 million to support PNIASA implementation.

A. Project components

20. The Project provides both short-term emergency response to support livestock herders and the recovery of the livestock sub-sector, and long-term investments for agricultural development. It includes three components: (i) promotion of strategic food crops, export crops and freshwater fish production; (ii) recovery of the livestock sub-sector; and (iii) support for capacity building and sector coordination. The Project does not attempt to respond to the wide array of needs articulated in the PNIASA, even if there are presently no other donors available to finance. Instead, the Project will focus on activities to develop key productive sub-sectors, which are expected to generate results in the medium term and can be measured by the end of the project (Component 1), and will finance short term investments to achieve quick results in livestock herd recovery (Component 2). Component 3 is aimed at building capacity in a weakened public service, with a medium to long-term perspective for establishing a sound institutional environment to support PNIASA implementation and prepare for a SWAp in the future.

21. Clear demarcations were sought to differentiate between the use of IDA, GAFSP and GFRP resources according to their respective orientations and eligibility criteria. GAFSP resources will support medium and long term objectives, helping the country restore its exports and develop strategic food crops value chains and freshwater fish production by building sustainable mechanisms that link producers to inputs and markets, and contributing to capacity building. The GFRP grant will focus on emergency activities supporting the recovery of the livestock sub-sector following distress sales and asset depletion induced by the food price spikes. IDA funds will support the needed MAEP reform, capacity building and sector management, including project coordination and M&E.

22. Each activity under Components 1 and 2 will be delivered using one of the following financial instruments: full grants, matching grants, competitive funds or credit guarantees (financed from counterpart funds). Whereas the investment resources foreseen to finance these activities are budgeted under Components 1 and 2, the administrative costs for setting up and

⁴ This Partnership Framework was agreed between GoT and the Technical and Financial Partners (represented by the World Bank) and was also signed as witnesses by national representatives of agricultural producers, the private sector and the civil society, as well as by the ECOWAS Commissioner for Agriculture, the Environment and Water Resources

managing the financial instruments are included in Component 3. A detailed project description is provided in annex 2, which also includes quantitative references to project activities.

23. Component 1: Promotion of strategic food crop, export crop and freshwater fish production (total Bank channeled contribution of US\$17.5 million under GAFSP). The overall output of the component is improved production and value-added of key commodities chosen for their growth potential and poverty reduction impact.

24. Sub-component 1.1: Support for food crops development (GAFSP contribution of US\$7.5 million). The sub-component will foster the development of food production and integration of key value chains by building innovative and sustainable market based mechanisms. This will be mainly achieved through partnerships between producer organizations, input distributors, wholesalers, food processors and marketers, financial institutions and other service providers. The project will support: (i) the scaling-up of the already piloted ESOP model (*Entreprises de Services et d'Organisation des Producteurs*⁵ successfully developed in Togo and Benin since 2002 with support from two NGOs) for processing key strategic products (especially rice, soybeans and cassava) through a qualified service provider recruited under a performance based contract; (ii) pilot inventory credit schemes (warrantage) for cereal producers (especially maize and sorghum) in regions meeting economic viability conditions and in connection with contracting partners already bearing expertise in this field, which will be selected through a competitive development funding process; (iii) innovative initiatives to expand market access for other crops (e.g. fruits and vegetables) through a competitive grant scheme; and (iv) information and communication campaigns to promote Togolese food products on local and regional markets, through matching grants. This sub-component will generate synergies with other projects, by capitalizing on the improved technologies and services provided through the WAAPP, and on the producer organizations and infrastructures strengthened through the PADAT, to improve integration across the targeted value chains.

25. Sub-Component 1.2: Support for export crops (GAFSP contribution of US\$7 million): the Project will continue to monitor the policy dialogue between GoT and its internal/external partners and support MAEP, in collaboration with the private sector, in the design and implementation of the necessary reforms for the three traditional cash crops value chains (cotton, coffee, cocoa). For cotton, the Project will support institutional strengthening of the producers' organization (Togo Federation of Cotton Producers' Groups-FNGPC), in order to enable it to take full responsibility for input distribution to farmers, to improve quality of seed cotton and to participate effectively in the governance of the cotton company (New Togo Cotton Company-NSCT), as a strategic shareholder. The Project will also finance a study for preparing the entry of a private partner in the capital of the cotton company and for the creation of the cotton inter-professional board. For coffee and cocoa, the Project will support gradual regeneration of the existing plantations (and some extensions in favorable zones) through (i) provision of adapted technical advisory services under the initial coordination of the Togo Institute for Agricultural Extension (ICAT); and (ii) provision of good quality planting material. The Project will also support the restructuring of the Togo Federation of Coffee & Cocoa Producers' Groups Union (FUPROCAT) and of the Coffee and Cocoa Inter-professional Board (CIFCC). For export diversification, the Bank will support promising innovative micro-projects targeted at non-traditional export crops through a competitive grant scheme.

⁵ Business Services and Producer Organizations

26. **Sub-Component 1.3: Support for freshwater fish production (GAFSP contribution of US\$3 million):** this sub-component will aim at improving the management of inland fisheries and developing fish farming, of particular interest to small rural enterprises and to youth groups. The Project will support efforts to increase the supply and access to five “critical inputs” required for aquaculture development: information, fingerlings, feed, finance and markets. A series of fish production training and demonstrations will be conducted on existing private fish farms that will serve as a basis for technical packages that demonstrate profitable and environmentally sound best management practices. Additionally, some small inland water bodies will be re-stocked with fish following adoption of co-management plans with relevant stakeholders, particularly fishers. Resources will also be used in a compensation plan to provide legal-size fishing nets and small livestock as an alternative livelihood for Lake Nangbeto⁶ fishers and fish-vendors (essentially women) for the one season of expected low captures following renewed enforcement of the fishing regulations⁷.

27. **Component 2: Recovery of the livestock sub-sector (emergency GFRP contribution of US\$9 million).** In view of GFRP eligibility criteria, this GFRP funded component will have a shorter implementation time than the other components, with a 4 year timeframe and a closing date by December 2015. Activities will focus on quick results for investments geared at restocking and enhancing productivity of short cycle species (small ruminants and poultry), building sustainable mechanisms already piloted by NGOs in the country. Such activities are meant to bear a direct impact on reducing poverty. GFRP emergency funding will focus on three most critical factors: (i) re-stocking with locally available breeding herds and flocks of higher genetic potential for growth and disease resistance to compensate for asset depletion and mortality in selected areas, drawing on the experience of competent local NGOs and on enhanced breeding facilities at the Togo Institute for Agricultural Research (ITRA), as well as new or upgraded border inspection/quarantine facilities for animals purchased in neighbouring countries; (ii) support to animal health and disease control programs (country-wide de-worming and vaccinations campaigns), using a sustainable mechanism for vaccine procurement and administration already developed in Togo and enhanced control of the inputs supply chains; and (iii) support to the provision of enhanced traditional farm animal housing using readily available techniques and local materials, through the training of available service providers and direct assistance to farmers with a view to improve traditional husbandry and reduce the loss of animal due to diseases, predation and theft. Communication to reach out to targeted groups and training to mitigate risks will be included as an integral part of each of these three clusters of activities.

28. **Component 3: Support for capacity building and sector coordination (total Bank channeled contribution of US\$10.5 million, of which US\$9.0 million IDA funds and US\$1.5 million GAFSP funds).** In accordance with the Partnership Framework agreement, the implementation of PNIASA investments will be coordinated by MAEP, under the responsibility of the General Secretariat. GoT is committed to implementing a reform of the MAEP and has already started fulfilling its pledge to allocate at least 10 percent of its budget to the agriculture sector. Therefore, the objective of this component is to strengthen the capacity of MAEP to coordinate the implementation of this Bank financed project efficiently and manage other

⁶ Togo’s largest inland water body, with an estimated annual catch potential of 1,000 to 1,500 tons

⁷ The fishers/vendors themselves have identified farm animals as the most likely alternative

PNIASA investments, while preparing the transition to a SWAp in the future⁸. It will lead to an increase of the physical and financial execution rate of sound agricultural investments in Togo. It will also help mitigate mismanagement risks and minimize transaction costs.

29. ***Sub-component 3.1: Reform and capacity building of MAEP (IDA contribution of US\$6.3 million)***. The Project will support the implementation of MAEP reform including the restructuring of MAEP and its subsidiary agencies at central and regional/local levels, the introduction of a results-based management and accountability system (RBMAS), the strengthening of fiduciary management capacities in all MAEP structures, and the modernization of MAEP infrastructures and equipment. MAEP restructuring will result in a new MAEP organigram⁹ that will be endorsed by the Cabinet. The RBMAS will be introduced as part of the restructuring targets. MAEP structures (directorates at central level, regional structures and specialized agencies) will be subject to performance agreements agreed and monitored by the General Secretariat. The General Secretary (or his delegate) will also sign and monitor the implementation of service delivery contracts with private partners. Specifically, the Project will finance: (i) methodological support (e.g. studies, manuals) and tools (e.g. software) for the implementation of the MAEP reform (including the RBMAS), and of the fiduciary management and M&E systems; (ii) the accompanying training plan of MAEP staff, to ensure effective capacity building; (iii) critical managerial or technical studies¹⁰ to accompany sector policy reform, and their public dissemination, and (iv) the modernization of MAEP's infrastructures, equipment and work environment (construction and restoration of buildings, purchase of computer equipments, internet access, vehicles, etc).

30. ***Sub-component 3.2: Sector coordination and program management (IDA contribution of US\$2.2 million and GAFSP contribution of US\$1.5 million)***. The sub-component will strengthen MAEP's capacity to coordinate the implementation of the Project and of the PNIASA, overall. To this end, the Project will finance the technical assistance of an International Consultancy Firm (ICF), recruited through a performance based contract from the beginning of the project to assist in project implementation and supervision, and to strengthen MAEP's structures, processes and capacities through the transfer of competencies. The technical assistance support will cover ICF's staffing and operational expenses, as well as small office equipment. In addition, the sub-component will finance: (i) an interim work plan and annual budget, which will be developed to launch Project implementation, before the actual implementation of the MAEP reform and of the RBMAS; and (ii) activities related to the supervision and the M&E of the Project and PNIASA (including M&E surveys, audits etc).

31. ***Sub-component 3.3: Management of financial support instruments (IDA contribution of US\$0.5 million)***. The Project will contract with a private partner to help refine and operate financial support instruments for service delivery to beneficiaries: (i) grants and matching grants; (ii) competitive funds; and (iii) credit guarantee (using GoT available resources of US\$1.5 million for this purpose). The Project will ensure only viable loans are guaranteed by the fund.

⁸ By Project completion, the following SWAp features will be in place: (i) effective Government ownership; (ii) enhanced PNIASA, as a sector strategy consistent with higher development objectives; (iii) improved MAEP mid-term expenditure framework; and (iv) key tools for future harmonization and consultation, ready to be negotiated with donors and national partners.

⁹ MAEP's reform process is already engaged following a UNDP financed diagnosis of key line ministries

¹⁰ such as on land tenure reform, producers access to inputs, food export policy, water management potential, etc

B. Project Financing

1. Lending Instrument

32. A Specific Investment Loan (SIL) over five years is chosen, given that the investment activities can be pre-defined and implemented over a pre-determined period of time. Following the adoption of its national agricultural investment plan, a SWAp was initially envisaged; however, GoT and its donor partners noted that Togo does not currently have the required institutional framework and fiduciaries capacities. Under project component 3, the SIL will contribute to strengthen the capacity of MAEP with a view to allow for a SWAp in the future.

2. Project Cost and Financing

Project Components	Total US\$ million	IDA		GAFSP		GFRP		GoT		BENEF.	
		US\$ million	%	US\$ million	%	US\$ million	%	US\$ million	%	US\$ million	%
Component 1: Promotion of strategic food crop, export crop & freshwater fish production	22.9	-	-	16.6	72.5	-	-	1.0	4.4	5.3	23.1
1.1 Support for food crops development	9.9	-	-	7.1	71.7	-	-	0.8	8.1	2.0	20.2
1.2 Support for export crops	9.3	-	-	6.7	71.5	-	-	-	-	2.7	28.5
1.3 Support for fish production	3.7	-	-	2.8	77.2	-	-	0.2	6.2	0.6	16.6
Component 2: Recovery of the livestock sub-sector	13.4	-	-	-	-	8.5	64.0	1.5	11.5	3.3	24.5
Animal health & disease control	3.5	-	-	-	-	3.3	94.3	0.2	5.7	-	-
Enhanced farm animal housing	7.5	-	-	-	-	3.0	40.0	1.2	16.0	3.3	44.0
Re-stocking	2.4	-	-	-	-	2.2	94.1	0.1	5.9	-	-
Component 3: Support for capacity building & sector coordination	14.9	8.6	57.7	1.4	9.4	-	-	4.9	32.9	-	-
3.1 Reform & capacity bldg of MAEP	8.4	6.0	71.4	-	-	-	-	2.4	28.6	-	-
3.2 Sector coord. & prog. management	4.6	2.1	45.7	1.4	30.4	-	-	1.1	23.9	-	-
3.3 Mgmt of fin. support instruments	1.9	0.5	26.3	-	-	-	-	1.4	73.7	-	-
Total Baseline Costs	51.2	8.6	16.7	18.1	35.2	8.5	16.7	7.5	14.7	8.5	16.7
Physical contingencies	1.1	0.2	16.7	0.4	33.2	0.2	16.7	0.2	16.7	0.2	16.7
Price contingencies	1.6	0.2	12.5	0.6	37.5	0.3	18.7	0.2	12.5	0.3	18.8
Total Project Costs	53.9	9.0	16.7	19.0	35.2	9.0	16.7	7.9	14.7	9.0	16.7
Interest During Implementation	-	-	-	-	-	-	-	-	-	-	-
Front-End Fees	-	-	-	-	-	-	-	-	-	-	-
Total Financing Required	53.9	9.0	16.7	19.0	35.2	9.0	16.7	7.9	14.7	9.0	16.7

C. Lessons Learned and Reflected in the Project Design

33. Lessons learned from past Bank and non-Bank projects in Togo (including the ongoing Community Development Project), value chain development projects in neighboring countries, analytical work undertaken in the 2009 Country Economic Memorandum (CEM) as well as very recent coffee and cocoa sector work, were taken into account during project formulation. They mainly relate to: (i) successful value chain development requiring a market-oriented and private sector-led approach; (ii) technology adoption necessitating availability of inputs, access to adequate agricultural finance and advisory services; (iii) selectivity of actions and commodity choices deriving from the most promising economic perspectives outlined in the CEM¹¹.

¹¹ With a view to increase and diversify exports and to favor import substitution, particularly for rice and animal proteins

Activities to be undertaken by the Project are not entirely new in the context of Togo, but the Project would constitute a major scale-up of past experiences in the sector.

34. The Project design also took due consideration of recommendations notified to GoT by the GAFSP Steering Committee: a robust environmental assessment was carried out and a new GEF funded project is being designed to provide “ecological support to PNIASA”; farmer organizations were consulted during Project preparation and helped shape Project design (notably in the export crops sector, but also for food crops and livestock support). They will be deeply engaged in the implementation of the Project’s activities and are incorporated in the governance structures of PNIASA.

35. The crisis years in Togo led to a weakened public service showing lack of expertise, resources, organization, systems, and lack of transparency. MAEP and other ministries lost experience in managing external assistance programs. Overall, NGOs are comparatively strong and communities are responsive. Focus on capacity building within the public administration is therefore essential, particularly in the agriculture sector where the investment plan is ambitious with a number of agencies to coordinate.

36. Constraints such as the critical lack of rural infrastructures in Togo and the inadequacy of current agriculture research and extension programs were also taken into account for project design, through very close articulation with other projects under preparation to ensure complementarities within the overall framework of PNIASA implementation (cf. annex 8).

37. Within its program framework, the project is first in West Africa to derive directly from the CAADP process and illustrates the capacity to leverage a small amount of IDA resources to attract other donors and mobilize trust funds. Putting into practice the Paris Declaration on aid effectiveness and the Accra Agenda for Action, in terms of donor alignment to the country’s priority investment plan and the harmonization of approaches and operational procedures, was also a key guiding principle for project design and implementation arrangements.

IV. Implementation

A. Institutional and Implementation Arrangements

38. The General Secretariat of MAEP will bear the overall responsibility for PNIASA coordination. It will delegate the operational responsibility of the PASA Project to one senior staff, competitively selected for this position. In collaboration with the Directorate in charge of planning and the Directorate in charge of financial affairs, this MAEP coordination team (PASA Delegated Operational Coordination - DOC) will be in charge of the fiduciary aspects, planning, progress reporting, and the overall management of the project. The operational execution of project activities will rest with delivery agencies, including MAEP’s directorates and agencies, private service delivery partners, producer organizations, NGOs, etc. The Project will build on the availability of such service providers in Togo, as a rather strong civil society emerged during the crisis years. An international consultancy firm (ICF) will be competitively recruited under a performance based contract, to provide technical support to MAEP¹² using an approach based on companionship, quality control and gradual phasing out. On average, the ICF technical assistants will be present full time during the first 2 to 3 years, and part time during the last years of project implementation.

¹² Such support to MAEP will benefit both the implementation of the PASA and WAAPP-IC projects

39. Given their current capacity constraints, MAEP's directorates and agencies will take up their roles incrementally. In the early years of project implementation, they will be supported by the ICF experts, who will provide critical assistance in key areas such as RBMAS, financial management, procurement, M&E, and relevant agricultural expertise, including policy guidance. ICF experts will closely liaise with designated MAEP staff, who will gradually take charge of all the project implementation tasks. The ICF will aim at putting the MAEP-DOC "in the driver's seat"; to this end, its assistance will be underpinned by a competency transfer strategy and will follow a phasing out plan. For the latter, the projected milestones are to close the ICF full time supporting activities at the end of year 3 and then gradually reduce its presence until project end.

40. An Inter-ministerial Steering Committee (CIPS), chaired by the Minister for Agriculture, Livestock and Fisheries, will oversee the overall PNIASA implementation, including activities financed from this project. The Technical Steering Committee for the Agricultural Sector (CTP), chaired by the General Secretary of MAEP, will: (i) monitor the developments and progress in the agricultural sector, (ii) facilitate dialogue with technical and financial partners for the implementation of the sector program and projects, (iii) monitor and coordinate all partners involved in PNIASA implementation, and (iv) review and approve the annual work plans for the Project and provide recommendations for improvement; (v) review and approve technical and financial reports on Project implementation, before their submission to CIPS; and (vi) organize Project's performance reviews.

41. Partnership arrangements derive from the framework agreement signed in February 2010 between GoT and development partners for PNIASA implementation. Donor consultations have been intense throughout the design phase of all three projects implemented under the PNIASA umbrella (PADAT, WAAPP and PASA: cf. Annex 8). This partnership eases the fiduciary aspects of PNIASA implementation from various funding sources.

B. Results Monitoring and Evaluation

42. MAEP, the Bank and the other partners involved in the implementation of PNIASA will use a common institutional structure and harmonized procedures for M&E. PASA and PADAT will jointly use the GAFSP impact evaluation indicators, while the output and outcome indicators will be project specific. The PASA results framework includes core Bank, GFRP and GAFSP indicators, but it does not show two of the GAFSP impact indicators (household income of direct beneficiaries, and proportion of target population below the minimum level of dietary energy consumption). These will not be reported through the regular project M&E but through an impact evaluation, for which an adequate budget has been set aside out of the GAFSP allocation. The data collection for the overarching PNIASA indicators goes beyond the M&E framework of the project, and will be undertaken by the relevant national bodies.

43. The MAEP's institutional structures will be used to conduct the project's M&E activities. Several compartments, in charge with the entire chain of planning, budgeting and M&E activities, will be set up within the Directorate for Planning and Agricultural Cooperation (DPAC). These will be specialized by policy area and will have operational contact points in the counterpart MAEP directorates. The project will finance technical assistance to strengthen these structures. An international M&E expert will be recruited under the ICF umbrella to assist MAEP in establishing the M&E system, within the wider RBMAS. This support will be subject to a phasing out schedule. The project will also finance the acquisition of office equipment and software, necessary for carrying out the M&E activities.

44. The data collection capacities of the agricultural administration are currently insufficient to adequately cover the M&E needs for PNIASA. For project specific M&E needs, PASA, WAAPP and PADAT will conduct joint baseline, mid-term, and end-of-project surveys, and the costs will be shared. PASA and PADAT will also support the strengthening of the data collection systems of the agricultural administration, at both central and regional levels.

C. Sustainability

45. MAEP's commitment to the CAADP process and ownership of the project are strong, as the ministry is already embarking on structural and policy reforms. Project preparation emphasized addressing factors that are critical to sustainability, among which institutional setup was key to ensuring adequate and secured disbursements, together with effective transfer of competences to MAEP and its private partners during the life of the project. As such, the Project relies on existing institutions/units only, and allocates a large amount of its resources to institutional strengthening, capacity building and improving collaboration between directorates and agencies. MAEP's reform with renewed functional mechanism was embedded into Project design. The Project also stimulated the launch of a Public Expenditure Review (PER) of the agriculture sector, as a tool to discuss expenditure priorities and the soundness of their management that will pave the way for future in depth studies of budget allocations. These strengthened capacities are to continue benefiting the agricultural sector well past the completion of the project, and would be readily available for the future implementation of a SWAp.

46. Support to productive sectors with clear exit strategies also places emphasis on working with existing producers organizations and strengthening their ability to operate, developing the use of technologies and scaling-up business models that have already shown success in Togo and neighboring countries to enhance sustainable access to agricultural financing, value added schemes and market outlets. Activities geared at the recovery of the livestock sector also derive from existing operational schemes placing emphasis on sustainability.

V. Key Risks and Mitigation Measures

47. Project overall risk rating is Medium-I, low likelihood-high impact (cf. annex 4). Project objectives are strongly aligned with the CAADP-driven PNIASA, a process with its own momentum that is commanding most of MAEP's attention. Effective donor coordination is critical for achieving the Government's goals for agricultural sector development. Project implementation will be coordinated to the greatest extent possible with PADAT and WAAPP-1C. These three projects will share common operational modalities, systems and procedures in key implementation areas (e.g. M&E, fiduciary). Capacity weaknesses of the implementing agency are known and strengthening them is a main area of focus of the project. In addition, the project implementation arrangements will allow for a reputable ICF to provide assistance to the relevant MAEP staff for project implementation. The ICF will be hired under a performance-based contract. Overall, the project design is relatively simple and its objectives are focused. More generally, the political situation of the country has markedly improved.

VI. Appraisal Summary

A. Economic and Financial Analysis

48. For components 1 and 2, rates of return and Net Present Values (NPV) were calculated for representative crops in each of four agro-climatic zones, and for livestock. The economic

analysis of total project costs and quantifiable benefits shows high economic rates of return (ERR) and financial rates of return (FRR) 16.4 percent and 17.7 percent, respectively, in the base case (20 years). These result from yield increases following: (i) the adoption of improved production techniques, (ii) an expansion of production area, and (iii) the availability of market facilities provided by the project. For a project lifecycle of 20 years, the estimated economic NPV at a 12 percent interest rate is US\$13.6 million, thereby indicating that PASA is an economically and financially desirable project. The sensitivity analysis is based on estimated switching values: a change in the value of key factors that would lower the ERR to 12 percent, taken as the long-term opportunity cost of capital in Togo. Results are very robust against changes in output prices and in yield levels. Details of the Economic and Financial Analysis are provided in Annex 7.

B. Technical

49. The Project focuses on supply chains with high potential for domestic or for export markets. All are highly relevant in the context of Togo's strategy to build a strong and sustainable agriculture sector. All agricultural technologies supported by the Project are readily available and have already been tested in Togo and neighboring countries, showing proven benefits. The same applies to the scaling-up of business models which have already been successfully implemented on a pilot basis. Most project activities are to be developed through available and experienced service providers recruited on performance based contracts. Matching grants, competitive grants and subsidies will be used to start the process of agricultural intensification and link producers/processors to relevant financial institutions. In addition, guarantee funds will be provided from counterpart funds by the Government to support project activities. The successful management of the guarantee fund will help leverage additional medium to long term financing from financial institutions, which will learn to do business with the agriculture sector.

C. Financial Management

50. A financial capacity assessment of MAEP has been conducted during project preparation. This entity has neither overdue audits, nor overdue interim financial reports. MAEP's capacity needs to be improved to satisfy the Bank's minimum requirements, after which it will be adequate to provide accurate and timely information on the status of the Project. The overall FM risks have been rated as substantial due to the weak capacity context of Togo. Given the availability of a Project Preparation Facility (PPF), it is expected that the main mitigation measures proposed to address the FM risks will be completed before effectiveness. Actions to be implemented to strengthen the FM systems are outlined in the Financial Management Action Plan (Annex 3); these include inter alia: (i) adoption of the PIM including acceptable Financial and Accounting procedures, (ii) appointment of additional FM staff, including an international FM expert who will support and reinforce FM capacity within MAEP, and (iii) the recruitment of an internal audit consultant to be integrated in the Finance General Inspectors team of Togo. Prior to effectiveness, GoT will open an account where counterpart funds will be deposited.

D. Procurement

51. A procurement capacity assessment of MAEP has also been conducted during project preparation. Major risks identified are the lack of experience and skills to conduct the

procurement process as required by Bank's procurement guidelines and procedures¹³, and the lack of a procurement manual. Taking into account the existence of a (new) procurement unit (CPM –Procurement Commission) and of an internal control committee within MAEP, the overall project procurement risk has been rated Moderate. Given the availability of a PPF, it is expected that the main mitigation measures proposed to address the identified risks will be completed before effectiveness. Actions to be implemented to strengthen the procurement process are outlined in the Procurement Management Action Plan (Annex 3); these include, inter alia: (i) the strengthening of the existing procurement unit (with the designation of two members of the CPM full time devoted to the Project and the technical assistance of an international procurement expert from the ICF) under the authority of the General Secretary, and (ii) the preparation of a procurement manual. The procurement expert will overview the overall coordination and compliance of Project procurement procedures and be responsible for procurement capacity building at MAEP (setting-up rigorous procurement procedures, strengthening the capacities of procurement officers and organizing procurement information and training for its various units). "Guidelines on Prevention and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and updated January 2011, shall apply to the project.

E. Social

52. The potential social impacts of components under the proposed project will be small-scale and site-specific. It is anticipated that project activities will not lead to land acquisition or major restriction of access to sources of livelihood. Project's activities will be screened by the environment and social specialist for applicability of OP 4.12 (Involuntary Resettlement), based on the Resettlement Policy Framework (RPF) prepared for the project. In the event that people are physically or economically displaced because of the Project's activities, a Resettlement Action Plan (RAP) will be prepared in accordance with the requirements of OP4.12, before the commencement of any relocation activities. This plan will be cleared by the Bank, consulted upon, and disclosed. When repercussions are minor (i.e. affected people are not physically displaced and less than 10 percent of their productive assets are lost) or affected people are less than 200, an Abbreviated Resettlement Action Plan (ARAP) will be prepared.

F. Environment

53. The project is category B. The environmental and social safeguard issues of the proposed project are associated with the activities of component 1 and 2; specifically, Sub-components 1.1, 1.2, 1.3 and Component 2 are likely to trigger OP 4.01 (Environmental Assessment) and Sub-components 1.1 and 1.2 are likely to trigger OP 4.09 (Pest Management). The overall environmental impact of the project is positive; however, some negative impacts may arise during project implementation, such as limited impacts on soil, air, water, noise environments, and surrounding communities, essentially during construction and/or production. These impacts will be temporary and localized, and proper mitigation measures during construction and/or production could minimize or even eliminate them.

¹³ "Guidelines: Procurement under IBRD Loans and IDA Credits" dated May 2004, revised October 2006, and May 2010; and "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated 2004, revised October 2006, and May 2010

54. The appropriate environmental safeguards instrument (an Environmental and Social Management Framework - ESMF) has been finalized. The ESMF explains in detail what to do during project implementation, including the preparation of site-specific Environmental Management Plans (EMPs) which have to be prepared and disclosed prior to the commencement of civil works. Since the project also triggered the Pest Management and the Involuntary Resettlement policies, a Pest Management Plan (PMP) and a Resettlement Policy Framework (RPF) have also been finalized. The ESMF, the RPF and the PMP were disclosed in Togo on November 17, 2010 and at the Infoshop on December 22, 2010.

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment (OP/BP 4.01)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Natural Habitats (OP/BP 4.04)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Pest Management (OP 4.09)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Indigenous Peoples (OP/BP 4.10)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Physical Cultural Resources (OP/BP 4.11)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Involuntary Resettlement (OP/BP 4.12)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Forests (OP/BP 4.36)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Safety of Dams (OP/BP 4.37)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Projects on International Waterways (OP/BP 7.50)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Projects in Disputed Areas (OP/BP 7.60)*	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Annex 1: Results Framework and Monitoring
TOGO: PASA
Results Framework

Project Development Objective (PDO): The overall development objective of the Bank-financed project is to rehabilitate and reinforce productive capacities among targeted beneficiaries across selected value chains, and to foster an enabling institutional environment for the development of the agricultural sector.												
PDO Level Results Indicators*	Core	Unit of Measure	Baseline	Cumulative Target Values**					Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description (indicator definition etc.)
				YR 1	YR 2	YR3	YR 4	YR5				
Indicator One: Farm output subject to project supported post-harvest value-adding schemes	<input type="checkbox"/>	Tons							Annually	Project records and reports	MAEP/DPCA The institutions (e.g. NGOs) contracted for the implementation of the respective activities	<i>Annual</i> target values Rice: quantity subject to processing through ESOPs Corn: quantity subject to warrantage schemes
		Rice Corn	0 0	500 0	2,000 500	3,000 800	4,000 1,000	5,000 1,500				
Indicator Two: Increase of crop and fisheries output, and of livestock population among project beneficiaries	<input type="checkbox"/>	Tons and number of heads (^)							Annually for coffee, cocoa and fish	Surveys for coffee, cocoa, small ruminants and poultry.	MAEP/DPCA MAEP/DSID UTCC MAEP/DPA	<i>Annual</i> target values Coffee and cocoa: total domestic production Small ruminants and poultry: cumulated herd size of growers benefiting from training, improved breeding material and/or better practices Fish: quantity captured in targeted continental waters and farmed on project sites
		Coffee	13,000	13,000	14,500	15,000	15,500	16,000				
		Cocoa	6,000	6,250	6,500	7,000	8,000	9,000				
		Small ruminants^	70,000			80,000	85,000					
		Poultry^	60,000			70,000	75,000					
Fish	600	350	1,300	1,500	1,900	2,500		Mid-term and end of project for small ruminants and poultry	For coffee and cocoa, the project will finance annual surveys. For small ruminants and poultry, surveys will also measure herd off-take per year. MAEP's statistical data for fish.			

Indicator Three: Rate of PNIASA financial execution	<input type="checkbox"/>	%	0%	5%	10%	25%	50%	70%	Annually	MAEP's financial reports and/or project financial reports	MAEP/DAF	Funds disbursed relative to total commitments. Both disbursement and commitments refer to the cumulated PASA, PADAT and WAAPP pledges under PNIASA. Total commitments are calculated in relation to the entire implementation period of all three projects.
Indicator Four: Direct project beneficiaries	<input checked="" type="checkbox"/>	Number and % (female)	0 0%			28,000 20%		75,100 20%	End of project	Project records and reports	MAEP/DPCA	This includes crop farmers, animal herders, fish producers, fish vendors and government staff benefitting from training programs
INTERMEDIATE RESULTS												
Intermediate Result (Component One): Targeted actors in selected agricultural value chains will have better access to knowledge, improved technologies, and financing, and will be better integrated. This will be conducive to increased production and better access to both domestic and export markets.												
<i>Intermediate Result indicator One:</i> Number of targeted clients who are members of newly created ESOPs ***	<input type="checkbox"/>	Number	0	0	1,000	2,000	3,000	4,000	Bi-annually	Project records and reports	MAEP/DPCA The institutions (e.g. NGOs) contracted for the implementation of the respective activities	The targeted clients are farmers who become ESOP members.
<i>Intermediate Result indicator Two:</i> Farmers' organizations participating in	<input type="checkbox"/>	Number	0	0	5	10	15	20	Bi-annually	Project records and reports	MAEP/DPCA The institutions (e.g. NGOs) contracted for the	

the warrantage scheme											implementation of the respective activities	
<i>Intermediate Result indicator Three: Area regenerated or newly planted</i>	<input type="checkbox"/>	Hectares Coffee Cocoa	0 0	0 0	6,000 4,000	12,000 8,000	18,000 10,000	20,000 10,000	Bi-annually	Project records and reports	MAEP/DPCA	
<i>Intermediate Result indicator Four: Water area covered by new management plans adopted by fishers</i>	<input type="checkbox"/>	Hectares Lake Nangbéto Other water bodies	0 0	18,000 15	18,000 50	18,000 75	18,000 100	18,000 100	Bi-annually	Project records and reports	MAEP/DPCA MAEP/DPA	
<i>Intermediate Result indicator Five: New or upgraded fish farms</i>	<input type="checkbox"/>	Number	0	30	65	120	200	280	Bi-annually	Project records and reports	MAEP/DPCA MAEP/DPA	
Intermediate Result (Component Two): to provide emergency short term support to rehabilitate small ruminant and poultry production.												
<i>Intermediate Result indicator One: Animal growers using superior breeding stock ****</i>	<input type="checkbox"/>	Number Small ruminants Poultry	0 0	2,000 2,000	4,000 3,000	7,000 5,000	7,000 6,000		Bi-annually	Project records and reports	MAEP/DE The NGO service provider(s) contracted.	Separate reports will be provided to GFRP on the numbers of improved bucks, rams and roosters distributed to farmers. Superior breeding stock also includes the first-borns subject to redistribution.
<i>Intermediate Result indicator Two: Farmers adopting improved animal husbandry practices****</i>	<input type="checkbox"/>	Number Small ruminants Poultry	0 0	2,000 2,000	4,000 3,000	7,000 5,000	7,000 6,000		Bi-annually	Project records and reports	MAEP/DE The NGO service provider(s) contracted.	Farmers building better animal habitats (which include feeding and watering facilities)
<i>Intermediate Result indicator Three: Animals</i>	<input type="checkbox"/>	Number (thousands)							Bi-annually	Project records and reports	MAEP/DE REMATO (Réseau)	Annual targets

participating in the vaccination campaign		Small ruminants Poultry	0 0	2,000 9,500	2,000 9,500	2,000 9,500	2,000 9,500				<i>d'Epidémiologie et de Surveillance des Maladies Animales au Togo</i>	
<p>Intermediate Result (Component Three): to strengthen the capacity of MAEP to manage the sector and efficiently coordinate the implementation of the PNIASA, and to lead to the increase of the physical and financial execution rate of agricultural investments.</p>												
<p><i>Intermediate Result indicator One:</i> Results-based management and accountability system developed and implemented:</p> <p>(1) MAEP structures using annual work plans and budgets in line with the RBMAS manual, and submitting activity reports to the Secretariat General in line with the RBMAS manual</p> <p>(2) Staff in MAEP structures participating in performance agreements in line with the RBMAS manual</p>	<input type="checkbox"/>		0%	0%	25%	50%	70%	75%	Bi-annually	Project and MAEP records	MAEP/DPCA	<p>For (1) and (2): MAEP structures refer to MAEP departments and specialized agencies, at central, regional, and local levels</p> <p>For (1): the percentage is calculated relative to the total number of MAEP structures</p> <p>For (2): the percentage is calculated relative to the total staff in MAEP structures</p> <p>In addition, two external audits will be foreseen during the mid-term and end-of-the-project evaluations, to assess the effectiveness of the RBMAS implementation overall.</p>
<p><i>Intermediate Result indicator Two:</i> Training delivered to MAEP staff ***</p>	<input type="checkbox"/>	Number of client days	0 RBMAS FM M&E	1,050 450 450	1,800 900 900	1,800 1,350 1,350	1,800 1,350 1,350	1,800 1,350 1,350	Bi-annually	Project records and reports	MAEP/DPCA	

<i>Intermediate Result indicator Three: Number of sub-sectoral policies and implementation plans adopted ***</i>	<input type="checkbox"/>	Number	0	2	3	4	5	5	Bi- annually	MAEP data	MAEP/DPCA	
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***Please indicate whether the indicator is a Core Sector Indicator (see further <http://coreindicators>)**

****Target values should be entered for the years data will be available, not necessarily annually**

***** GAFSP indicators**

****** GFRP indicator**

Annex 2: Detailed Project Description

1. This annex first presents the challenges and opportunities of the targeted productive sub-sectors and value chains, before describing specific activities to be supported under each component and sub-components of the Project.

A - Challenges and opportunities for the targeted productive sub-sectors

2. **Cotton.** Cotton used to play a major role in the rural economy and in poverty alleviation, due to a high number of producers (250,000 in 2000) in all regions of the country. It has also a potentially strong impact on the development of food crops, cultivated in association or in rotation with cotton, and benefitting from cotton fertilization. Cotton is a crucial cash crop, especially in the Northern part of country, where there is no alternative to cotton. Cotton production dropped drastically from 180,000 tons in 2000 to 30,000 tons in 2008/09, due to mismanagement of the parastatal cotton company (SOTOCO) and the accumulation of arrears due to farmers, further aggravated by the decline of cotton world prices in recent years. In 2008, the Government decided on a reform of the cotton sector, including: (a) arrears clearance and dissolution of SOTOCO, (b) creation of a new cotton company (NSCT) with capital shares held by the Government (60 percent) and by the producers association (FNGPC, 40 percent). The following programmed steps in the reform process, among other pursued through the Bank-supported Economic Recovery and Governance Grant, will be the entry of a private operator with a majority share in the capital of SNCT, who will recapitalize the company and bring professional expertise, and the creation of an inter-profession (grouping SNCT and FNGPC) in charge of sector coordination. This reform, together with good market price prospects for the coming years and a transparent price mechanism for seed cotton (put in place in 2009), has already allowed a restart of production in 2010 (50,000 tons are expected for the 2010/11 campaign), and will create a favorable environment for a further sustainable recovery of cotton production (to 100,000 tons at least). A critical factor for the recovery of the sector is the strengthening of the producers' organization, which has benefitted from very limited support in the past and has been weakened by the cotton crisis (a majority of members abandoned cotton, thus affecting the representativeness of the organization). A strengthened producers' organization is expected, in particular, to rebuild farmers' confidence in the sector's management and improve the efficiency and repayment performance of the input distribution and credit scheme.

3. **Coffee and cocoa.** Production of coffee and cocoa declined continuously from 30,000 tons in the mid 90s (half coffee and half cocoa) to 19,000 at present (around 13,000 tons of coffee and 6,000 tons of cocoa), as estimated by a sector study very recently undertaken under Bank's financing, due to a combined decline in areas and yields, especially for cocoa. According to the findings of the study, this decline is mainly due to inadequate maintenance practices, non replacement of ageing plantations and, finally, abandonment of these plantations when production does not cover anymore the maintenance cost. Full replanting of existing plantations is not recommended by the study, which also considers that increasing the planted area (through extension of existing plantations) is possible for coffee, given the availability of suitable land, but more limited for cocoa, as possible land reserves are located in marginal areas. There is however, according to the study, a considerable potential for yield increases (from 250 kg/ha for coffee and 200 kg/ha for cocoa, in average, to nearly 1,000 kg for both crops), through the introduction of good maintenance practices (pruning and shading, in particular), combined with

gradual replacement of old and dead trees. Once the plantations are fully regenerated and the producers' income increased, yields can be further improved by fertilizer and pesticides applications, and the demand for extension of coffee plantations will increase. This improvement strategy requires primarily the reshaping and strengthening of specialized extension services, which are currently very weak, divided into two entities (UTCC, a newly created specialized department of ICAT, and the Producers' Union, FUPROCAT), both disseminating outdated technologies. The weakness of the producers' organization (the National Union of Coffee and Cocoa Producers - FUPROCAT, and the 9 local Unions at the Prefecture level), to which less than one third of producers adhere, is also a constraint that needs to be addressed, as it leaves producers without an efficient collective system for equipment and input procurement, and for marketing. Finally, there is also a need for reshaping and strengthening the inter-professional body, in charge of the overall coordination of the sector, as the existing entity is dominated by traders.

4. **Food crops.** Food crops are a major source of livelihood and food security for the Togolese rural poor. Rural households represent 66 percent of the country's poor and food crops, particularly maize, cassava and rice, are present in almost all farming systems across the country. Support directed to food crops is expected to yield significant pro-poor growth.

5. **Rice:** a fast-growing domestic market and favorable prices offer important opportunities for increasing domestic production and for import substitution. The domestic demand for rice is increasing at an estimated rate of nearly 5 percent per year. Should this trend continue, it will lead to an annual consumption of 200,000 tons by 2020. Imports currently account for 40 percent of the domestic consumption. However, the recent increase of the international price for rice makes imports more expensive and offers growth opportunities for domestic producers. The price of rice has now reached US\$450-500/ton, which is 50 percent higher than the 2000-06 average. Domestic competitiveness is further boosted by public investments in rice development programs, which support irrigation of lowlands and the dissemination of new varieties. Further support to the rice value chain, to improve the processing capacities and the quality of rice marketed domestically would contribute to reaching a 7.7 percent target of annual grain sector growth, as set forth in the PNIASA.

6. **Maize, cassava and soybeans:** domestic downstream industries and regional markets are major growth-drivers. Livestock production and the brewery industry in Togo are set on a positive growth trend, which is to generate increased demand for critical inputs such as maize, cassava and soybeans. Regional markets, particularly through the development of food and animal feed industries, also offer good export opportunities for the Togolese production, which is profitable at the current market prices. However, these opportunities are not fully explored due to various (informal) barriers that exporters face when selling their products abroad. A policy dialogue has been opened between DPs and the GoT on such issues.

7. In all cases, local and regional consumers need to be made aware of Togolese products availability through information and promotion campaigns.

8. **Animal proteins.** Animal protein production remains below country needs (covering 40 percent for meat¹⁴ and 50 percent for fish) and country consumption is estimated at 19 kg/inhabitant/year, where FAO minimum threshold is 29.2 kg. The country is facing massive

¹⁴ Latest FAO data (May, 2010)

imports to make up its deficit, generating a significant need for hard currency. Imports in livestock products (meat, eggs, milk, fish), represent no less than 2/3 of food-related imports in Togo. Livestock and fish production contribute respectively to 14 and 4 percent of agriculture GDP and 90 percent of farmers are involved in the sub-sector (as pointed out in the recent CEM - April 2010). Groups involved in animal production such as herders and fishermen, have not recovered from food price crisis effects and remain among the poorest.

9. **Livestock.** Stock-raising in Togo is characterized by poor mastery of zootechnical parameters and remains seriously threatened by epidemics. Prevalence of Newcastle disease oscillates between 40 and 70 percent in Togo. Lacking shelter, poultry often perch in trees overnight, and suffer losses from theft and depredation. Overall, poultry losses are estimated at 80 percent in traditional culture, whereas mortality is only 20 percent when vaccination and de-worming is practiced. Herders are facing distressed livestock product sales creating further asset depletion. In the case of small ruminants, the food crisis caused a negative selection process, with higher yielding and resistant breeding stock being sold off before its productive life span. For example, the size of an adult sheep in traditional husbandry now averages 18 to 20 kg, whereas the same breed and age at Kolocopé research station averages 35 to 40 kg. This deteriorated livestock situation results in food insecurity and malnutrition of the poorest households especially the small farmers localized in the Sahel area (Savanes, Kara and Centrale regions) where the livestock constitutes the principal source of livelihood. Togo has developed veterinary services but needs to increase access to vaccination services. Some NGOs such as AVSF and Borne Fonden are active in promoting animal health but their coverage is spotty. Activities to fight against avian influenza organized since 2007, created and equipped a disease-surveillance network, the Togo animal diseases surveillance network (REMATO) which remains active country-wide. This network continues to function and constitutes a potential partner to oversee the vaccination and de-worming activities and can serve as an early warning system for animal diseases.

10. A focus on improving production of short life cycle animals: poultry and small ruminants, which make up 30 percent and 42 percent of Togo's meat production respectively, bear solid production development potential should herds be recapitalized and animal survival significantly increased. Pigs are also a short cycle species and are raised by the majority of household. However, pig raising shows very high risks of losses from African swine fever that is not under control in Togo and neighboring countries. In addition, a remaining challenge is that genetic improvements in pig stocks should not lead to the risk of increased production costs without compensation by higher prices on the domestic market.

11. **Inland fishery.** Fish imports to Togo reached a high of 48,000 tons in 2008 but then reduced to 26,000 tons during the food price crisis. Total fish catch in Togo from marine waters has remained level at about 22,000 tons per year, down from the 28,000 tons in 2005. Catch from inland waters had decreased from an estimated 5,000 tons in 1997 to less than 1,000 tons in 2009, following a rapid assessment by the World Bank project preparation team. The inland fishery centered on Lake Nangbeto has degraded due to lack of enforcement of minimum mesh size and closure dates. Most of the catch is made up of very small, immature fish, which fetch a low price. Fishers are thus faced with little choice than to break the rules and continue fishing during the assigned biological recovery time and are using smaller than legal mesh sizes, which in turn results in a downward spiral of ever-decreasing fish catch. Inland small water bodies suffer from a fate similar to lake Nangbeto, but to an even greater degree. The fish size is about a

quarter of what it was 10 years ago, number of fishers per surface area has more than quadrupled and the catch per fisher is less than subsistence level. Recent food insecurity has exacerbated the problem, driving even more people to enter the fishery.

12. A substantial increase in catch weight can be made if the mesh size limit is enforced on Lake Nangbeto. However, this cannot be done if the market for the undersized fish remains. A short-term reduction in fish catch will initially occur when the mesh size limits are enforced, so fishers and women fish vendors need to have a fall-back activity in the meantime for which the fishers have suggested small livestock keeping. The fishermen recognize the need to enforce the fishing regulations and have requested that government reinstate its fishery enforcement. A co-management plan has been in effect on Lake Nangbeto but does not comprise all of the fishers groups. Due to their small surface area, a re-stocking effort may prove to be the fastest method for increasing production in the small water bodies and will also serve as encouragement to the fishers to institute and follow a co-management plan.

13. **Aquaculture.** Despite Togo's warm climate and abundance of aquaculture sites, fish production from aquaculture is a low 50 tons per year, according to a rapid assessment of the World Bank project preparation team, even though a total of 113 fish farming operations are on record. The Directorate for Fisheries and Aquaculture (DPA) has personnel with some theoretical training but lack field experience; fish farmers often go outside the country to learn from other fish farms but have not understood the reasoning behind some of the technologies they have seen. Improved strains of Nile tilapia are available but hatcheries need to learn good broodstock management practices whether or not these strains are brought in to Togo. Finance is hard to obtain for aquaculture because it is virtually unknown by the banking and lending institutions and is considered very high risk. Qualified technical advising and feed prices and availability are the fish farmers' biggest constraints to improving production.

14. Togo has the natural resources for fish farming and the potential to develop a sizeable aquaculture sector that can contribute to the country's increasing need for animal protein. Youth groups are especially attracted to fish farming because it is different from other forms of agriculture production. If quality fish feed can be made available at prices at or below \$880 USD/ton (FOB Lomé), fish production will be able to double every year. It would be best to start small in the area of highest potential (from Atapkame and south) to build a solid foundation of understanding and services. Current cost of production can be reduced from 1,250 FCFA/kg to less than 1,000 FCFA/kg with better access to feeds and training. At the current retail price of 1,250 to 1,500 FCFA/kg and high demand, many newly interested small and medium-scale investors are gearing up for aquaculture.

B – Detailed project components and activities

COMPONENT 1: Promotion of strategic food crop, export crop and freshwater fish development (US\$24.1 million, of which GAFSP support is US\$17.5 million; and Government & Beneficiaries is US\$6.6 million)

Sub-component 1.1: Support for food crops development (US\$10.4 million, of which GAFSP support is US\$7.5 million; and Government & Beneficiaries is US\$2.9 million)

15. The project will help structure and better integrate selected value chains such as rice (where there is a potential for increasing production, but also for milling higher quality rice and selling it at a competitive price), cassava (where processing can greatly add value to the domestic

crop production, which can then be sold on local and regional market) and maize (where innovative schemes will be developed to help producers better manage their surpluses, by benefiting from marketing opportunities within the sub-region). This will help increase and diversify the supply of products processed from local cereals and increase their quality, to better meet the needs and expectations of the consumers. This sub-component will generate synergies by capitalizing on the improved technologies (in particular certified seeds) and services provided through the WAAPP.

16. **(a) - Scaling-up the ESOP model:** the project will support the development of sustainable forms of partnership between organized agricultural producers and processors and traders of food products. This will facilitate producers' access to necessary inputs, improve product quality, add value and provide much needed market access for food products. This approach has been successfully implemented in Togo and Benin since 2002, on a pilot basis, with support from two NGOs (ETD and CIDR). The ESOP model will primarily benefit the rice value chains, but also encourage market development of other commodities (e.g. soybeans and cassava) and other processed products (e.g. animal feed concentrates, in order to add value to primary crops -such as maize- and by-products -such as cotton seeds, distillery cakes). The project will contribute to the setting up of 20 new ESOP-based food processing facilities (out of which 10 rice mills). This will benefit about 14,000 agricultural producers, and ensure the processing of 5,000 tons of rice and 2,000 tons of soybeans annually, as well as variable volumes of other food products. In addition to developing new rice milling units, the project will finance advisory support for the reorganization of the Kara rice mill, and financial support for strengthening the ESOPs network (RESOP) in promoting its members' products on the domestic market.

17. This activity will be implemented by a qualified NGO/group of NGOs, under a service contract based on deliverables. The contractor will need to prove good experience in using the methodological approach for a market-based value chain development strategy, in defining the tools and actions to develop the process and in providing effective business support. The contractor will provide the local partners (e.g. producers' organizations and entrepreneurs) involved in the creation of new ESOPs with: (a) equipment for food processing, (b) matching grants for the purchase of inputs, and (c) training and technical advice as needed for the development of their activities. The PADAT project will complement the PASA financial support to build the requested rural infrastructures (notably warehouses) as needed. The producers' organizations will become the owners of these infrastructures. Such support will be included in the formulation of the PADAT annual work plans and budgets.

18. **(b) - Development of pilot warrantage schemes for cereal producers:** in a rather large part of the country, grain surpluses and seasonal variations in grain prices create the right environment for piloting inventory credit scheme operations ("warrantage"), as an innovative financing tool and to help manage food crops value chains better. Where economic viability conditions are met, the project will support the establishment of partnerships between farmers' organizations, private operators and micro-finance institutions (MFIs), to develop such activities as bulking, conditioning and storage of grains (especially maize and sorghum). This will help sustainably connect producers to service providers (rural finance, processing, agricultural mechanization, extension) and to markets. The project will contribute to the setting up of about 20 operational "agribusiness center" type warrantage structures. These will benefit approximately 5,000 producers, and would handle roughly 1,500 tons of grain per year for packaging, storage and marketing.

19. This activity will be implemented in collaboration with various operators bearing expertise in this field (NGOs such as ETD, IFDC, INADES-Formation, AVSF, RAFIA; producers' organizations such as CPC; MFIs such as FUCEC and WAGES; and other possible private and public partners). The project will issue calls for proposals through a competitive development fund and contracts will be awarded after a regular selection process (cf. Sub-Component 3.3). The project will provide funding for: (a) equipment to ensure the quality of grains (weighing, winnowing, grading); (b) advice and training to strengthen the capacities of partners involved in these "agribusiness centers" (organization, management, identification of new markets at national and sub-regional level); (c) covering a portion of these centers' operating costs during the start-up phase (such support will progressively phase out over three years). Partnerships with financial institutions (local MFIs) will be facilitated by GoT credit guarantees to help mitigate risks (cf. Sub-Component 3.3). The PADAT project will complement PASA support through financing the construction of warehouses (as in the case of ESOPs). Such complementary support will be included in the formulation of PADAT annual work plans and budgets and will allow producers' organizations become owners of these infrastructures.

20. *(c) - Support for innovative initiatives to diversify food crops and food products for domestic or sub-regional markets:* the project will particularly target agro-industrial processing and marketing initiatives for products such as tubers, fruits, vegetables. It is expected to support about 20 such initiatives, directly benefiting about 20 SMEs built on partnerships (producers, processors, traders). About 2,000 farmers will be indirect beneficiaries of this activity. The activity will be implemented through competitive funds (cf. Sub-Component 3.3). Beneficiaries will be eligible for subsidies to purchase equipment, carrying out studies (technical and/or market development), as well as for acquiring expertise or building capacities. The latter may take the form of services provided by specialists, engineering firms, public institutions or NGOs in a wide range of domains (production, reducing post-production losses, organization, management, product quality, marketing, innovation).

21. *(d) - Promotion of local food products on domestic and sub-regional markets:* this activity aims to promote local food products and inform consumers about the various possibilities of using these products in their diet. The project will support the setting-up of a dedicated window under MAEP's matching grant scheme (cf. Sub-component 2.3) with costs shared among the partners involved. Direct beneficiaries will be the actors of the food products supply chains partnering in these initiatives (whether industrial, semi-industrial or artisanal). About 10,000 producers of the food crops value chains will be indirect beneficiaries. Activities will encompass: (a) consulting and training to develop "quality" approaches; (b) media type promotion campaigns (through communication agencies, radio or television spots) or local events (animations at retail level, distribution of recipes, etc.); (c) participation to commercial events and food demonstrations (fairs, open days, promotion caravans, etc.) in Togo and/or in the sub-region; (d) targeted surveys for market knowledge and monitoring (price data, consumer surveys, etc.). Such surveys would trace the impact of marketing actions, allow access to updated practical information for the various operators (processors, supporting advisory bodies), and help identify new opportunities.

Sub-component 1.2: Support for export crops (US\$9.8 million, of which GAFSP support is US\$7.1 million; and Government & Beneficiaries is US\$2.7 million)

22. **Cotton.** The Project will support the implementation of the capacity strengthening plan elaborated by the producers' organization (FNGPC), aiming at enabling it to: (a) fulfill effectively the operational functions assigned to them by the sector regulatory framework (distribution of inputs and recovery of the related credit at village level, assembly of seed cotton, promotion of quality at the production level), (b) encourage members in increasing their cotton area, (c) become an effective partner in the coordination of the sector and represent producer' interests at the board of NSCT. Through FNGPC, Project support will be directed to the 5 regional Unions, the 26 local Unions (*Unions Préfectorales*) and the 1,000 village groups. Project's intervention will complement a first support brought by Stabex funds in 2010, the duration of which (12 months) was too short to have a sustainable impact on the organization.

23. The Project support will finance 100 percent of the equipment needs, 80 percent of the training activities (for members and group leaders) and a decreasing proportion (starting from 50 percent in year 1 to 0 percent in year 5) of the operation costs of the organization, which will be gradually covered by a levy on cotton produced by members, so that the organization becomes self sufficient in the last project year. The Project will also finance a 15 months international technical assistance to the producers' organization, a study for the setting up of an inter-professional body and a study on the privatization strategy of NSCT.

24. The outcomes of the project activities will be: (a) membership of village groups and unions will be refocused on farmers still growing cotton, and the internal organization rules reviewed accordingly; (b) the number of cotton growers will increase from 50.000 in 2010 to at least 80.000 at the end of the project, reflecting regained confidence in the sector management; (c) the quality of cotton lint will attract a premium of at least 10 FCFA/kg (above the world market price), due to the joint efforts made by the producers' organization and NSCT to reduce contamination and improve grading; (d) the sector coordination mechanisms described by the sector regulatory framework adopted by the stakeholders in 2010 will function effectively.

25. **Coffee/cocoa.** The project will support three activities:

26. (a) *Reshaping and strengthening of the specialized agricultural extension system:* the project will finance training by an international technical assistance (8 person-months per year during the three first years and 4 person-month per year during subsequent years) and the operation costs (on a decreasing basis) of a network of 14 extension agents (covering the 11 *préfectures* where coffee and cocoa are grown). A coordinator will be in charge of technical and financial coordination of the team, initially under the control of ICAT. Team members will be selected from the existing pool of technical advisers from UTCC/ICAT and FUPROCAT, through a competitive process. It is expected that this extension unit will gradually be supported by the inter-professional body, once it has been restructured (in the third year of project implementation).

27. The project will finance 100 percent of the operation cost of this extension network during the two first years, and reduce its contribution from 80 percent to 40 percent in the subsequent years, as the inter-profession organizes to take over the cost of the advisory functions.

28. (b) *Provision of planting material for regeneration and extension of the plantations:* the project will finance the purchase of the planting material from ITRA and distribute it for free to planters to regenerate their plantations, under the condition that they follow the technical itinerary proposed by the extension team. The combined package of improved maintenance, shading and pruning techniques and gradual regeneration of the plantations is expected to be

adopted by 2/3 of the existing plantations, on which the yields will be multiplied by two to three within three to four years. Free planting materials will also be distributed for the extension of existing plantations in areas considered as favorable (200 ha each for each crop). The overall production increase over the project life is 35 percent on cocoa and 30 percent on coffee, for which the regeneration process has to be more progressive. The full impact will be in 2017, when production of both crops should double as compared to the pre-project situation.

29. *(c) Strengthening of the farmers' organization:* The project will support the institutional strengthening of the farmers' organizations, through training and advisory services implemented by FUPROCAT, to reintegrate gradually within the farmers' organization the majority of farmers who are not members. It will also support the restructuring of the inter-professional board (CIFCC). The expected outcomes are (i) at least 70 percent of coffee and cocoa farmers are members of a farmers' organization and receive services from it; (ii) an inter-professional body, in which farmers are adequately represented, is in charge of sector coordination and monitoring.

30. **Diversification.** Through a competitive grant scheme, the project will support micro-projects aimed at developing nontraditional exports, proposed by commercial companies or NGOs in partnership with farmers groups. Three calls for proposals will be launched during the project life time. In the first call, the sub-projects will be focused on horticultural or tree crops, on which promising market niches have been identified. Two types of sub-projects will be considered, including: (a) innovative micro-projects (new market, new technique, or new product), which can be financed up to 70 percent with a ceiling of \$50,000; (b) sub-projects for development of existing markets or technologies, which can be financed up to 50 percent with a ceiling of \$100,000. The grant provided by the project may cover equipment, training, technical assistance and marketing costs. Fifteen micro-projects are expected to be implemented. The expected outcome is an increase of at least 30 percent of the value of nontraditional crops exports.

Sub-component 1.3: Support for freshwater fish production (US\$3.9 million, of which GAFSP support is US\$2.9 million; and Government & Beneficiaries is US\$1.0 million)

31. The Project will support aquaculture development, as well as funding for technical assistance in fishery management to help DPA staff and fishers better understand management of small water bodies to optimize catch.

32. **Inland fishery:** fishers on the small water bodies and the fish vendors will be trained to assist with collection of data and assessment of the fishery, and will make a joint management plan with assistance from DPA and the fishery advisor. The Project will support purchase of water quality kits and sampling nets to allow for data collection needed to prepare management plans. The Project will also support purchase and transport of fingerlings (mostly tilapias) to restock some of the small water bodies after the management plans have been made¹⁵. The Project will assist funding for training of hatchery owners and managers to upgrade their live fish holding and transport methods. At least two hatcheries will be funded on a cost-share basis to provide fingerlings for the restocking program and for additional aquaculture ventures that will develop. The Agbodrefo fingerling center on Lake Togo will be renovated and serve as a holding area for locally available improved tilapia stocks. To reduce post-harvest losses, improved fish

¹⁵ A certain market for fingerlings for small water body restocking will help hatchery capacity to develop that will further serve aquaculture development

smoker/driers will be funded from a competitive grants fund and DPA and small-scale fish smoker owners will be funded to travel to Nigeria to learn the smoking/drying techniques. The Project will also support the purchase and provision of up to 1,200 gill nets of legal mesh size to replace the current fishing nets, thus removing the constraint of lack of capital for changing fishing gear. The fishers will have to remove the float lines and lead lines from their small-mesh nets to serve as mounting material for the new gill netting. After an initial reduction in catch, inland fishery catch is expected to double.

33. In addition, during the first year of the project, the fishers and women fish vendors of Lake Nangbeto will be among the beneficiaries of the animal restocking campaign if they meet the general qualification criteria set in component 2, as compensation for the expected low catches from the first year after re-instating the fishery rules on the lake.

34. ***Aquaculture:*** a series of on-farm demonstrations will be funded in partnership with selected farmers to provide examples and references for different options in aquaculture production, for tilapia and clarias catfish (feed-based static-water pond production, feed-based cage and tank production, and an agricultural byproduct plus fertilizer poly-culture option). These demonstration sites will become the training sites. The Project will support efforts to increase the supply and access to five “critical inputs” required for aquaculture development: information, fingerlings, feed, finance and markets. Information to DPA staff and fish farmers will be improved through including highly qualified and field-oriented international technical assistance in diminishing amounts, in-service training and certification of aquaculture advisors, on-farm training of fish farmers and the publication of technical “fact sheets” based upon actual data generated from demonstrations conducted on the farms. The on-farm training programs will gradually be taken over by the DPA staff and the more progressive fish farmers. Due to the initially low needs for feed and the lack of quality feed manufactured in the region, the first feeds will be imported and provided to farmers at a subsidized rate (through MAEP Agency for Agricultural Inputs Purchase and Management-CAGIA). To qualify for the feed, farmers must register with the DPA and report their production annually. The subsidy will begin at 75 percent and reduce by 25 percentage points annually¹⁶. Seed (fingerlings) access will increase due to training of farmers in production of catfish fingerlings and the tilapia hatchery training programs to be held under the small water body restocking program.

35. Examples of successful and profitable fish farming ventures in Togo will help the financial institutions make sound decisions when considering loan applications. Economic data including enterprise budgets and returns to investment will be gathered and presented to interested investors and to the microfinance agencies. Fish farmers who benefit from the feed subsidies will have the increased net revenues from fish sales to finance further expansion of their fish farms. Marketing will be mostly from on-farm sales in the first years. As production levels increase, the introduction of improved live fish transport techniques taught during the training programs will allow the producers to access markets nearby. A doubling of total fish production from aquaculture is expected to occur annually. By the end of the project, 280 commercial fish farms producing a total of 1,500 tons of fish, and at least two hatcheries, each able to produce a total of one million fingerlings annually is expected.

¹⁶ Provisions have been made for cost-sharing on feed mill equipment through the competitive grants program, but if the regional feed supply develops as expected, this may not be necessary

COMPONENT 2: Recovery of the livestock sub-sector (US\$14.1 million, of which GFRP support is US\$9.0 million; and Government & Beneficiaries is US\$5.1 million)

36. The general aim under this component is to assist small farmers develop and enhance animal production to recover from asset depletion deriving from the food price crisis and help them achieve a better nutritional balance at household level. The support will be focused on the development of short cycle species (small ruminants¹⁷ and poultry) which are mostly raised by poor and vulnerable rural dwellers (including a large proportion of women and youth) and where important productivity gains are most likely. This GFRP funded component will have a shorter implementation time than the other components, with a 4 year timeframe and a closing date by December 2015.

37. The Project will support: (a) restocking (with genetically improved stocks) of the small ruminant herds and chicken flocks for poor households, (b) the vaccination and parasite treatment of small ruminants and poultry, and (c) improvement of small-scale rural animal husbandry techniques, especially in provision of shelter. Communication to reach out to targeted groups and training to mitigate risks will be included as an integral part of each of these three clusters of activities.

38. Sustainability of activities after Project termination has been given strong consideration during Project preparation. To this end, the Project relies on methods and mechanisms that have already been successfully tested by NGOs in the country and show satisfactory ownership and replication. The following factors have been built into the design of the project, so that the short term response is compliant with the medium term view of sector recovery: (i) the target group is focused on those herders that have higher potential for sustained and higher livestock production, but have been negatively affected through distress sales as a result of higher food prices; (ii) the target group is also expected to reduce the risk of restocked livestock deaths (which is often prevalent in livestock restocking programs), with complementary livestock health services, better livestock housing and training to be provided by the Project; (iii) vaccination campaigns will be implemented through existing private sector service providers and will strengthen a cost recovery mechanism for vaccine procurement through a revolving fund of recipient contributions already being used in Togo; (iv) restocked animals are planned to be purchased locally or within the region, and the price impacts of these purchases are expected to be relatively small (the longer-term benefits to the restocked families are expected to outweigh any short-term cost from higher livestock prices from project purchases); (v) for small ruminants, the number of planned restocked animals does not exceed the expected carrying capacity in Togo, so the risk of forage degradation (un-sustainable grazing) is small.

39. **(a) Restocking with locally-available improved breeding stock:** the activity will be built on the existent competence and potentiality of local NGOs (such as AVSF, Borne Fonden and Heifer Project International) and ITRA, with the objective to increase access of herders to local improved genitors and roosters and to enhance the zootechnical characteristics of individual animal produced. The project will assist in: (i) the construction of 2 quarantine hangers at Kolokopé station and the renovation of animal transit centres at Namiélé in the north and

¹⁷ Although hogs are also a short cycle species mostly raised by women, the prevalence of African swine fever in Togo and neighboring countries makes investment in productivity improvement a risky venture. In addition, a remaining challenge is that genetic improvements in pig stocks should not lead to the risk of increased production costs without compensation by higher prices on the domestic market.

Avetonou in the south (including planting of 4 ha forage crops close to the transit and quarantine centres); (ii) the purchase of animals both within Togo at ITRA and from neighbouring countries; (iii) border inspection for imported animals, quarantine and ear-tag identification. Linkages with activities undertaken through the WAAPP project will be actively sought. Beneficiaries of improved stocks will be among those with improved animal shelters and holders of at least 10 animals. They will be identified and trained by local NGOs. Beneficiaries of the second generation will be identified by the NGO that has agreed to take on the « retrocession » program.

40. The restocking effort will be limited to 1 or 2 prefectures in each of the 5 regions of the country. Concentrating the activities facilitates monitoring and allows for synergies between beneficiaries that will lead to more noticeable impacts. This approach also reduces the risk of inbreeding since the benefitting prefectures are in different regions.

41. Improved roosters will be purchased on a competitive contract basis from private producers or NGOs as part of a package that will include training of beneficiaries, essential medicines and one bag of feed. Improved bucks (Touareg) and rams (Djallonké) will be sourced with help from ITRA¹⁸ and the DE for setting out the terms in the bid request and for inspecting the animals upon their arrival. These animals will then be turned over to the NGO service provider who will assure their distribution and the re-distribution of the first born. The beneficiaries will sign an agreement to allow their animals to sire the females of the neighboring small farmers (10 households per beneficiary at least) and to release the first born male (in the case of small ruminants only) for re-distribution. Each of the 7,000 bucks and rams re-stocked are expected to sire about 25 does per year, thereby benefitting an estimated 45,000 households. A total of 6,000 improved roosters will be distributed, providing services to 5 neighboring households each, thus resulting in 40,000 households benefiting from this activity. The NGO service provider will also train beneficiaries to avoid inbreeding and to practice improved management of bucks and rams.

42. **(b) Animal health:** de-worming and vaccinations against Newcastle for poultry and small-ruminant rinderpest (PPR) for goats and sheep will be expanded to the entire country in a massive campaign for animal health improvement. Vaccination campaigns will be implemented using a sustainable mechanism for vaccine procurement already developed by a few NGOs in Togo, and develop collaboration between NGOs, MAEP's public veterinary network and the preexistent private veterinary services. During the first year of project implementation, the Project will: (i) train and equip 1,100 animal husbandry agents (Livestock auxiliary at village level-AVE) and 2,000 new AVEs; (ii) organize animal census efforts and public awareness campaigns with the help of ICAT and AVE agents; (iii) purchase equipment for vaccine storage (cold chain) and logistics (vehicles, ice chests) in addition to what the country has already received via REMATO; (iv) purchase vaccines and parasite treatments through a competitive bidding process; (v) issue 25 certifications for administration of the PPR vaccine by private veterinary agents of the Private Veterinary Association-GVPR); (vi) finance vaccination acts administered by the 25 certified GVPR agents and, in areas not covered by GVPR, vaccines will be administered by Directorate for Animal Husbandry –(MAEP-DE) agents. During the three following years, the Project will only fund the purchase of additional vaccines corresponding to the small ruminant and poultry herd growth. Oversight of all vaccinating activities will be

¹⁸ ITRA does not have any Touareg bucks available and has very few Djallonké rams.

assured by the public veterinary service. The de-worming and vaccination impacts will be sustained through the epidemiological surveillance assured by the rural and frontier services of REMATO.

43. Beneficiary herders will pay 50 FCFA per vaccinated poultry head which will allow to pay for the vaccination act itself (15 FCFA), for other implementation services (10 FCFA) and contribute to a revolving fund (25 FCFA) which will be used to purchase vaccines the following year (individual poultry vaccine import cost is 19 FCFA). A similar mechanism will be used for small ruminants and beneficiaries will pay 100 FCFA per vaccinated small ruminant head. Such a system is well understood by herders, who will not hesitate to contribute considering the benefits of vaccination. In the first year, the project will pre-finance the whole campaign (including training, equipment and vaccines purchases, etc.). In order to assist small farmers, de-worming will be provided free of charge in the first year. The project will fund a study to ameliorate and sustain the existent method of fee recovery of vaccination activities. Considering that the project will aim to cover 70 percent of existing poultry and small ruminants, a total of 9.7 million chickens will be de-wormed and vaccinated against Newcastle disease and 2.5 million small ruminants (goats and sheep) will be de-wormed and vaccinated against small ruminant Rinderpest. An estimated 650,000 households will benefit directly from the animal vaccination campaign.

44. *(c) Improving animal husbandry conditions in poor households:* this activity will aim to improve traditional husbandry for the poorest households and reduce the heavy loss of animal due to diseases, predation and theft. The Project will support funding for: (i) training 125 service providers (public and NGO - 25 trainees per region) who will in turn train a total of 3,000 agriculture advisors and progressive farmers during three day training sessions; and (ii) assistance to farmers with construction of improved animal shelters (6,000 chicken houses and 7,000 small ruminant shelters) at their homesteads by paying for the doors, purchased building materials and the feeding/watering containers. Linkages with activities undertaken through the WAAPP project will be actively sought. Beneficiaries will bear the costs of locally available construction materials and labor. Their contribution is estimated at 60 percent. In collaboration with agriculture advisors of ICAT, beneficiaries will train in situ and visu other neighboring households how to construct improved animal shelters and how to improve traditional husbandry. Such an approach will help to extend the activity in the project target area. With combined improvements in animal health and shelter, chicken mortality rates are expected to decline from 80 percent to 40 percent and small ruminant mortality rates will be halved.

COMPONENT 3: Support for capacity building and sector coordination (US\$15.7 million, of which IDA contribution is US\$9.0 million; GAFSP support is US\$1.5 million; and Government & Beneficiaries is US\$5.2 million)

45. In accordance with the provisions of the Partnership Framework agreement signed between GoT and contributing donor agencies, implementation of projects prepared under the PNIASA umbrella are to be coordinated by MAEP, under the responsibility of the Secretariat General. For that purpose, GoT is committed to implement a reform of the Ministry and has already started fulfilling its pledge to allocate at least 10 percent of its budget to the agriculture sector. Therefore, the objective of this component is to strengthen the capacity of MAEP to efficiently coordinate the implementation of this Bank financed project and manage PNIASA,

while securing the transition to a full-fledged SWAp in the future. It will lead to increase the physical and financial execution rate of agricultural investments in Togo, as well as the access of beneficiaries to agriculture inputs and services, at affordable costs and in a sustainable manner. It will also help mitigate mismanagement risks and minimize transaction costs. The component will work through three sub-components: (i) reform and capacity building of MAEP; (ii) sector coordination and program management; and (iii) management of financial support instruments.

Subcomponent 3.1: Reform and capacity building of MAEP (US\$8.9 million, of which IDA support is US\$6.3 million; and Government & Beneficiaries is US\$2.6 million)

46. Under this sub-component, the project will support the reform of MAEP and strengthen its capacity to enhance service delivery. It will help the ministry achieve the following management objectives: (i) restructure MAEP, its directorates (at central and regional/local levels) and specialized agencies; (ii) introduce results based management and accountability system (RBMAS); (iii) strengthen fiduciary capacities (procurement, financial management); (iv) strengthen MAEP infrastructures.

47. *(a) Restructuring MAEP:* the restructuration of MAEP has been launched during the project preparation phase, accelerating the operational follow-up of the UNDP financed diagnosis study of the Ministry (December 2010). Under the supervision of the Minister of Agriculture, a Reform Commission (RC) appointed by a ministerial decree will be responsible to design a proposal for restructuring the Ministry, including its central and regional directorates and specialized agencies. The restructuration process will be overseen by the by CIPS (the Inter-ministerial Steering Committee), chaired by the Minister. It will be informed by the report of the Ministerial audit launched by the Government in 2010. A consultant will be recruited to help the Reform Commission lead the dialogue with all stakeholders in order to develop a consensual proposal of a sound new governance structure, with clear roles and responsibilities for all MAEP directorates and agencies. Before the start of the project or soon after, a ministerial decree will establish the new organizational structure and all the required personnel will be appointed.

48. *(b) Setting-up MAEP Results Based Management and Accountability System (RBMAS):* under the supervision of the agriculture Minister, the Reform Commission will be responsible for designing and installing MAEP results based management and accountability system. The proposal will be validated by stakeholders and endorsed by CIPS. It will benefit from the technical assistance of the International Consultancy Firm (jointly recruited with the WAAPP-1C Project) to accompany the implementation of MAEP new organizational structure, the design and implementation of RBMAS, and the strengthening of its capacity. The process would be completed during the first year of project implementation.

49. In coherence with the new organizational structure, the expected results of RBMAS are: (i) a clear and logical design that ties resources to expected outcomes – a results based logic model that shows a logical sequence of activities, outputs and a chain of outcomes for PNIASA and the Bank financed projects; (ii) appropriate performance measures and sound performance measurement strategy that allows MAEP managers to track progress, measure outcomes, support subsequent evaluation work, learn and make adjustments to improve, on an ongoing basis; (iii) setting out evaluation work over the life cycle of PNIASA and the Bank financed projects; and (iv) adequate reporting on outcomes.

50. More specifically, the following reform features will be associated to using the RBMAS: (i) instituting new mechanisms for holding MAEP managers and staff accountable for achieving results within their sphere of control; (ii) delegating authority to managers, thus empowering them with flexibility to make corrective adjustments and to shift resources from poorer to better performing activities; (iii) consulting with and being responsive to rural poor and other beneficiaries or clients concerning their preferences and satisfaction with goods and services provided; (iv) including partners from implementing agencies, the private sector, the civil society and producers organizations, that have a shared interest in achieving sector objectives in all aspects of performance measurement and management process; (v) reforming policy and clarifying new operational procedures, roles and responsibilities; (vi) assisting managers to effectively implement performance measurement and management process, by providing appropriate training and technical assistance, establishing performance information database, and developing guidelines; and (vii) facilitating cultural changes at MAEP (values, attitudes and staff behavior).

51. With ICF support, all instruments required for the reform and accompanying RBMAS to be effective will be introduced. Trainings will be organized to inform the personnel and strengthen their capacity in working within the new improved framework. The ICF will facilitate the whole process by “putting MAEP in the driver seat”. The Team Leader (TL) of the ICF will be an adviser to the Secretary General and be responsible for the overall capacity building and transfer of competencies to MAEP. He will be posted full time during the first three years, and on average 4 months per year during the last two years.

52. *(c) Strengthening MAEP planning, budgeting, monitoring and evaluation system:* as a key tool for the success of the RBMAS, the MAEP Directorate in charge of planning will be strengthened. For each PNIASA sub-program, a unit will be responsible for planning, budgeting, monitoring and evaluation. Focal points will be appointed in all other MAEP directorates and specialized agencies. The ICF will include an international monitoring and evaluation expert (IME) who will be responsible for assisting the introduction of all required tools and procedures, and training relevant staff. With joint support from the WAAPP-1C Project, the IME expert will be posted full time during the first two years, half time during the third year, and 4 months altogether during the fourth and fifth years.

53. *(d) Strengthening MAEP fiduciary capacity:* the fiduciary management quality will be enhanced in all structures of the ministry. All required tools will be introduced. Financial management and procurement staff will be appointed at all required levels. Their capacity to use the tools and perform the adopted procedures will be strengthened. The ICF will include an international financial management expert (IFM) based at the Directorate in charge of financial management and an international procurement expert (IP) based at MAEP’s procurement unit (CPM). Both will be responsible for introducing tools, helping improve and enforce procedures, and training the relevant staff. With joint support from the WAAPP-1C project, the IFM expert and will be posted full time during the first three years, and on average 4 months per year during the following years 4 and 5, plus an additional month the last year before project termination. The IP expert will be posted full time during the first two years, and on average three months per year during the following years 3 and 4, plus two months the last year.

54. *(e) Training of MAEP personnel:* to ensure effective capacity building, emphasis will be put on staff training through: (i) working with the international experts on day-to-day basis; (ii)

formal training sessions organized in Togo; (iii) formal training sessions organized in international accredited centers. The project implementation manual will include a training plan.

55. **(f) Supporting MAEP to secure the transition to a SWAp in the future:** in addition to the restructuring of MAEP, establishment of RBMAS, improvement of planning, budgeting and monitoring and evaluation systems, and improving fiduciary management, the project, with the support of the ICF, will help MAEP secure the transition to a full-fledged SWAp for future investments. The following key features will be obtained through that gradual process:

- *Effective Government ownership* – Government would be taking leadership in the whole process since the beginning, using and optimizing public investments tools and reinforcing its capacity to plan, organize and take decisions in the agriculture sector.
- *Existence of a sector strategy consistent with higher development objectives* – Togo National Agriculture Investment Plan (NAIP) would be reviewed and improved for the future 5 years SWAP period, with clear and realistic development objectives for the sector. The legal framework and regulations would be in place to allow for the SWAP to survive political changes. The roles and responsibilities of all actors in the sector would be defined and accompanying measures to build their capacity identified.
- *Improved MAEP Mid-Term Expenditure Framework* - The new NAIP would be linked to the national budget with realistic projections. It would include the notion of cost effectiveness and results based framework, reinforce accountability, include transparency mechanisms, and demonstrate the sustainability of the public expenditure. Mechanisms for the review of efficiency and transparency of public expenditure disbursements would be in place.
- *Key tools for future harmonization and consultation prepared and ready for negotiation with donor agencies and national partner* – This would include proposals of common reporting tools, code of conduct, agreement on strategy, auditing and monitoring, alignment on Government Procedures, procurement processes, and mechanisms for consulting with the civil society.

56. **(g) Strengthening MAEP infrastructure:** the project will strengthen MAEP's infrastructure and equipment (procurement plans to provide details). This will include: (i) the construction and restoration of the office buildings, with priority to the ministry's headquarters, regional and local offices; (ii) the purchase of equipments (computers, printers, scanners,...) and furniture, to cover the needs of central and regional directorates; (iii) the purchase of vehicles (regular cars, four-wheel drive cars and motorcycles) for use by headquarters staff, as well as regional and local directorates; and (iv) the establishment of Internet facilities at headquarters, regional offices and subsidiary agencies.

Subcomponent 3.2: Sector coordination and program management (US\$4.8 million, of which IDA support is US\$2.2 million; GAFSP support is US\$1.5 million; and Government & Beneficiaries is US\$1.1 million)

57. Under this sub-component, the project will support the implementation of MAEP's reform and strengthen its capacity to coordinate the implementation of this Bank financed project, as well as the overall PNIASA. It will help the ministry achieve the following management results: (i) Cabinet adoption of a policy document; (ii) implementation of RBMAS, using sector coordination tools; (iii) improvement of the targeting and quality of public expenditures,

including improved M&E capacity; (iv) organization of annual sector reviews; and (v) technical support to fiduciary management (procurement, financial management). In addition, the project will finance a few studies, such as irrigation/water development potential and a study to assist GoT establish a financial mechanism to cover public expenditures required in PPP schemes for value chains promotion. The ICF contract will include an additional allowance of 20 months of technical assistance to undertake such studies and/or other technical work needing expert advice (the WAAPP-1C Project will finance an additional 10 months). At startup, an interim work plan and annual budget will be developed to launch project implementation. Then, the implementation of MAEP's reform and accompanying Results Based Management and Accountability System will take over. The ICF will assist each central and regional directorate of MAEP and all MAEP's specialized agencies to function and achieve their own objectives within the new management system. Specific attention will be given to the implementation of the Bank financed activities and the monitoring of the overall PNIASA.

58. **(a) Interim work plan and annual budget:** at starting, while the results based management and accountability system is not yet established, the ICF will support all MAEP structures (central and regional directorates, as well as specialized agencies) to develop and implement their interim annual work plan and budget. The interim annual plan will include activities for the project implementation in the field, as well as activities for the reform of MAEP and the establishment of RBMAS. Its preparation and implementation will help better understand the challenges to face in reforming MAEP and introducing RBMAS.

59. **(b) Implementation of the RBMAS:** with the support of the ICF, MAEP will implement the results based management and accountability system. The technical assistants will help the Secretary General ensure effective use of RBMAS tools introduced in all MAEP structures (central & regional directorates, local offices and specialized agencies):

- Implementing the planning, programming, budgeting and monitoring-evaluation (PPBM) channel in all MAEP structures: each year, each administrative structure will prepare its annual work plan and budget, to be submitted to the Secretariat General for approval. The M&E system will be extended to the entire ministry. Each of MAEP administrative structure will submit reports on a biannual basis. Service providers, public or private, will also have periodic reporting obligations. The ICF will provide technical support to the Directorate in charge of planning, programming and monitoring and evaluation. Focal points will be appointed in each directorate at central and regional levels, and within each specialized agency. Databases will be held at regional and national levels, and surveys will be conducted which will help assess the results and provide periodic insights for policy reviews and MAEP's management reviews. Semi-annual internal reviews will be organized.
- Implementing MAEP's performance management system: performance agreements will focus on the concrete and specific results to be achieved by each staff member.
- Partnering with service providers: MAEP will sign contracts with public and private service providers (including NGOs), and monitor implementation through its own central and regional structures. Each contractor will prepare periodic progress reports presenting the achievement level of the targeted delivery objectives.

- Approval of periodic reports by the Secretariat General and authorization of disbursement: as PNIASA coordinator, the Secretary General will base his decisions on the recommendations of the Directorates in charge of planning and of financial affairs.

60. The planning and monitoring and evaluation mechanisms described above will facilitate the implementation of the activities of this Bank financed project in a way that will be harmonious and complementary with other projects performed in the sector.

61. *(c) Public expenditure reviews:* the project will help MAEP conduct annual public expenditure reviews, in collaboration with its financial partners and other internal stakeholders. Each year, towards the end of February, the ministry will publish a report on sector performance during the previous year.

62. *(d) Improving the sector institutional environment:* the project will support the revision of policy and regulatory frameworks in the agriculture sector, with an emphasis on strengthening the role of the private sector in input supply, processing, marketing and export of agricultural products. Emphasis will also be placed on making the agriculture tax system more attractive.

63. *(e) Supporting core functions of MAEP central and regional entities:* the ICF will support MAEP central directorates (in charge of food and export crops, animal husbandry, fisheries and aquaculture sub-sectors) fulfill their core functions for policy development (in their respective areas), for the establishment of implementation mechanisms (legal, technical, organizational, financial), and for the monitoring and evaluation of results. This includes conducting studies undertaken by national and or international consultants (to propose policy developments, results monitoring or evaluation, for example), dialogue with stakeholders, workshops, cabinet endorsement of policy documents, etc. Emphasis will be placed on the implementation of market based sustainable mechanisms for the delivery of agriculture inputs, services and equipment to producers, processors, wholesalers, etc. The project will also support regional directorates to perform their core functions of regional dialogue, collection and analysis of information at regional level, veterinary and phytosanitary control, etc.

64. *(f) Fiduciary management:* with the support of the ICF, the MAEP Directorate in charge of financial affairs will manage project accounts, and the Procurement Commission of the Secretariat General will implement the procurement plan, according to newly established procedures.

Subcomponent 3.3: Management of financial support instruments (US\$2.0 million, of which IDA support is US\$0.5 million; and Government & Beneficiaries is US\$1.5 million)

65. The objective of this sub-component is to support MAEP in administering financing instruments used by the project to delivery services to project beneficiaries, i.e. grants, competitive funds and credit guarantees. The PIM will define the matching grants and the competitive grants mechanisms, including the selection process and eligibility criteria for the various categories of beneficiaries (farmers, herders, fishers, fish vendors, food/feed processors,...) for each type of subprojects, expenses eligibility criteria and corresponding funding ceilings, cost sharing arrangements, as well as relevant documentation to support disbursements. Through this sub-component, the project will help support sound management of these instruments and of the credit guarantees provided by GoT.

66. *(a) Guarantee funds:* this mechanism will facilitate access to financial services for experienced promoters who develop activities with proven financial profitability (access to bank

credit for ESOP, small and medium scale enterprises and the refinancing of MFI). The guarantee funds are to be provided by GoT own resources of approximately US\$1.5 million. The guarantee funds will contribute to compensate for the “abnormal” risks taken by the financial institutions in providing credit for the project beneficiaries whose economic activities are profitable. Thanks to the guarantee funds, about 20 ESOP and 20 operations of “warrantage” will be financed for the acquisition of inputs and the constitution of stocks. Some other micro-enterprises could also be given credit for the processing and marketing of agricultural products. Two types of guarantee funds are to be established: (i) an interbank guarantee fund that will facilitate the refinancing of MFIs in order for the latter to provide credit to the project beneficiaries in return; and (ii) a mortgage guarantee fund to condone the ESOP to obtain credit from banks for the purchase of stocks and inputs.

67. Effective implementation of the guarantee funds requires contracting for the project duration with a private company specialized in rural finance, to which the management of the mechanism will be entrusted under the supervision of the project. MAEP will establish a Management Committee to ensure transparent implementation monitoring of the funds. The guarantee fund will be placed in an account at a commercial bank, with double signature from project officials. Funds will be made available once the request is approved by the specialized operator managing the guarantee fund in agreement with the Management Committee. Operational details will be provided by a specific implementation manual for such guarantee funds.

68. **(b) Competitive funds:** this mechanism is based on a call for proposals for the funding of promising micro-projects. Under PASA, competitive funding mechanisms will operate through two windows: (i) the "innovative micro-project" window and (ii) the "micro-projects development" window. Competitive funds will finance micro-projects both in the areas of fish farming (fish feeds, hatcheries), food production (innovative activities to improve market access to local products), and export crops diversification.

69. For effective implementation, the management of the competitive funds requires contracting for the project duration of a specialized service provider under the supervision of the project. The selected firm will be responsible for the design of management procedures of the competitive funds, launching of calls for proposals, assessment and pre-selection of proposals, notification of selection results, financial management of the funds, and management of a database with the results of projects' evaluations. A Management Committee will be set up and serve as a "think tank", as well as contribute to the transparent monitoring and implementation of the funds. Operational details will be provided by a specific implementation manual for such competitive funds.

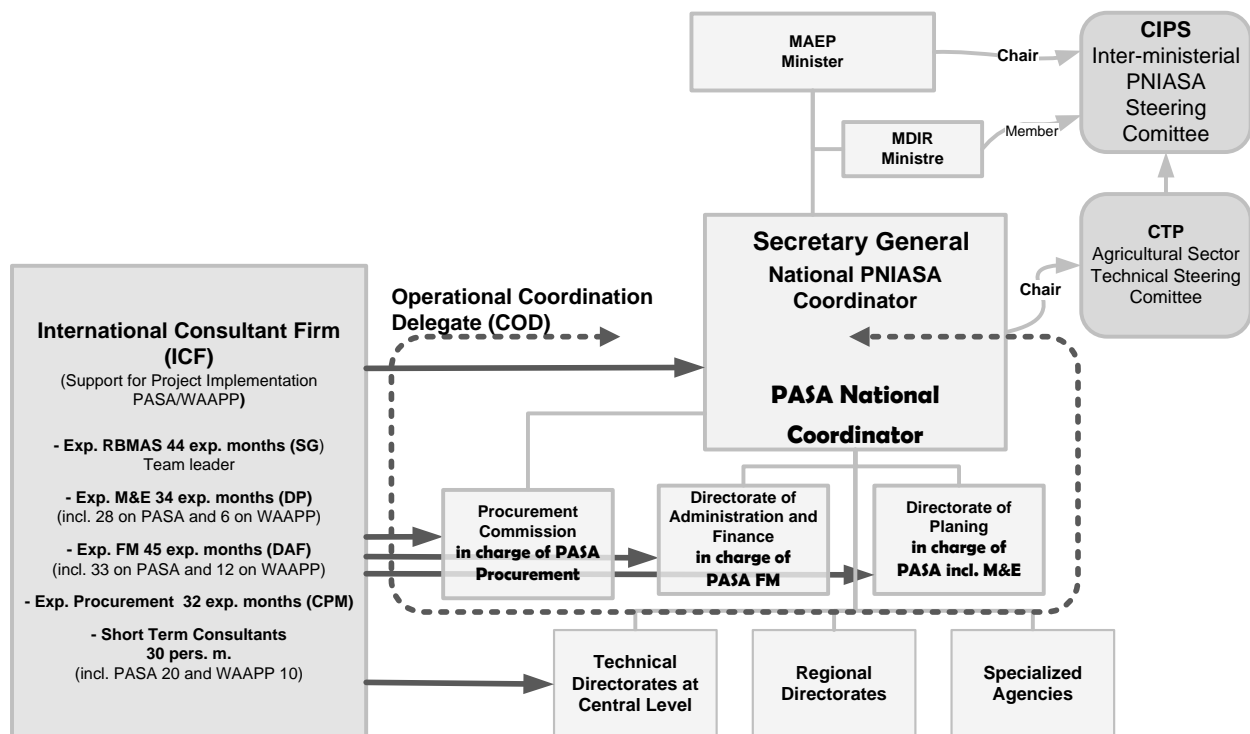
70. **(c) Grants:** under PASA, matching grants and full grants will rely on specific criteria to fund activities benefiting well defined target groups. The mechanism is primarily designed to suit the needs of fish farmers (fish feed based on a voucher system), the provision of inputs (ESOP), the promotion of export value chains (replanting of cocoa, coffee regeneration/extension and restructuring in the cotton sector), rice farming, vaccination of poultry and small ruminants. Grants will be directly managed by the project, which can also recruit companies/consultants for technical audits, financial assessment and monitoring as needs arise.

Annex 3: Implementation Arrangements

Project administration mechanisms

1. The project will be implemented by MAEP under the responsibility of the Secretariat General. As indicated in the PNIASA Partnership Framework agreement, the implementation will be overseen by an Inter-ministerial Steering Committee (CIPS: *Comité Interministériel de Pilotage Stratégique*), chaired by the agriculture Minister and co-chaired by a representative of agriculture producers organizations. The overall arrangements for project implementation are shown in figure 1.

Figure 1: Institutional framework for Project implementation



2. *Arrangements for Project Coordination:* the project will be coordinated by the Secretariat General of MAEP, in close collaboration with two supporting Directorates at central level: (i) the Directorate in charge of planning, programming, budgeting monitoring and evaluation; and (ii) the Directorate in charge of administrative and financial affairs. Under the overall responsibility of the Secretary General as PNIASA national coordinator and following his delegation of authority to a Project Coordinator (senior staff to be competitively selected among MAEP's staff), this MAEP Coordination Team will be responsible for the fiduciary aspects, planning, progress reporting, and overall management of the project and of PNIASA. It will be assisted by an international consultancy firm (ICF), whose role is to strengthen MAEP's capacity through companionship, quality control and gradual weaning. The selected ICF will be present full time during the first three years, and periodically for the remaining Project life.

3. *The Secretariat General of MAEP will be responsible to efficiently guide and stimulate the implementation of projects and overall PNIASA:* for that purpose and in order to deal with all dossiers in a timely manner, the Secretary General (SG, national PNIASA coordinator) will be assisted by a PASA Project Coordinator appointed through an internal call for application. The SG will delegate responsibility for daily activities to the Project Coordinator. In addition, support personnel of Secretariat General will include 2 program assistants (secretaries) and 1 messenger. Under the supervision of the Agriculture Steering Committee and in close collaboration with the Directorate in charge of planning and the Directorate of in charge of financial affairs, the Secretariat General will lead the reform of MAEP, as well as the establishment and implementation of the RBMAS. It will be assisted by the ICF mission leader, specialized in RBMAS.

4. *International Consultancy Firm (ICF):* a reputable international management consultancy firm will be hired by the project on a performance based contract to support project implementation by MAEP¹⁹. ICF's role is to provide an overall support to MAEP and strengthen its capacity to coordinate and implement the project and PNIASA. Specifically, it will support MAEP establish and implement the results based management and accountability system and enhance the quality of its fiduciary management. It will also be responsible to help MAEP secure the transition to a future SWAp. Its recruitment will be based on a proposal for a "Technical Assistance Plan" that clearly presents activities and schedules for the achievement of the following results: (i) MAEP restructuring; (ii) establishment of RBMAS; (iii) performing implementation of PASA and PNIASA; and (iv) effective basis for a future full-fledged SWAp after Project ends (notably, Government ownership, improved sector strategy, improved expenditure framework, tools for harmonization and consultation mechanism with donors and other partners). The "Assistance Plan" would accommodate indicators and target values for the monitoring of these results. The ICF will implement a strategy based on "companionship", quality control and gradual weaning of its expertise. Its technical experts will work full time during the first two to three years of project implementation (depending on the type of expertise), and partial time during the rest of Project life. This strategy will ensure the transfer of competencies to Togo nationals and avoid substituting to the MAEP administration for better project sustainability.

5. The ICF team will be composed of: (i) 1 mission leader, specialized in RBMAS and advisor to the MAEP General Secretary, full time during the first 3 years, and partial time (4 months) during the last 2; (ii) 1 financial management expert, based at the Directorate in charge of financial affairs, full time during the first 3 years and partial time during the last 2 years (4 months in the fourth year and 5 months in the fifth year); of these, 12 months will be budgeted under WAAPP; (iii) 1 procurement expert, based at MAEP's Procurement Unit, full time during the first 2 years and partial time (eight months altogether) during the last 3 years; of these, 6 months will be budgeted under WAAPP; (iv) 1 Monitoring and Evaluation expert, based at the Directorate in charge of planning, full time during the first 2 years, half time during the third year, and 4 months altogether during the last two years; of these, 6 months will be budgeted under WAAPP; (v) a provision of 30 months of technical assistance to cover various technical issues that may need specific expertise during the five years of Project life, of which 10 budgeted under WAAPP.

¹⁹ The ICF contract will be co-financed by the PASA (40 percent IDA and 60 percent GAFSP resources) and by the WAAPP projects (cf. Figure 1 above); the contract will identify the sources of funding

6. Each semester, an internal review will be organized to monitor progress achieved in implementing MAEP's reform, the RBMAS, Project activities and PNIASA. The ICF will present a periodic technical assistance report to the Bank, approved by the Secretary General. The ICF technical assistance report will elaborate specifically on indicators included in its "Assistance Plan". Payments will be based on progress with regard to these results.

7. *The Directorate in charge of planning will be responsible for the PASA Monitoring and Evaluation system:* this Directorate will be refocused on its planning, programming, budgeting and monitoring and evaluation mandates. Tentatively, within the Directorate, four units will be responsible for planning, programming, budgeting, monitoring and evaluation (PPBME channel) of respectively, PNIASA sub-program 1 (rural infrastructures, food and export crops promotion), subprograms 2 and 3 (animal husbandry and fisheries), subprogram 4 (research and extension) and subprogram 5 (program management and coordination). The Unit in charge of the PPBME channel for sub-program 1 would be responsible for the overall PNIASA PPBME, and will work in close collaboration with the other units. The Director for Planning will be appointed to be responsible for PASA M&E. Focal points will be appointed in all other MAEP directorates and specialized agencies. This structure will be validated by the reform process and the required staff will be appointed through internal calls for application. With support from the ICF, a monitoring and evaluation system will be established and stakeholders at all levels will be trained.

8. *Planning mechanism:* activities to be financed through the PNIASA umbrella will be defined in an overall 5-year expenditure plan, with annual work plans and budgets providing further details. Since MAEP has no experience in sector approach, the initial five-year plan and the following three annual work plans and budgets will be prepared with a focused technical assistance.

9. *The Directorate in charge of financial affairs will be responsible for PASA financial management:* with the support of the ICF, a financial management system including financial management procedures and tools will be established. The Director of financial and administrative affairs will be in charge of PASA's financial and administrative matters. In this capacity, she/he will ensure keeping the PASA and MAEP accounts sound. He will be assisted by the ICF financial management expert who will insure companionship, quality control and gradual weaning. Accountants will be appointed through a call for application, through the reform process.

10. *The MAEP Procurement Commission (CPM) will be responsible for the implementation of PASA procurement plan:* the head of the MAEP's Procurement Commission will be in charge of PASA's procurement. Under his/her responsibility, an additional national procurement agent appointed through a call for application will be responsible for contracts to be awarded under the PASA. The ICF procurement expert will strengthen the capacity of MAEP's Procurement Commission. He will provide technical support through companionship, quality control and gradual weaning.

11. *Delivery agencies:* the Project Coordination Team will partner with public and private delivery entities for project implementation.

- (a) *Performance Management Agreement (PMA) with public agencies:* the Secretariat General will sign a PMA with each MAEP central and regional directorate and specialized agencies (notably ICAT and ITRA), specifying inputs from PASA and

activities to be implemented, as well as outputs and outcomes to be generated by the signatory entity.

- (b) *Contract with private agencies*: the Secretariat General will also sign contracts with private entities, including firms, NGOs and producer organizations, for the implementation of project activities. Such contracts will specify activities to be implemented, outputs and outcomes to be generated by the private partner. For example, the Secretariat General will sign a contract with an NGO called “Entreprises, Territoires and Development (*Entreprises, Territoires et Développement-ETD*) for the promotion of small and medium ESOPs (*Entreprises de Services et Organisations Paysannes*) as described in subcomponent 1.1.

12. *Agricultural Sector Technical Steering Committee (Comité Technique de Pilotage du Secteur Agricole - CTP)*: as stated in the PNIASA Partnership Framework agreement, the CTP is mandated to: (i) monitor sector trends and performances; (ii) facilitate dialogue and review programs and projects under implementation; (iii) monitor and coordinate actions of all partners involved in the implementation of PNIASA; (iv) appreciate PNIASA annual work plans and provide recommendations for improvement; and (v) review and approve annual reports (technical and financial) before their submission to CIPS; (vi) organize mutual implementation performance reviews by each actor and mutual learning. CTP is chaired by the Secretary General of MAEP. It is composed of, inter alia: (i) the Director of planning as Rapporteur; (ii) a representative from each technical directorate of MAEP; (iii) coordinators or directors of sector programs or projects; (iv) a representative of producer organizations; (v) a representative of the civil society; (vi) a representative of the private sector; (vii) a representative of technical and financial partners.

13. *Inter-ministerial Steering Committee (Comité Interministériel de Pilotage Stratégique - CIPS)*: as also stated in the same agreement, PNIASA implementation will be overseen by an Inter-ministerial Steering Committee (CIPS), chaired by the Minister of Agriculture and notably composed of representatives of partner ministries, a representative of agriculture producer organizations, a representative of the civil society; two representatives of the private sector; a representative of microfinance institutions, a representative of each financial and technical partner involved (as observers). CIPS is the framework for dialogue and political orientation in the agricultural sector. Its mandate is to: (i) provide strategic guidance for PNIASA implementation; (ii) mediate political decisions that have an impact on the agricultural sector; (iii) align development partner interventions to PNIASA and ECOWAP-CAADP principles and objectives. The CIPS will meet at least once a year.

Financial management

14. The FM arrangements will be handled by MAEP’s Department of financial & administrative affairs under the authority of MAEP’s General Secretariat. During project implementation, the MAEP will benefit from the technical assistance of a competitively recruited International Consultancy Firm (ICF) which will have a qualified FM expert among its staff (full time for the first three years and then partial time - 9 months overall during the remaining two years). The FM expert will be responsible for the Project’s compliance to FM procedures. He/she will coordinate and guarantee the quality assurance of the tasks of all FM officers and civil servant accountants working within the ministry, including the FM specialist recruited under the

PASA PPF (during a few overlapping month) and the civil servant accountant to be devoted to the project (FM officer). He/she will also devote part of his time to training activities, so as to transfer competencies to MAEP staff effectively. The FM expert will work closely with the Director of administration & finance in order to assist him gradually take the overall responsibility of financial aspects of projects under the PNIASA umbrella, including: (i) managing the designated accounts, (ii) preparing withdrawal applications and (iii) reporting to the donors.

Disbursement arrangements and flow of funds

15. *Designated account:* three segregated Designated Accounts will be opened for the PASA at a commercial bank acceptable to IDA for each of the financing sources (IDA, GAFSP and GFRP). The ceilings, which represent the Project's disbursement forecast for four months, are as follows: for IDA, CFAF 225 million; for GAFSP, CFAF 475 million; and for GFRP, CFAF 250 million. The General Secretary's formally appointed delegate for Project Coordination and the international FM expert will be the signatories of the designated account until the FM capacity of the ministry's staff is assessed as fully satisfactory (upon recommendation of Project's supervision missions).

16. *Flow of funds:* funds will flow from the Grant Accounts to the Designated Accounts. The General Secretariat of MAEP will be the assigned representative of the Recipient for the mobilization of funds. Withdrawal application requests will be prepared by the Administration & Finance Director of MAEP, with support from the FM expert of the ICF, and signed by a designated signatory or signatories (the signature authorization letter is signed by the Minister of Economy & Finance) and sent to the Bank for processing, with notification to the Ministry of Economy and Finance (*Direction du Financement et du Contrôle de l'Exécution du Plan - DFCEP*).

17. Dedicated operational accounts would be opened as relevant for activities to be completed by regional directorates or specialized technical agencies of the MAEP. These accounts will be opened only if these entities have met the minimum FM arrangements requirements defined in the project implementation manual. The eligibility criteria include, inter alia: (i) presence of adequate FM staff; (ii) adequate training of this staff on specific procedures to be used; (iii) the conclusion of an agreement with the regional directorate/agency clarifying its operational responsibility and reporting requirements; (iv) and the preparation of appropriate periodical work plans to be validated by the General Secretariat of the ministry.

18. *Disbursement methods and processes:* based on the risk assessment (especially regarding weakness in FM capacity), the project will follow the transactions-based disbursements for the first year. After one year, it is expected that the project could shift to the report-based disbursement procedures for making advances to the Designated Accounts. Various other disbursement methods will be available for use under the project, i.e. direct payment, reimbursement and special commitment methods. Further instructions on disbursement and details on the operation of the Designated Accounts are outlined in the disbursement letters and in the Project's Financial and Accounting Manual.

19. The table below sets out the expenditure categories to be financed out of the loan proceeds.

Disbursement table

Category	Amount of the Financing Allocated (US \$million) WITH contingencies	Percentage of Expenditures to be Financed (inclusive of Taxes)
IDA		
(1) Goods, works, consultants, training and operating costs under sub-components 3.1 and 3.3	6.1	100%
(2) Goods and consultants under sub-component 3.2	2.2	60%
(3) Refund of Project Preparation Advance	0.7	
TOTAL IDA	9.0	
GFRP		
(1) Goods, works, consultants, training and operating costs under component 2	5.8	100%
(2) Sub-grants for goods and works under component 2	3.2	100%
TOTAL GFRP	9.0	
GAFSP		
(1) Goods, consultants, training and operating costs under sub-components 1.1, 1.2 and 1.3	7.3	100%
(2) Sub-grants for goods, consultants and training under sub-components 1.1, 1.2 and 1.3	10.1	100%
(3) Goods and consultants under sub-component 3.2	1.6	40%
TOTAL GAFSP	19.0	

Counterpart funds

20. The GoT shall maintain a Project Account throughout the implementation of the Project, and deposit its counterpart contribution to the cost of the Project in an aggregate amount equal to up to US\$7.9 million (Counterpart Funds), or such other amount as may be agreed with IDA.

21. On or prior to the date of effectiveness of the Project, an initial amount of (or equivalent to) US\$1.5 million (or such other amount as agreed with IDA) shall be deposited by GoT into the Project Account (Initial Deposit).

22. On the first anniversary of the date of effectiveness of the Project and every year thereafter until the Closing Date, an amount equivalent to not less than US\$1.6 million (or such other amount as agreed with IDA) shall also be deposited by GoT into the Project Account.
23. The GoT shall ensure that Counterpart Funds deposited into the Project Account are used exclusively to finance activities relevant to the Project.

Reporting arrangements

24. Quarterly Interim Un-audited Financial Reports (IFRs) aggregated for all donor projects under PNIASA will be prepared by MAEP's Administration & Finance Director with FM consultant's support. IFRs including specific information on each World Bank financing source will be submitted to the Bank within 45 days following the end of each quarter.
25. The MAEP will produce consolidated Annual Financial Statements for the PNIASA which will include World Bank financings. These statements will comply with the local accounting standards (SYSCOHADA).

Audit arrangements

26. *Internal Audit:* internal audit functions may be assumed by the Government General Inspection of Finance (IGF). To this end, an internal audit consultant will be recruited and integrated in the IGF team. The institution's professional capacity will therefore be enhanced and regular missions might be planned as regards the program activities and other donor financed projects to support the agriculture sector in Togo.
27. *External audit:* the supreme audit institution (*Cour des Comptes*) which is supposed to audit all public funds is being established and has a limited capacity in terms of staffing and experience of auditing project financial statements. In view of this, an external independent and qualified private sector auditor will be recruited under the supervision of the steering committee put in place by Togo's Ministry of Economy and Finance for public company external audit. Annual audits of the PASA financial statements will be conducted based on the Terms of References (TOR) that will be agreed with the Bank.
28. The Auditor will express an opinion on the Annual Financial Statements, and perform his audit in compliance with International Standards on Auditing (ISAs). He/she will be required to prepare a Management Letter detailing his observations and comments, providing recommendations for improvements in the accounting system and the internal control environment. The audit report on the annual project financial statements and activities of the DA will be submitted to IDA within six months after the end of each project fiscal year.
29. In addition to the financial external audit, an operational audit will be conducted twice during the project life.
30. Annual audits of the sub-grants (full grants, matching grants and competitive grants) will also be conducted based on the Terms of References (TOR) that will be agreed with the Bank, so as to ensure that the relevant funds were used for the purpose of the sub-grants agreements.
31. *Financial Management Action Plan:* the following action plan was agreed with the ministry to strengthen the project financial management system:

No.	Activity/Action	Target Completion	Responsibility
1	Appointment of an additional FM officer	Prior to effectiveness	General Secretariat-Directorate of financial & administrative affairs (DAF)
2	Prepare a good draft of Project Implementation Manual including acceptable Financial and Accounting Manual	Prior to effectiveness	General Secretariat
3	Set up a computerized accounting system to fit project needs and generate useful information and consolidated financial statements	Not later than three (3) months after effectiveness	General Secretariat-DAF
4	Prepare TOR for the external auditor that are satisfactory to IDA	During appraisal and agreed upon at Negotiations (<i>done</i>)	General Secretariat-DAF, <i>Commission d'audit des auditeurs des entreprises publiques</i>
5	Prepare TOR satisfactory to IDA and other donor partners involved in PNIASA implementation for an internal auditor consultant to be integrated in the IGF team (<i>Inspection Générale des Finances</i>)	During appraisal and agreed upon at Negotiations (<i>done</i>)	General Secretariat-DAF, General Inspection of Finance
6	Appointment of the external auditor acceptable to IDA	Not later than 4 months after effectiveness	General Secretariat
7	Appointment of the internal auditor consultant to be integrated in the IGF team	Not later than 3 months after effectiveness	General Secretariat

32. *Financial Management Supervision Plan*: the project will be supervised on a risk-based approach. Supervision will focus on the status of financial management system to verify whether the system continues to operate well and provide support where needed. It will comprise inter alia, the review of audit reports and IFRs, advice to task team on all FM issues, review of annual audited financial statements and management letters. Based on the current risk assessment which is Substantial, there will be two on-site visits supervisions per year during the implementation and a review of transactions will be performed on these occasions. To the extent possible, mixed on-site supervision missions will be undertaken with procurement monitoring and evaluation and disbursement colleagues.

Procurement

33. *Capacity assessment, risks and mitigation measures*: a procurement capacity assessment of MAEP has been conducted during project preparation. The potential risks identified are the lack of experience and skills in Bank's procurement procedures, and the lack of a procurement manual. The Procurement Commission established under the MAEP is new and has

insufficiently qualified procurement staff. The mitigation measures agreed are: (i) the use of a qualified International Consultancy Firm (ICF) with a Procurement expert among its staff (appointed full time for the first two years and then partial time – 8 months overall until the end of the Project) to manage procurement activities for the project; (ii) the elaboration of a procurement manual; (iii) the designation of two procurement officers in the ministry's Procurement Committee (*Commission de Passation de Marchés*) full time in charge of PASA and the nomination of a procurement focal point in the established Public Procurement Control Committee (*Commission de Contrôle des Marchés Publics-CCMP*). The ICF will build the procurement capacity of MAEP: at the end of the ICF's procurement expert full time assignment period (24 months), the responsibility of procurement implementation under the PNIASA projects (PADAT, PASA, and WAAPP) will be fully transferred to the procurement officers of MAEP. The ICF procurement expert will still be available (part time) for MAEP support during a global period of 8 months altogether. The ICF will be selected competitively under a performance based contract. A negotiated contract with the ICF and the adoption of the procurement manual (agreeable to the Bank) are effectiveness conditions of the Project. Taking the existence of a procurement unit and of an internal control committee (CCMP) within MAEP into account, the overall project procurement risk has been rated Moderate.

34. *Guidelines*: procurement for the proposed project will be carried out in accordance with (i) the World Bank's "*Guidelines: Procurement under IBRD Loans and IDA Credits*" dated May 2004, revised in October 2006, and May 2010; (ii) "*Guidelines: Selection and Employment of Consultants by World Bank Borrowers*" dated May 2004 revised in October 2006, and May 2010; and (iii) the provisions of the Financial Agreement.

35. *Procurement Documents*: procurements will be carried out using the Bank's Standard Bidding Documents or Standard Request for Proposal (RFP) respectively for all ICB, for goods and selection of consultants. For National Competition Bidding (NCB), the Borrower could submit a sample form of bidding documents to the Bank for prior review and will use this type of document throughout the project once agreed upon. The Sample Form of Evaluation Reports published by the Bank will be used.

36. *Frequency of procurement reviews and supervision*: Bank's prior and post reviews will be carried out on the basis of thresholds indicated in the following table. The Bank will conduct six-monthly supervision missions and annual Post Procurement Reviews (PPR); the ratio of post review is at least 1 to 5 contracts. The Bank could also conduct an Independent Procurement Review (IPR) at any time until after two years of the closing date of the project.

Table 1: Procurement and selection review thresholds

Procurement/selection methods	Prior review threshold (US\$)	Comments
1. Works and Goods		
ICB <ul style="list-style-type: none"> • Works • Goods 	<ul style="list-style-type: none"> ≥ 3,000,000 ≥ 300,000 	Method can be applied for any amount, but is mandatory for contracts above the prior review thresholds
LIB	≥ 300,000	Review of the first two contracts independently of amount
NCB	N/A	Review of the first two contracts independently of amount. Method applicable for contract less than US\$3,000,000 for Works and US\$300,000 for Goods
Shopping	N/A	Review of the first two contracts independently of amount. Method applicable for contracts less than US\$50,000 for Works and Goods
Direct Contracting	All contracts	Review of all contracts
2. Consulting services		
Quality Cost-Based Selection (QCBS)	≥ 200,000	With review of the first two contracts independently of amount
Least Cost Selection (LCS)	≥ 200,000	With review of the first two contracts independently of amount
Selection under a Fixed Budget (FBS)	≥ 200,000	With review of the first two contracts independently of amount
Consultant Qualification Selection (CQS)	≥ 50,000	With review of the first two contracts independently of amount. Method applicable for contracts less than US\$100,000.
Individual Consultants (IC)	≥ 100,000	With review of the first two contracts and other contracts chosen on a case by case basis independently of amount
Single Source Selection (SSS)	All contracts	Review of all contracts
3. Trainings and workshops		
Training and workshops	≥ 10,000	On basis of detailed and approved annual plan (with indication of venue, number of participants, duration and exhaustive budget, etc.)

37. All trainings, terms of reference of contracts estimated to more than US\$10,000, and all amendments of contracts raising the initial contract value by more than 15percent of original amount or above the prior review thresholds will be subject to IDA prior review. All contracts not submitted to the prior review, will be submitted to IDA post review in accordance with the provisions of paragraph 4 of Annex 1 of the Bank’s Consultant Selection Guidelines and Bank’s procurement Guidelines.

38. *Procurement Plan:* all procurement activities will be carried out in accordance with approved original or updated procurement plans. The Procurement Plans will be updated at least annually or as required to reflect the actual project implementation needs and capacity improvements. All procurement plans should be published at national level and in Bank website according to the Guidelines. MAEP and the Bank have agreed on a procurement plan covering the first eighteen (18) months of the Project, dated March 1, 2011. Procurement documents will be submitted to Bank review.

(a) Summary of Works and Goods contract packages for the first 18 months of implementation

Ref. No.	DESCRIPTION	Estimated Amount (US\$)	Procurement Method	Pre qualification (yes/no)	Domestic preference (y/n)	Prior Review (y/n)	Estimated Bids opening Date	Expected Contract Signature Date	Comments
1	Provision of farm inputs (fertilizers, pesticides, seeds, packing materials)	410,000	ICB	no	no	yes	5-Oct-11	10-Dec-11	prior review is mandatory for all contracts exceeding US\$ 3,000,000 (for works), and exceeding US\$ 300,000 (for goods) but can apply to any ICB
2	Purchase of equipment for the processing and packaging of agricultural products by ESOPs	340,000	ICB	no	no	yes	14-Oct-11	19-Dec-11	
3	Purchase of animal vaccines and de-worming medicines	1,560,000	ICB	no	no	yes	20-Jan-12	26-Mar-12	
4	Purchase of animals	760,000	ICB	no	no	yes	3-Jan-12	9-Mar-12	
5	Purchase of office supplies, copying machines and audio-video equipment (MAEP)	663,000	ICB	no	no	yes	18-Jul-11	22-Sep-11	
6	Purchase of vehicles and motorcycles for MAEP and FNGPC	1,237,000	ICB	no	no	yes	5-Jul-11	9-Sep-11	
7	Purchase and transport of improved fingerlings	70,000	LIB	no	no	yes	25-Mar-12	15-May-12	prior review of all contracts
8	Construction and restoration of office buildings (MAEP directorates and agencies; FNGPC headquarters)	908,000	NCB	no	no	yes	9-Jul-11	24-Sep-11	
9	Provision of fish feed to fish farmers at a subsidized rate (CAGIA)	223,000	NCB	no	no	no	23-Sep-11	13-Nov-11	
10	Provision of animal identification, transit and transport (ITRA)	96,000	NCB	no	no	no	25-Nov-11	15-Jan-12	
11	Purchase of fish feed for on-farm demonstrations	77,000	NCB	no	no	no	2-Oct-11	22-Nov-11	prior review of the first two contracts independently of amount
12	Supplies for building improved animal habitats	1,352,000	NCB	no	no	yes	19-Nov-11	24-Jan-12	
13	Contracts for promoting innovative initiatives (competitive grants)	160,000	NCB	no	no	no	6-Apr-12	27-May-12	
14	Works for the renovation of the Agbodrafo fingerling center	150,000	NCB	no	no	yes	30-Mar-12	4-Jun-12	
15	Contracts for setting up hatcheries	60,000	NCB	no	no	no	1-Mar-12	21-Apr-12	
16	Construction/restoration of animal transit centers	64,000	NCB	no	no	no	1-Oct-11	21-Nov-11	
17	Supplies for fish equipments	72,000	NCB	no	no	no	10-Jan-12	1-Mar-12	
18	Purchase of M&E software, Purchase of management software	120,000	NCB	no	no	yes	14-Jul-11	3-Sep-11	
19	Production of audio and video documents, media coverage, advertising	68,000	NCB	no	no	no	15-Feb-12	6-Apr-12	

Ref. No.	DESCRIPTION	Estimated Amount (US\$)	Procurement Method	Pre qualification (yes/no)	Domestic preference (y/n)	Prior Review (y/n)	Estimated Bids opening Date	Expected Contract Signature Date	Comments
20	Recruitment of service providers for advertising campaigns for ESOP products	135,000	NCB	no	no	no	4-Feb-12	26-Mar-12	
21	Advertising campaigns for promoting Togo food crops	120,000	NCB	no	no	no	24-Jan-12	15-Mar-12	
22	Provision of coffee and cocoa planting material (ITRA)	322,000	DC	no	no	yes	4-Aug-11	9-Oct-11	prior review of all contracts
23	Purchase of improved fingerlings (PPF)	1,000	DC	no	no	yes	1-Apr-12	22-may-12	
24	Works at FNGPC Headquarters	20,000	shopping	no	no	yes	7-Sept-11	28-Oct-11	prior review of the first two contracts independently of amount
25	Supply of equipment for fishing	37,000	shopping	no	no	yes	9-Aug-11	29-Sep-11	
26	Supply of equipment for laboratories	25,000	shopping	no	no	yes	20-Jul-11	24-Sep-11	prior review of the first two contracts independently of amount
27	Purchase of cold storage equipment for vaccination campaign	50,000	shopping	no	no	no	6-Oct-11	26-Nov-11	
28	Purchase of office supplies for monitoring of vaccination activities	31,000	Shopping	no	no	no	6-Feb-12	28-Mar-12	
29	Purchase of equipment for the animal conformity checks	3,000	shopping	no	no	no	28-Sep-11	18-Nov-11	
30	Purchase of animal feed and veterinary products	36,000	shopping	no	no	no	28-Nov-11	18-Jan-12	
31	Purchase of office furniture (MAEP)	20,000	shopping	no	no	yes	20-Jun-11	10-Aug-11	
32	Purchase of office supplies (MAEP)	40,000	shopping	no	no	no	13-Jul-11	2-Sep-11	
33	Purchase of office supplies and consumables (PPF)	35,000	shopping	no	no	no	19-Apr-11	9-Jun-11	
34	Publishing of technical fiches on aquaculture	12,000	shopping	no	no	no	17-Dec-11	6-Feb-12	
35	Works for the installation of forage crops	5,000	shopping	no	no	no	31-Oct-11	21-Dec-11	
36	Formatting of Manuals (Fiduciary, M&E, Results Based Management)	2,000	shopping	no	no	no	10-May-11	30-Jun-11	
37	Acquisition of GPS for DSID (PPF)	48,000	shopping	no	no	no	10-May-11	30-Jun-11	

(b) Summary of Consultant's contract packages for the first 18 months of implementation

Ref No	DESCRIPTION	Estimated amount (US\$)	Selection Method	Prior Review (Yes/No)	Estimated Bid Opening Date	Estimated contract signing date	Comments
1	DSID (MAEP) for the census of coffee and cocoa growers	20,000	SSS	yes	17-Jul-12	23-Sep-12	
2	ICAT for raising awareness of animal growers and recording vaccinated animals	42,000	SSS	yes	25-Jun-12	1-Oct-12	
3	FNGPC for providing services to cotton growers	2,048,000	SSS	yes	3-Oct-11	10-Dec-11	
4	UTCC/ICAT for advisory services in the coffee cocoa sector	414,000	SSS	yes	13-Feb-12	21-Apr-12	
5	FUPROCAT for support to the organization of unions and of village groups	36,000	SSS	yes	15-Mar-12	22-May-12	
6	Contracts for promoting innovative initiatives for export crop diversification (competitive grants)	320,000	SSS	yes	26-Mar-12	2-Jun-12	
7	REMATO/DE technical assistance for the preparation/control of the vaccination campaign	96,000	SSS	yes	14-Jun-12	21-Aug-12	
8	DE (MAEP) for the implementation/monitoring of the livestock component	128,000	SSS	yes	22-Jun-12	29-Aug-12	
9	Studies on the determination of physical and chemical parameters for Togo lake	2,000	IC	yes	23-Sept-11	23-Oct-11	Prior review of the first two contracts independently of amount, and of all contracts exceeding US\$ 100,000
10	Study on input and fish feed supply	49,000	IC	yes	11-Sep-11	11-Oct-11	
11	Recruitment of consultant to update training manual for vaccination campaigns	4,000	IC	no	24-Aug-11	23-Sep-11	
12	Recruitment of consultant for the elaboration of training manual for livestock techniques	4,000	IC	no	23-Feb-12	24-Mar-12	
13	Recruitment of 2 consultants for a study on MAEP reform	12,000	IC	no	2-Aug-11	1-Sep-11	
14	Recruitment of consultants for baseline study (PPF)	61,000	IC	no	11-Jul-11	10-Aug-11	
15	Recruitment of consultant to prepare the project administrative and financial manual	31,000	IC	no	25-Jul-11	24-Aug-11	
16	Recruitment of consultant to elaborate the project implementation manual (PPF)	14,000	IC	no	7-Jul-11	6-Aug-11	
17	Recruitment of consultant to prepare procurement procedures	8,000	IC	no	3-Jul-11	2-Aug-11	
18	Recruiting private veterinarians for the vaccination campaign against small ruminant rinderpest	75,000	IC	no	1-Sep-11	1-Oct-11	
19	Advisory services for setting up and operation of ESOPs, rice and other products	1,386,000	QCBS	yes	30-Dec-11	7-Mar-12	
20	Advisory support for the reorganization of the Kara rice mill	72,000	QCBS	no	27-Dec-11	18-Feb-12	Prior review of the first two contracts independently of amount, and of all contracts exceeding US\$ 200,000

Ref No	DESCRIPTION	Estimated amount (US\$)	Selection Method	Prior Review (Yes/No)	Estimated Bid Opening Date	Estimated contract signing date	Comments
21	Advisory support for the setting-up/operation of the warrantage centers	330,000	QCBS	yes	17-Mar-12	24-Mar-12	
22	Study on the supply mechanisms of vaccines	100,000	QCBS	no	18-Mar-12	10-May-12	
23	Agreements with providers of innovative projects for market access of food products	400,000	QCBS	yes	10-Dec-11	16-Feb-12	
24	Technical assistance for the identification, monitoring of beneficiaries of improved roosters and genitors of small ruminants	275,000	QCBS	yes	9-Dec-11	31-Jan-12	
25	Recruitment of consultants for a study on input mechanisms	120,000	QCBS	no	10-May-12	2-Jul-12	
26	Advisory services for methodological support on promoting product quality	157,000	QCBS	no	27-Oct-11	9-Dec-11	
27	Consulting services for studies and market surveys on Togolese food products	80,000	QCBS	yes	28-Oct-11	10-Dec-11	
28	Studies on the privatization of the NSCT, reorganization of the cotton inter-professional board and strengthening of the FNGPC capacities	320,000	QCBS	yes	15-Feb-12	23-Apr-12	
29	International technical assistance for strengthening the capacities of UTCC and FUPROCAT, and for the restructuring of the inter-professional board	880,000	QCBS	yes	4-Feb-12	12-Apr-12	
30	Legal study on the organization of the coffee cocoa inter-professional board	80,000	QCBS	no	12-Feb-12	5-Apr-12	
31	International technical assistance for aquaculture and inland fishery	860,000	QCBS	yes	19-Dec-11	15-Feb-12	
32	Study on policy and support instruments in the field of agricultural inputs/fertilizers	120,000	QCBS	no	10-May-12	2-Jul-12	
33	Recruitment of the ICF	1,431,000	QCBS	yes	27-Aug-11	3-Nov-11	Prequalification required
34	Recruitment of consultants for the monitoring of environmental and social impacts	66,000	QCBS	no	29-Apr-12	21-Jun-12	
35	Recruitment of a responsible body for the implementation of the bank guarantee funds and of the competitive grants	684,000	QCBS	yes	15-Dec-11	21-Feb-12	
36	Contract for training on business development services for fishery products	36,000	CQS	yes	16-Apr-12	8-Jun-12	
37	Recruitment of an external financial auditor (consultant)	50,000	LCS	yes	17-Jul-12	9-Aug-12	Prior review of the first two contracts independently of amount, and of all contracts exceeding US\$ 200,000
38	Advisory services on animal breeding techniques and on the construction of improved animal habitats	100,000	LCS	yes	8-Apr-12	31-May-12	
39	Study on management policies of security supplies and marketing of food crops	120,000	LCS	no	20-May-12	12-Jul-12	

(c) Summary of Training and Workshop contract packages for the first 18 months of implementation

Ref No	DESCRIPTION	Estimated amount. (US\$)	Prior Review (Yes/No)	Expected starting date
1	International study tour on warrantage and agribusiness centers	140,000	yes	15-Aug-11
2	International study tour on aquaculture techniques	56,000	yes	20-Apr-12
3	Participation in commercial events	160,000	yes	15-Oct-11
4	Training Workshops on fish farm demonstrations	6,800	no	20-Oct-11
5	Training Workshops on management of fishponds and tilapia hatcheries	12,400	yes	30-Mar-12
6	Training Workshops on the building of fishponds and inspection of sites	16,800	yes	30-Sep-11
7	Training Workshops on management of fishponds and catfish hatcheries	8,400	no	20-Jun-12
8	Training Workshops on management plan of fishfarms	6,000	no	30-Jul-12
9	Training Workshops on fish processing	8,100	no	30-Sep-11
10	Training Workshops for fishers on fishery principles	62,000	yes	30-Oct-11
11	Training Workshops for women on fishery principles	62,000	yes	20-Jul-11
12	Training of animal husbandry agents on vaccination campaigns	410,000	yes	31-Dec-11
13	Training of trainers on animal husbandry practices and construction of habitats	100,000	yes	30-Jan-12
14	Specialized training for animal growers on livestock techniques	130,000	yes	1-Apr-12
15	Specialized training for small ruminants farmers on livestock techniques of small ruminants	140,000	yes	1-Jul-12
16	Workshop for the approval of the draft MAEP reform paper	12,000	yes	15-Dec-11
17	Workshop for the approval of the RBMAS manual	13,000	yes	1-Sep-11
18	Workshop for the approval of revised agricultural policy documents	150,000	yes	9-Mar-12
19	Individual Training for MAEP staff	80,000	yes	1-Oct-11
20	Training Workshop for staff of MAEP and subordinated agencies on RBMAS	60,000	yes	1-Jan-12
21	Training Workshop in Financial Management	60,000	yes	20-Sep-11
22	Training Workshop to strengthen Human Resources' capacities	150,000	yes	8-Nov-11
23	Training Workshop in M&E	60,000	yes	5-Feb-12
24	Thematic days on agricultural policies	60,000	yes	5-Dec-11
25	National launching Workshop	16,000	yes	7-Jun-11
26	Regional launching Workshops	30,000	yes	10-Jun-11
27	Workshops on internal bi-annual reviews	50,000	yes	12-Dec-11
28	Workshop on the annual public expenditure review in the agricultural sector	80,000	yes	27-Dec-11
29	Workshops for participative regional evaluation	20,000	yes	15-Dec-12
30	Set up of the Inter-Ministry Preparatory Committee	1,400	no	9-Mar-11
31	Meetings of the Agricultural Sector Steering Committee	30,000	yes	1-Apr-11
32	Meetings of the CIPS	20,000	yes	12-Apr-11

39. *Procurement Filing*: procurement documents must be maintained in the project files and archived in the safe place until at least two years after the closing date of the project. MAEP's Procurement Unit will be responsible for the filing of procurement documents, with support from the FM expert of the ICF.

Anti-Corruption

40. The GoT will ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines of the Bank²⁰.

Environmental and Social Safeguards

41. *Project types and locations*: the environmental and social safeguards issues of the proposed project are associated with activities of components 1 and 2, which are providing support to productive sectors, such food and export crops; livestock and fisheries.

42. *Environmental Impacts*: the project is categorized as a B and the environmental impacts are likely to be site-specific, small-scale, non-sensitive and reversible typical of category B projects. Expected impacts during construction/production include: (i) air/dust pollution (activities such as site clearance), which are expected to be minimal and temporary within the project area; (ii) noise and vibration resulting from use and movement of machinery; and (iii) site preparation, in particular for production of food and export crops, possible expansion of existing farmland/plantations, possible aquaculture sites development and livestock re-stocking.

43. *Social Impacts (Involuntary Resettlement - OP 4.12)*: the potential social impacts of the proposed project will be small-scale and site-specific. It is anticipated that project activities will not lead to land acquisition or major restriction of access to sources of livelihood. In the event that people are physically or economically displaced because of the Project's activities, a Resettlement Action Plan (RAP) will be prepared in accordance with the requirements of OP 4.12, before the commencement of any relocation activities. This plan will be cleared by the Bank, consulted upon, and disclosed.

44. *Potential indirect impact*: the project will result in enhancement of food availability and improved food security, thereby improving the quality of life. There will be increased employment and income for skilled and unskilled workers, and indirect employment opportunities from provision of services to construction workers such as sale of food and beverages. There will be no long term adverse impacts as a result of project activities.

45. *Key Measures to be taken by the Borrower to address safeguards policy issues*: MAEP prepared an Environmental and Social Management Framework (ESMF) and Pest Management Plan (PMP) to cover environmental impacts and pest management. Although one of the principles of the proposed project is to avoid or minimize land acquisition, as due diligence, a Resettlement Policy Framework (RPF) was prepared. The ESMF, PMP and RPF were disclosed in-country on November 17, 2010 and at the Info shop on December 22, 2010.

46. *Mitigation Measures*: the ESMF recommends mitigating measures aimed at ensuring that civil works are executed in an environmentally sound manner, such as limiting construction or production activities to normal working hours, and notifying the local community in advance if construction activities have to be performed outside these hours. Further, the Environmental and

²⁰ "Guidelines on Prevention and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and updated January 2011

Social Management Plan (ESMP) contained in the ESMF recommend that environmental and social safeguards issues be addressed in a timely and practical fashion. The RPF provides for the preparation of Resettlement Action Plans (RAPs) or Abbreviated Resettlement Action Plans (ARAPs) that will be developed and implemented if and when necessary during project implementation. With respect to PMP, ways and means of using alternatives to herbicides and pesticides are clearly stated.

47. *Capacity for Safeguard Implementation:* the MAEP has an environment unit that is working with the environment directorate of the ministry of environment and forest resources (MERF). This unit will be responsible for following up safeguards issues during project implementation. Part time consultants will also be hired as and when necessary to work with this unit. The Bank will provide guidance on the elaboration of the TORs and MERF will be responsible for providing overall quality control through the review and clearance of the EMPs and RAPs. The MERF will also assist in enforcing compliance with Bank safeguards policies and monitor the implementation of the EMPs. Specific capacity building on environmental management and environmental assessment will be provided to the technical services of the participating ministries. In accordance with Bank guidelines, all EA studies and RAPs will need to be reviewed and cleared by the Bank prior to the commencement of the civil works.

48. *Public Consultations:* an extensive consultation process with key targeted stakeholders such as producers and producer associations, trade associations, public and private agricultural services providers, agro-industries (small and medium sized enterprises engaged in crop and livestock agribusiness, processing companies and/or export oriented enterprises) was carried out for the preparation of the safeguards reports. No major issues related to safeguards were raised which may lead to changing the project design. Public consultation on the outcome of this process was solicited with the disclosure of the safeguards instruments through announcements made in two local newspapers (on November 17, 2010) and at the Infoshop in Washington (on December 22, 2010). Consultations and public meetings will continue during project implementation.

Project Monitoring and Evaluation

49. The MAEP, the Bank and the other partners involved in the implementation of PNIASA will use a common institutional structure and harmonized procedures for M&E purposes. PASA and PADAT will jointly use the GAFSP impact evaluation indicators, while the output and outcome indicators will be project specific, to accommodate for the wide array of activities supported.

50. PASA relies on set of PDO level results indicators, and intermediate result indicators that are specific to the project, measurable, attributable, relevant and time-bound (SMART). To the extent possible, they have been selected from among the core AFTAR and the GAFSP indicators. However, the PASA results framework does not show two of the mandatory GAFSP impact indicators (household income of direct beneficiaries, and proportion of target population below the minimum level of dietary energy consumption), as these two indicators will not be reported through the regular project M&E system. Instead, as per GAFSP requirements, they will be reported by means of a rapid impact evaluation, for which an adequate budget has been set aside out of the country's GAFSP allocation.

51. The collection and compilation of data for measuring the overarching PNIASA indicators goes beyond the M&E framework of PASA, and will be undertaken by the relevant national bodies, as appropriate.
52. The MAEP's institutional structures will be adapted to better respond to the M&E needs. The Directorate for Planning and Agricultural Cooperation (DPAC) within the MAEP will host a set of newly established compartments in charge with the entire chain of planning, budgeting and M&E activities for a specific sub-sector or function: crops, animal and fish production, infrastructures and environmental matters, research and extension, and administrative affairs. Moreover, each compartment will establish operational contact points with relevant directorates across MAEP.
53. Project financed technical assistance will support and strengthen these structures. An international M&E expert will be hired through the ICF, and will assist the MAEP counterparts in establishing the M&E system, within the wider results based management and accountability (RBMA) system. This technical assistance will be subject to a phasing out schedule (full time for the first two years of project implementation, then half time only during the third year and a total of 4 months during the last two years). In addition, project support will be provided for the acquisition of office equipment and software, necessary for carrying out the M&E activities.
54. The data collection capacities of the agricultural administration are currently insufficient to adequately cover the M&E needs for PNIASA. To respond to project specific M&E needs, a set of surveys will be carried out (for baseline, mid-term and end-of-project assessments). The Bank and IFAD-financed projects (PASA, WAAPP-1C and PADAT) will be subject to joint surveys, and the costs will be shared. In addition, PASA, in conjunction with PADAT, will provide financial support for strengthening the data collection systems of the agricultural administration (Directorate for Agricultural Statistics, Information and Records, at central level, and Regional Directorates of MAEP). These systems will hence provide reliable data for the needs of the wider PNIASA implementation and beyond.

Partnership arrangements

55. A Partnership Framework agreement was signed in Lomé on February 4, 2010 between GoT and its development partners for PNIASA implementation, following the signature of the Togo CAADP Compact in July 2009.
56. The proposed project aims to enhance the capacity of the MAEP Secretariat General to coordinate the implementation of the whole PNIASA. Through PASA, the Bank will provide an overall support to the implementation of PNIASA, concomitantly with PADAT (co-financed by IFAD, BOAD and EBID) and the WAAPP-1C projects. Other projects to be supported by multilateral and/or bilateral donors might benefit in the future. Therefore, the proposed project will help coordinate donor interventions. It will provide support to strengthen the capacity of the CTP (Agriculture Sector Committee) in control of monitoring and evaluation of PNIASA implementation. This will ensure better harmonization of activities and periodic evaluation of project performances.
57. Donor consultations have been intense throughout the design phase of the first three projects implemented under the PNIASA umbrella (PADAT, WAAPP-1C and PASA) in order to: (i) cover priority investments without letting a PNIASA sub-program aside; (ii) ensure clear

demarcation lines between projects and synergies with complementation of activities and no overlapping; (iii) achieve necessary streamlining in projects' management and supervision, with a similar institutional setup and common implementation, M&E and fiduciary procedures. Sharing of responsibilities between the donors and with GoT is reinforced by this partnership, which also eases the fiduciary aspects of PNIASA implementation from various funding sources.

58. The following priority areas were identified for collaboration between PASA, WAAPP and PADAT: (i) the PNIASA monitoring and evaluation system; (ii) the establishment of the MAEP results based management and accountability system; (iii) organization of biannual joint supervision missions including all financial partners involved; and (iv) the establishment of innovative sustainable inputs (certified seeds and fertilizers) delivery mechanisms. These topics will be further discussed within both CIPS and the agriculture sector donor working group (GPTFSA: *Groupe des Partenaires Techniques et Financiers du Secteur Agricole*) created in 2009 and under the current co-chairmanship of the World Bank (MAEP's Secretary General being the other co-Chair).

59. Furthermore, the Terrafrica program is currently preparing a GEF funded project to provide "Ecological Support to PNIASA Implementation" through the ministry of Environment and Forest Resources.

Measures to be taken by GoT before implementation

60. The following measures should be taken by the Government before the implementation of the PASA project: (i) setting up of the CIPS, the CPT and the project DOC; (ii) adoption of the project implementation manual; (iii) recruitment of the International Consultancy Firm; (iv) and opening of a Project Account with an adequate initial deposit of Government counterpart funds.

Annex 4:
Operational Risk Assessment Framework (ORAF)

Negotiations and Board Package Version

Project Development Objective(s)	
To rehabilitate and reinforce productive capacities among targeted beneficiaries across selected value chains, and to foster an enabling institutional environment for the development of the agricultural sector.	
PDO Level Results Indicators:	<ol style="list-style-type: none"> 1. farm output subject to project supported post-harvest value-adding schemes (rice, corn) 2. increase of crop (coffee and cocoa) and continental fisheries output, and of livestock population (small ruminants and poultry) among project beneficiaries 3. rates of PNIASA financial executions (for PASA, PADAT and WAAPP altogether) 4. direct project beneficiaries

Risk Category	Risk Rating	Risk Description	Proposed Mitigation Measures
Project Stakeholder Risks	Medium-I	<p>Since 2008, Togo has been strongly committed to reform in various sectors of its economy, notably agriculture. Stable governance constitutes a further premise for the continuity of reforms.</p> <p>However, should the momentum for reform weaken, the impact on the project would be important.</p>	<p>The Bank will maintain a close dialogue with the authorities on the agricultural investment program and key reforms to be undertaken (e.g. on input supply channels, agricultural trade constraints, and rural credit facilitation).</p> <p>This will be conducive to both parties fully supporting the proposed reforms and policy changes.</p>
Implementing Agency Risks	Medium-I	<p>The Government is strongly committed to pursuing the CAADP and PNIASA objectives but the supporting governance structures are new.</p> <p>MAEP's capacity (in procurement, financial and project management) is limited after an interruption of World Bank and development partners' engagement in Togo.</p>	<p>Competent and motivated MAEP staff will be identified for project implementation. They will be supported by an International Consultancy Firm (ICF) particularly in carrying out selected activities (procurement, financial management, M&E) during the first years of the project.</p>

Project Risks			
<ul style="list-style-type: none"> • Design 	Medium-I	The project implementation design is simple and its technical complexity is low. Some of its activities are building on initiatives already successfully piloted in Togo. However, some activities may present specific risks. For instance, the distribution of improved animal breed stock may be subject to unintended uses, while counterfeit veterinary medicines might be used.	<p>The project will reinforce and train public veterinary services, to control veterinary products and private veterinary services.</p> <p>An experienced and reputable NGO will be recruited to select and monitor the beneficiaries of livestock support, according to clear criteria and procedures defined in the project operational manual.</p>
<ul style="list-style-type: none"> • Social and Environmental 	Medium-I	The project impacts are likely to be small-scale and site-specific, typical of category B projects.	<p>The Government has prepared and disclosed an Environmental and Social Management Framework (ESMF) and a Pest Management Plan (PMP). Land acquisition is unlikely during project implementation but an Involuntary Resettlement Policy Framework has been prepared for the case that such a situation arises.</p> <p>During project implementation, environmental and social specialist consultants will be recruited to follow up on these issues, whenever necessary</p>
<ul style="list-style-type: none"> • Program and Donor 	Medium-I	<p>The articulation between PASA, PADAT and WAAPP projects (within the PNIASA framework) is well defined. The projects are complementary but not interdependent.</p> <p>PASA will benefit from other projects through technology generation (WAAPP-IC) and construction of rural infrastructure (PADAT).</p>	The donors involved are coordinating closely (e.g. they use similar institutional set-ups and harmonized procedures, and organize joint technical support missions). The implementation schedules of the three projects have been coordinated and agreed right from the beginning, and will be regularly monitored and updated based on the constraints experienced.
<ul style="list-style-type: none"> • Delivery Quality 	Medium-I	As the capacities of the MAEP staff need to be strengthened, this might have implications on contract management and meeting milestones during project implementation.	The ICF will bear significant responsibility, over the first years of project implementation, in ensuring effective procurement, contract monitoring and activity oversight. The ICF will be recruited under a performance-based contract.

Overall Risk Rating at Preparation	Overall Risk Rating During Implementation	Comments
Medium-I	Medium-I	

Annex 5: Implementation Support Plan

Strategy and Approach for Implementation Support

1. The strategy for implementation support (IS) has been developed based on the nature of the project and its risk profile. It will aim at making implementation support to the client flexible and efficient, and will focus on implementation of the risk mitigation measures defined in the ORAF.
2. **Context.** In view of Togo's emergence from over a decade of severe governance and economic crises and the long lasting effects of these crises, the Project includes activities to support fast recovery of productivity among vulnerable populations (livestock herders and the livestock sub-sector) using short-term emergency response through GFRP funding, as well as longer term targets in other productive sub-sectors (using GAFSP resources); the Project also places strong emphasis on capacity building at MAEP using IDA resources.
3. **Project design and SWAp.** Taken together with parallel financing from other donors, the project design favorably responds to the persistent demand for a sector wide approach in the Togo agriculture sector deriving from the CAADP process. However, the project is not a SWAp (and will not become one during project life), but will provide support for strengthening Togo's institutional capacities, which will inter alia allow for the implementation of a SWAp in the future. Specifically, the Project will provide support to MAEP, and work with donors, toward the development of Togo's capacity to manage a SWAp for agriculture. By Project completion, the following SWAp features will be in place: (i) effective Government ownership; (ii) enhanced PNIASA, as a sector strategy consistent with higher development objectives; (iii) improved MAEP mid-term expenditure framework; and (iv) key tools for future harmonization and consultation, ready to be negotiated with donors and national partners.
4. **Implementation.** PASA implementation will be coordinated by MAEP, under the responsibility of the General Secretariat. The Project will support the implementation of MAEP reform including the restructuring of MAEP and its directorates and specialized agencies at central and regional/local levels, the introduction of a results-based management and accountability system (RBMAS), the strengthening of fiduciary management capacities in all MAEP structures, and the modernization of MAEP infrastructures and equipment. To this end, the Project will finance the technical assistance of an International Consultancy Firm (ICF), recruited through a performance based contract from the beginning of the project to assist in project implementation and supervision, and to strengthen MAEP's structures, processes and capacities through the transfer of competencies. The ICF will notably include international expertise in the fields of RBMAS, Financial Management, Procurement, as well as Monitoring and Evaluation.
5. **Procurement.** Implementation support will include: (a) reviewing procurement system and documents and providing timely feedback to MAEP; (b) providing detailed guidance on the Bank's procurement guidelines to MAEP; and (c) monitoring procurement progress against the detailed Procurement Plan.
6. **Financial Management.** Implementation support will include: (a) reviewing the project's financial management system at MAEP, including but not limited to, accounting, reporting and internal controls; (b) reviewing financial management documents and providing timely feedback

to MAEP; (c) providing detailed guidance on the Bank's financial management guidelines to MAEP; and (d) monitoring financial management progress against the annual work plans and budgets.

7. **Environmental and Social Safeguards.** The Bank safeguards team of social and environmental specialists will supervise the implementation of the prepared ESMF, PMP and RPF through the specific EMPs and RAPs if necessary, and will provide guidance to the MAEP coordination team.

Implementation Support Plan

8. Most of the relevant Bank team members are based either in the Togo country office (procurement and social safeguards specialists) or in a country office within the region (financial management, environmental safeguards). This will help ensure timely, efficient and effective implementation support to the client. Formal supervision and field visits will be carried out semi-annually. Detailed inputs from the Bank team are outlined below:

- **Technical inputs.** Contract with the ICF will allow an amount of consultant time to be used by MAEP on specific technical issues. The Bank will supervise ICF performance on a semi-annual basis and provide technical guidance whenever necessary.
- **Fiduciary Requirements and Inputs.** Training will be provided by the Bank's financial management and procurement specialists to locally recruited experts at MAEP (using PPF funds) before implementation begin. Training will then be provided by the ICF's financial management expert and procurement expert during project implementation. The country based fiduciary team will help MAEP identify capacity building needs to strengthen its financial management capacity and to improve procurement management efficiency. Both Procurement and Financial Management specialists will closely supervise project fiduciary management. They will overlook ICF's work for capacity building of MAEP fiduciary staff and participate twice a year in the supervision missions. The procurement specialist will organize, at least once a year, a post review of procurement activities. Financial management will be supervised using a risk-based approach. Supervision will focus on verifying whether the financial management system operates well, and providing guidance to the ICF where needed. It will comprise inter alia, the review of audit reports and IFRs, advice to task team on all FM issues, review of annual audited financial statements and management letters.
- **Safeguards.** The project's social and environmental impacts are limited and client capacity is generally adequate. Capacity building will be required on environment monitoring and reporting. On the social side, supervision will focus on the implementation of the RAP and/or ARAPs if and when necessary. Field visits are required on a semi-annual basis. The social and environmental specialists are respectively based in the country office and in the Bank office of a neighboring country.
- **Operation.** The TTL will provide timely supervision of all operational aspects through regular VC and audio meetings, as well as ensure coordination with the client, Partners involved and among Bank team members. It is expected that supervision will include two missions per year, including one full supervision (involving fiduciary, safeguard, communication and technical Bank specialists and consultants) and one light supervision (TTL and fiduciary team) due to budget constraints. It is expected that all supervision

missions will be jointly held with experts supervising other projects (PADAT, WAAPP-1C) and/or representing donors (IFAD, BOAD, EBID) involved in PNIASA implementation.

9. The main focus for implementation support is summarized below:

Time	Focus	Skills	Resource Estimate	Partner Role
First 12 months	<i>Project start up, reform of MAEP, appointment of remaining additional staff, workshops for all stakeholders involved, procurement of all TAs through ICF contracting, procurement of necessary goods and equipments, training (regional) organized by ASPEN for safeguard focal points</i>	FM training and supervision	FM Spec. 4 SWs	<i>Provide additional skills required and participate in ensuring the project start-up activities are implemented as planned and technical networks are functioning</i>
		PR training and supervision	PR Spec. 4 SWs	
		Social Safeguards training and supervision	Social Safeguards Spec. 4 SWs	
		Env. Safeguards training and supervision	Env. Safeguards Spec. 4 SWs	
		Agriculture finance management	Agri. finance consultant 4 SWs	
		Institutional reform & arrangement, project implementation support, coordination supervision	TTL/Operations Analyst and consultants 12 SWs	
		Communication supervision	Communication Spec. 2 SWs	
		M&E training and supervision	M&E Spec. 4 SWs	
12-48 months	<i>Ensuring that project implementation is rated Satisfactory towards achieving PDO. Organizing the mid-term review to draw lessons from project implementation</i>	FM supervision	FM Spec. 2 SWs	<i>Provide additional skills required and participate in review of implementation progress and ensuring the project is implemented as planned</i>
		PR supervision	PR Spec. 2 SWs	
		Social Safeguards supervision	Social Safeguards Spec. 2 SWs	
		Env. Safeguards supervision	Env. Safeguards Spec. 2 SWs	
		Agriculture finance management	Agri. finance consultant 2 SWs	
		Institutional arrangement, project implementation support, coordination supervision	TTL/Operations Analyst and consultant 12 SWs	
		Communication supervision	Communication Spec. 4 SWs	
		M&E supervision	M&E Spec. 4 SWs	
48-60 months	<i>Ensuring that lessons learned from MTR are implemented through an action plan and that</i>	FM	FM Spec. 4 SWs	<i>Provide additional skills required and participate in review of</i>
		PR	PR Spec. 4 SWs	
		Social Safeguards	Social Safeguards Spec. 4 SWs	
		Env. Safeguards	Env. Safeguards Spec. 4 SWs	

<i>project continues to be rated Satisfactory towards achieving PDO and makes progress towards a SWAp in the future</i>	Institutional arrangement, project implementation support, coordination supervision	TTL/Operations Analyst and consultant 12 SWs	<i>implementation on progress and ensuring the project is implemented as planned</i>
	Communication	Communication Spec. 4 SWs	
	M&E	M&E Spec. 4 SWs	

II. Skills Mix Required

Skills Needed	Number of Staff Weeks	Number of Trips	Comments
TTL	12	Three the first year and two annually thereafter	HQ Based
Operations Analyst	4 SW annually	Field trips as required	HQ based
PR Spec.	2 SW annually	Field trips as required	Togo based
FM Spec.	2 SW annually	Field trips as required	CO based in the region
Social Safeguards Spec.	2 SW annually	Field trips as required	Togo based
Env. Safeguards Spec.	2 SW annually	Field trips as required	CO based in the region
Agri. Finance management	2 SW annually	Field trips as required	Consultant
Communication Spec.	2 SW annually	Field trips as required	Consultant
M&E Spec.	2 SW annually	Field trips as required	Consultant

III. Partners

Name	Institution/Country	Role
GoT-MAEP	Togo	Responsible agency for Project implementation
International Consultancy Firm (ICF)	To be selected under a performance based contract	Shoulder MAEP in all aspects of project implementation
IFAD	UN/Rome-Italy	Financing and supervision of the PADAT project
EBID	Regional Bank/Togo	Co-financing and supervision of the PADAT project
BOAD	Regional Bank/Togo	Co-financing and supervision of the PADAT project
Regional Bank project	WBG	Financing and supervision of the WAAPP-1C project

Annex 6: Team Composition

World Bank staff and consultants who worked on the project:

Name	Title	Unit
Christian Berger	Sr Agriculture specialist	AFTAR
Daniel Sellen	Sector Leader	AFTAR
Ayi Klouvi	Agriculture Economist	AFTAR
Irina Ramniceanu	Young Professional	AFTAR
Erick Abiassi	Agriculture Economist	AFTAR
Marlyatou Diallo	Language Program Assistant	AFTAR
Marie-Claudine Fundi	Language Program Assistant	AFTAR
Abdoul-Wahab Seyni	Sr Social Development Specialist	AFTCS
Africa Eshogba Olojoba	Sr Environmental Spec.	AFTEN
Itchi Gnon Ayindo	Sr Procurement Specialist	AFTPC
Alain Hinkati	Financial Management Specialist	AFTFM
Aissatou Diallo	Sr Finance Officer	CTRFC
Anthony Molle	Counsel	LEGAf
Alain F. Onibon	Consultant, institutions	FAO/CP
Karen Veverica	Consultant, fish production	FAO/CP
Pierre Haas	Consultant, agronomist	FAO/CP
Gilbert Hatungumukama	Consultant, livestock	FAO/CP
Nguala Luzietoso	Consultant, economic analyst	AFTAR
Nicolas Gergely	Consultant, export crops	AFTAR
Nazaire Sado	Consultant, agriculture finance	AFTAR
Benjamin Billard	Consultant, operations specialist	AFTAR

Annex 7: Economic and Financial Analysis

A Conceptual framework for the economic and financial analysis

1. **Target food crops, export crops, livestock, and aquaculture enterprises:** the project will target the following value-chains: (i) food crops (rice, maize and cassava or yam); (ii) export crops (cotton, coffee and cocoa); (iii) freshwater aquaculture production (tilapia and catfish); and (iv) livestock (poultry and small ruminant). Since the project is expected to impact positively on these enterprises, directly or indirectly (e.g., through improved export crops and animal production techniques, as well as from the creation of processing and marketing enterprises and partnerships to organize the food crops value chains), project benefits are likely to be significantly underestimated.

2. **Direct project benefits:** direct (quantifiable) project benefits are estimated for activities corresponding to Components 1 and 2 (support to productive sub-sectors). For Component 3 (Support for Capacity Building and Sector Coordination), no cost-benefit analysis has been prepared because benefits arising from institutional strengthening are hard to quantify. Also, since investments are to be demand-driven, the type and size of sub-projects and facilities cannot be known *ex-ante*. Hence the economic and financial analysis cannot be based on an actual pre-set portfolio of investment operations. Rather, the analysis is based on the typology of investments expected to be implemented, as a proxy to actual investments. Although illustrative, the analysis conforms as closely as possible to real conditions as it considers the models currently used in the farming systems prevailing in project areas.

3. **The ‘without’ and ‘with’ project situations:** in the *‘without project’ situation*, producers use low yielding traditional seeds put aside following earlier cropping seasons or bought on the market before the current season. They use some manure but virtually no chemical fertilizers, except for cotton, and no food supplements for animals. They only have access to manual implements that are typically outdated and in need of replacement. They get little or no outside advisory support neither for cropping, nor for post-harvest or marketing activities. They typically intercrop (e.g., root crops and tubers intercropped with cocoa) which is a well-adapted practice in low input agriculture environments. Their animals are from local breeds and produce a minimal quantity of meat. For fish production, the *without project situation* is the use of formulated feed in powder form, and high cost fingerlings. In the *‘with project’ situation*, producers are given access to an improved production package (high yielding seeds and improved animals, chemical inputs and animal and improved fish feed and fish seed, good quality agriculture tools, etc.). They are provided with advisory services to apply the technical packages. They also get access to post-harvest facilities and technologies (drying areas, warehouses, etc.), processing facilities that add value to their products, as well as marketing advices that improve their knowledge of markets, increase their negotiating power and allow them to obtain better prices. The adoption of the improved packages is expected to result in markedly increased yields for individual crops (from 107 percent for rice, to 200 percent for maize). For small ruminants, fish and poultry, the increase in yields are 71 percent, 148 percent and 150 percent respectively (Table A7.1).

Table A7.1: Yields for crop and livestock enterprises

	Crop yield		
	Without project	With project	Increase
	tons/ha		%
Crops			
Rice	1.45	3.0	107
Coffee	0.35	0.7	100
Cocoa	0.37	0.75	103
Maize	1.2	3.0	150
Soybeans	0.7	1.6	129
Livestock			
Poultry	0.4	1.0	150
Small ruminants	0.8	1.4	71
Fish	2.3	5.7	148

4. **Benefit streams:** Project activities are expected to generate four main benefit streams.

(i) *Improved farm animal productivity (small ruminants, poultry)* due to the support to: (a) animal health and disease control program, including enhancing control of the inputs supply chain; (b) the provision of enhanced farm animal habitat using local materials; and (c) restocking with locally available improved breeding herds and flocks to compensate for asset depletion and mortality;

(ii) *Improved aquaculture production (catfish/tilapia)*. Expected yields increases are due to: (a) the use of improved and more adapted fish feeding (better formulation of fish-feed); (b) the dissemination of improved fingerlings resulting from better hatchery practices; and (c) the adoption of improved fish farm management practices;

(iii) *Increased food crops (rice) processing activity*, which is due to support to: (a) the scaling-up of the successfully piloted ESOP model for processing key products (esp. rice, soybeans, cassava); (b) pilot inventory credit schemes (warrantage) for cereal producers (esp. maize and sorghum) in regions meeting economic viability conditions; (c) innovative initiatives to expand market access for other crops (e.g. fruits and vegetables) through a competitive grant scheme;

(iv) *Improved export crop production*, which is due to expected yields increases deriving from support to gradual regeneration of the existing plantations (and some extensions in favorable zones) through: (a) provision of adapted technical advisory services under the coordination of ICAT; (b) provision of good quality planting material.

5. These benefit streams lend themselves more or less readily to quantification. For purposes of the economic and financial analysis, the returns were fully estimated for the benefit stream. They were partially captured for benefit stream through production volumes which account for the reduction in post-harvest losses and through the prices used that incorporate the increased

value-added generated by attendant investments²¹. These benefits are positive and therefore are expected to substantially enhance overall project returns.

6. **Beneficiaries:** direct beneficiaries of the project include approximately 60,000 crop farmers, 13,000 animal growers, 1,600 fishers and fish farmers and 500 fish merchants, within all five administrative regions of Togo. In addition, about 650,000 households raising poultry or small ruminants will benefit from the dedicated animal vaccination campaigns.

7. **Economic and financial analysis:** Togo can be divided into four agro-ecological zones. Analysis of the production systems of each zone reveals the most representative farm types, which are the basis of the financial analysis. The characteristics of typical farms are described in official reports from ITRA. The financial analysis was conducted over five years, the project implementation period. For each of the four typical farms (one model per agro-ecological zone), data exists on the agricultural areas in use (AAU) for food and export crops, as well as for other crops. Only the agricultural area in use for these products was included in the models. A farming model for the country was developed based on relative area allocation to crops under a hypothetical typical farm. The financial analysis was carried out on this farm type, which averages food and export crops land use patterns across the four agro-ecological zones (Table A7.2).

Table A7.2: Farm models by agro-climatic zone

Surface area by Crop for Typical Farm (ha) and by agro-climatic Zone					
Crops	Littoral Zone	Forest Zone (West Plateaus Region)	Wet Savana Zone (Est Plateaus Region and Central Region)	Dry Savana Zone (Savana Region and Kara)	Country average
Coffee		0,25			
Cocoa		0,25			
Cotton		0,50	0,75	0,40	
Rice (Wet land)	0,3	0,20	0,25	0,30	
Maize	0,6	0,50	0,75	0,50	
Cassava/yam	0,2	0,10	0,25	0,40	
Sorghum/mil		0,10	0,10	0,20	
Soya/beans	0,6	0,10	0,75	0,20	
Total Surface area used (ha)	1,7	2,00	2,85	2,00	2,14
Total cultivated area (ha)	1,0	1,50	2,50	2,00	2,00
Annual Cropping rate	1,7	1,33	1,14	1,00	1,07
Source : ITRA (2007) "Stratification du Togo en zones homogènes pour la recherche agronomique"					
This Information was validated by ETD (Entreprise Territoire Développement)					
and FNGPC (Fédération nationale des groupements des producteurs de coton)					

8. This analysis was carried out at the micro level (crop and livestock enterprises²²) and then aggregated at project level to derive overall measures of project worth. For the first benefit stream, profitability measures (gross margin and return to family labor) were calculated

²¹ These investments concern in particular grain drying areas, storage facilities, grain processing facilities, etc. The nature and scale of these investments will be demand-driven, so the benefit streams cannot be estimated based on a pre-set portfolio.

²² In this analysis, crop enterprises are equated to production sub-projects funded by the project as part of Component 1.

independently for the food crops, export crops, livestock, and aquaculture enterprises. To derive overall returns, the benefits streams from individual enterprises were aggregated using the number of sub-projects expected to be generated during project implementation. The total benefit streams were compared to project costs to derive the Net Present Value (NPV) and compute the project financial and economic internal rates of return.

9. Price data of MAEP for 2009 were used for the baseline analysis. With regard to factors of production, the shadow price of unpaid family labor was assigned a value of FCFA 600 (US\$1.20) per day for the economic analysis, below the cost of unskilled hired labor used in agricultural production. The use of a shadow price for the economic analysis was considered appropriate in view of the limited alternative employment opportunities for casual labor in rural areas. For the financial analysis, the cost of family labor was valued at the ‘reservation’ wage rate, which was assumed to be equal to the shadow price. Investment costs and technical parameters used for the analysis (quantities of grain dried and stored, yield losses avoided, price effects) were based on ICAT, ETD, CPC and RAFIA’s experience (Research, Advice and Training for Self-development Initiatives-RAFIA).

B. Gross margin and remuneration of family labor

10. The gross margin has been computed for individual crop enterprises²³ (see Table A7.3), based on estimated expenditures and revenues. In the ‘*with project*’ situation as compared to the initial situation, all crop enterprise budgets show a substantial increase in gross margin. For fish, maize, small ruminants, rice (marshland), coffee, cocoa and poultry, the increase in the gross margin is 76 percent, 79 percent, 94 percent, 94 percent, 98 percent, 98 percent, and 99 percent, respectively. The increase in the gross margin of soybeans is the highest, at 143 percent.

11. The available family labor per farm corresponds to the number of equivalent adult members in the family unit, multiplied by the yearly number of work days available. Total labor requirements were estimated for all crop enterprises (based on the individual requirements for each production task, e.g.: plowing, seeding, weeding, harvesting, etc.). Casual labor was deducted from this total to get an estimate of family labor. In turn, the division of the gross margin per total family labor days permitted to estimate the remuneration per family labor day (see Table A7.3). In the ‘*with project*’ situation, the remuneration of family labor has increased substantially. The increase ranges from 50 percent for soya, 65 percent for cocoa, 76 percent for rice, 88 percent for coffee and 96 percent for poultry and maize both. Even in the case of rice, the remuneration of the family labor is FCFA 849 which is significantly higher than the farmer ‘reservation’ wage estimated at FCFA 600.

²³ The sub-projects financed under the project will concern each one specific priority crop or livestock or aquaculture enterprise. Hence, the enterprise budgets are used here as proxy to assess sub-project viability.

Table A7.3: Gross margin and remuneration of family labor, per crop and livestock enterprises

Crop and fish	Gross margin			Remuneration of family labor		
	Without project	With project	Increase	Without project	With project	Increase
	'000 F CFA/year/ha		%	F CFA/day		%
Fish	808.8	1,421.4	76	3,945	7,725	96
Poultry	163.0	324.0	99	2,264	3,600	59
Small ruminant	46.1	89.7	94	1,580	2,874	82
Cocoa	311.7	617.3	98	3,117	5,144	65
Coffee	80.6	159.8	98	849	1598	88
Rice	96.7	187.5	94	968	1705	76
Maize	103.7	185.2	79	1,886	3,705	96
Soya	107.8	262.3	143	1348	2018	50

C. Overall project profitability measures

12. Overall, investments performed under PASA's auspices will generate substantial financial benefits for rural households in all the areas supported by the project, as well as substantial economic benefits for Togo's society as a whole. Only benefits arising from increased production generated by sub-project investments have been quantified. The benefits derived from capacity-building of producers and other actors targeted at various levels of the value chains were not included. These benefits are particularly important especially for the poorest. With the project, these vulnerable farmers are expected to increase their production and yield revenues from new marketing activities, hence improving their economic status. This applies particularly to women, given that up to 40 percent of the beneficiaries are expected to be women or youngsters.

13. The results of the economic analysis at the overall project level show that the project will generate substantial additional production, a share of which will be used to improve the food security status of rural households and another share will generate monetary revenues for these households to meet their minimal recurrent cash needs and investment requirements. Based on the hypotheses retained in the enterprise budgets, the additional production in the project area will be roughly 23,400 tons of poultry (live weight), 1,008 tons of small ruminants (live weight), 32,580 tons of maize, 16,758 tons of fish, 14,080 tons of rice paddy, 2,208 tons of cocoa and 1,181 tons of coffee (cherries). These quantities are limited compared to national and regional production, so they will be absorbed in both national and external markets without causing any glut of surplus.

14. Details on the project financial and economic profitability measures are summarized into table A7.4. The financial Internal Rate of Return (FRR) in the base case is estimated at 17.69 percent. The financial net present value (NPV) at an opportunity cost of capital of 12 percent is projected to reach FCFA 10.4 billion, or US\$20.9 million. Total economic benefits, amounting at FCFA 6.8 billion (US\$13.6 million) in NPV, are expected to generate an economic rate of return of 16.4 percent.

15. The sensitivity analysis shows that projected benefits are robust against investment costs. But this implies that the project will have to provide close support for adoption of the new technology embodied in the sub-projects and ensure that farmers adhere strictly to technology prescriptions. The project will also have to ensure that support services in terms of inputs delivery are readily available. It will also have to make every effort to facilitate production collection, processing and marketing, as well as facilitate partnerships between farmers and marketers.

**Table A7.4: Financial Internal Rate of Return,
Net Present Value and Sensitivity Analysis**

Total Project Cost and Total quantifiable benefits		
	Economic analysis	Financial Analysis
	ERR	IRR
at NPV = 0	16.4%	17.7%
NPV at interest rate = 0% (US\$million)	162.7	209.1
NPV at interest rate = 12% (US\$million)	13.6	20.9
Sensitivity analysis		
With 10% Project Costs increase	15.1%	16.2%
With 20% Project Costs increase	14.0%	15.3%
With 30% Project Costs increase	13.0%	14.3%
With 5% Yield decrease	14.9%	16.2%
With 10% Yield decrease	13.3%	14.5%
With 15% Yield decrease	11.6%	12.7%
With 5% Price Decrease	14.9%	16.2%
With 10% Price Decrease	13.3%	14.5%
With 15% Price Decrease	11.5%	12.7%

Annex 8: Matrix of operational articulation between PASA, PADAT and WAAPP projects

Partnership arrangements derive from the Partnership Framework agreement signed on February 4, 2010 between GoT and development partners for PNIASA implementation. Donor consultations have been intense throughout the design phase of all three projects implemented under the PNIASA umbrella (PADAT, WAAPP-1C and PASA) in order to: (i) cover priority investments in all five PNIASA sub-programs; (ii) ensure clear demarcation between projects, maximize synergies and complementarities between activities and avoid duplications; (iii) achieve sound streamlining in projects' management and supervision, with a similar institutional setup and common implementation, M&E and fiduciary procedures. This partnership is in line with the Paris Declaration on aid effectiveness and the Accra Agenda for Action. It was also advocated by the Togo CAADP compact signed on July 30, 2009 as it eases the fiduciary aspects of PNIASA implementation from various funding sources and minimizes transaction costs.

As a general rule:

- The PADAT project targets small farm productivity enhancement in the short term and the construction of much needed rural infrastructures (including rural roads, water management infrastructures such as irrigation schemes, post-harvest storage facilities, etc). PADAT is a country-wide operation due to start during the last semester of FY11.
- The WAAPP-1C project is in charge of all PNIASA sub-program 4 geared at research and technology development/dissemination activities (including capacity building of the relevant ICAT and ITRA agencies). It will also operate on a country-wide basis, with a starting date in early FY12.
- The PASA project combines emergency activities for the recovery of the livestock sub-sector (small ruminants and poultry) with medium to long term structural actions to support other productive sub-sectors (strategic food and export crops, freshwater fisheries) through better organized food chains, processing and related market access; it also provides critical capacity building to MAEP to monitor the PNIASA and its supporting projects, thereby fostering an enabling environment for agricultural development, in both public and private sectors. The PASA project is a country-wide operation, which is planned to start in early FY12.
- Other donors joining in the future to help support additional investments outlined by the Togo-PNIASA will benefit from this ongoing strong partnership.

The following matrix provides synthetic information about the operational articulation between the three projects currently prepared under the PNIASA umbrella:

	PADAT	WAAPP-1C	PASA
Project Development Objective	To contribute to enhancing food security and incomes of agricultural producers	To generate and accelerate the adoption of improved technologies in Togo' agricultural commodity top-priority areas that are aligned with the sub-region's top agricultural commodity priorities, as outlined in the ECOWAP	To rehabilitate and reinforce productive capacities among targeted beneficiaries across selected value chains, and to foster an enabling institutional environment for the development of the agricultural sector
Project components	Component 1: Improving the output and productivity of targeted	Component 1: Enabling conditions for regional cooperation	Component 1: Promotion of strategic food crop, export crop

<p>Project components</p>	<p>agricultural holdings (rice, corn, and cassava) (US\$ 27.9 million)</p> <p>Component 2: Increasing value-added and market-access for targeted value chains (rice, corn, and cassava) (US\$ 30.8 million)</p> <p>Component 3: Project management and coordination (US\$ 4.8 million)</p>	<p>and market integration (US\$ 1 million)</p> <p>Component 2: National center of specialization (US\$ 5.3 million)</p> <p>Component 3: Support to demand-driven technology generation, dissemination and adoption (US\$ 3.3 million)</p> <p>Component 4: Project coordination, management, monitoring and evaluation (US\$2.3 million)</p>	<p>and freshwater fish production (US\$ 17.5 million)</p> <p>Component 2: Recovery of the livestock sub-sector (US\$9 million)</p> <p>Component 3: Support for capacity building and sector coordination (US\$10.5 million)</p>
<p>PDO level result indicators</p>	<p>Increase of the vulnerable households' asset ownership index (by 10%)</p> <p>Reduction in the proportion of target population below the minimum level of dietary energy consumption, disaggregated by gender and vulnerable group</p> <p>Number of intended and actual beneficiaries, disaggregated by gender</p> <p>Increase of the corn and rice yields in the project target areas</p> <p>Increase of the gross income of the rice and corn producers in the project target areas</p>	<p>Percentage average yield increases in key commodities supported under the project</p> <p>Number of direct project beneficiaries (male and female in %)</p> <p>Rate of increase in adoption of new technologies (production, handling and processing methods) disseminated under the project (% of actors)</p> <p>Increase in land area under improved technologies (ha)</p>	<p>Household income of direct beneficiaries*</p> <p>Proportion of target population below the minimum level of dietary energy consumption, disaggregated by gender and vulnerable group*</p> <p>Farm output subject to project supported post-harvest value-adding schemes (rice, corn)</p> <p>Increase of crop (coffee and cocoa) and fisheries output, and of livestock population (small ruminants and poultry) among project beneficiaries</p> <p>Rates of PNIASA financial executions (for PASA, PADAT and WAAPP-IC combined)</p> <p>Number of direct beneficiaries, disaggregated by gender</p>
<p>Project beneficiaries</p>	<p>The project is targeting small producers (<3 ha), either individually or through producer organizations, across three selected value chains (rice, corn, and cassava). About 107,500 small producers are expected to be the direct beneficiaries of the project: (i) 75,000 through strengthened producer organizations and through improved access to equipment, infrastructure and markets, and (ii) 50,000 through the “quick start” operation (distribution of farm inputs such as improved seeds, fertilizers, etc)</p>	<p>The project will target altogether 200,000 direct and indirect beneficiaries, including an estimated 40% women</p>	<p>Direct beneficiaries of the project include approximately 60,000 crop farmers, 13,000 animal herders, 1,600 fish producers and 500 fish merchants, within all five administrative regions of Togo. In addition, about 650,000 households raising poultry and/or small ruminants will benefit from the dedicated animal vaccination campaigns.</p>
<p>Articulation with PASA</p>	<p>Similar institutional arrangements for project implementation under the authority of MAEP's Secretary General</p> <p>Identical fiduciary management</p>	<p>Identical institutional arrangements for project implementation under the authority of MAEP's Secretary General</p> <p>Identical fiduciary management</p>	<p>N.A.</p>

<p>Articulation with PASA</p>	<p>arrangements (financial management, as well as procurement rules and procedures)</p> <p>Common (co-financed) baseline survey and identical monitoring and evaluation procedures</p> <p>Joint preparation and supervision missions</p> <p>PASA component 3 will bring critical support to MAEP capacity building and sector coordination, that will benefit PADAT implementation</p> <p>PADAT beneficiaries of “quick start” input packages and small scale processing facilities will be selected among the poorest of the poor. The PASA project will aim at sustainable ways of providing critical input access to farmer organizations of a greater production potential, as well as integrating key value chains by building innovative and sustainable market based mechanisms</p> <p>Warehouse construction undertaken through PADAT will directly benefit PASA activities in component 1: this is particularly the case of ESOP processing facilities and pilot warrantage warehouses (PASA will make use of a very limited number of these warehouses out of nearly 300 unit build through PADAT); activities of PASA sub-components 1.2 and 1.3 may also benefit</p> <p>Other infrastructures such as rural roads and irrigation schemes will attract and benefit PASA sub-components 1.1, 1.2, 1.3 and 2</p>	<p>arrangements (financial management, as well as procurement rules and procedures)</p> <p>Common (co-financed) baseline survey and identical monitoring and evaluation procedures</p> <p>Joint preparation and supervision missions</p> <p>PASA component 3 will bring critical support to MAEP capacity building and sector coordination that will benefit WAAPP-1C implementation. The ICF contract will benefit both projects and will be co-financed.</p> <p>Common management of financial instruments to support project activities, notably “competitive funds”</p> <p>PASA (and PADAT) beneficiaries will be among the priority targets of WAAPP-1C</p> <p>WAAPP-1C will develop and disseminate enhanced farming technologies, that will be used under PASA components 1 and 2: for example, improved corn and rice seeds will be bought by the PASA project once developed on a commercial basis by the WAAPP-1C project; the same will apply for the development of improved livestock breeds</p>	<p>N.A.</p>
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Note: * These indicators are not shown in the PASA results framework but they will be reported through a dedicated impact evaluation in line with GAFSP requirements