

AFRICAN DEVELOPMENT BANK GROUP



SAO TOME AND PRINCIPE

INFRASTRUCTURE REHABILITATION FOR FOOD SECURITY SUPPORT PROJECT - PROJECT II (PRIASA II)

OSAN DEPARTMENT

May 2015

Translated document

TABLE OF CONTENTS

Currency Equivalents, Fiscal Year, Weights and Measures, Acronyms and Abbreviations, Project Information Sheet, Project Summary, Results-Based Logical Framework, Implementation Schedule i - vii

I – Strategic Thrust and Rationale.....	1
1.1. Project Linkage with Country Strategy and Objectives	1
1.2. Rationale for Bank Involvement	1
1.3. Aid Coordination	2
II – Project Description	2
2.1 Project Objectives and Components	2
2.2. Technical Solutions Adopted and the Alternatives Explored	3
2.3. Type of Project.....	4
2.4. Project Cost and Financing Mechanisms	4
2.5. Project Area and Beneficiaries.....	6
2.6. Participatory Approach to Project Identification, Design and Implementation.....	6
2.7. Bank Group Experience and Lessons Reflected in Project Design	7
2.8. Key Performance Indicators	7
III - Project Feasibility	8
3.1. Economic and Financial Performance	8
3.2. Environmental and Social Impact.....	9
IV - Execution	11
4.1. Implementation Arrangements	11
4.2. Monitoring	13
4.3. Governance	13
4.4. Sustainability.....	14
4.5. Risk Management	14
4.6. Knowledge Development.....	15
V – Legal Framework.....	15
5.1. Legal Instrument	15
5.2. Conditions Associated with ADF and AfDB Interventions.....	15
5.3 Conformity with Bank Policies.....	16
VI - Recommendation.....	16

ANNEXES

Annex I	Comparative Socio-Economic Indicators of Sao Tome and Principe
Annex II	Table of the Bank's Portfolio in Sao Tome and Principe
Annex III	Map of the Project Area
Annex IV	Summary of Procurement Arrangements
Annex V	Consideration of Risks Factors Associated with Fragility in Sao Tome and Principe

CURRENCY EQUIVALENTS

(March 2015)

Currency Unit	=	Dobra
UA 1	=	30 552.94 Dobras
UA 1	=	USD 1.40739
UA 1	=	EUR 1.25213

FISCAL YEAR: 1st January – 31st December

WEIGHTS AND MEASURES

1 metric ton	=	2,204 pounds
1 kilogramme (kg)	=	2.20 pounds
1 metre (m)	=	3.28 feet
1 millimetre (mm)	=	0.03937 inch
1 kilometre (km)	=	0.62 mile
1 hectare (ha)	=	2,471 acres

ACRONYMS AND ABBREVIATIONS

BD	:	Bidding documents
CADR	:	Agricultural Centre for Sustainable Development
CATAP	:	Agro-pastoral Staff Development Centre
CIAT	:	Agronomic and Technological Research Centre
DGA	:	General Directorate for Agriculture
DGP	:	General Directorate for Fisheries
ESMP	:	Environmental and Social Management Plan
FCD	:	Fish Concentration Device
FIC	:	Community Investment Fund
GEF	:	Global Environment Facility
INAE	:	National Highways Institute
INPG	:	National Institute for the Promotion of Gender Equality and Equity
LDCF	:	Least Developed Countries Fund
MADR	:	Ministry of Agriculture and Rural Development
MARAPA	:	Sea, Environment and Small-scale Fishing (NGO)
NPRS	:	National Poverty Reduction Strategy
PIF	:	Project Identification Form
PMU	:	Project Management Unit
PNASE	:	National School Feeding and Health Programme
PNSAN	:	National Food and Nutritional Security Programme
PP	:	Procurement Plan
PRIASA	:	Food Security Support Infrastructure Rehabilitation Programme
RMIG	:	Road Maintenance Interest Group
SNEEG	:	National Strategy for Gender Equality and Equity
STP	:	Sao Tome and Principe
TYS	:	Ten-Year Strategy of the Bank (2013-2022)
WSC/SPR	:	Water and Soil Conservation / Soil Protection and Restoration

PROJECT INFORMATION SHEET

Client Information

BORROWER: Democratic Republic of Sao Tome and Principe
EXECUTING AGENCY: Ministry of Agriculture and Rural Development

Financing Plan

Source	Amount	Instrument
ADF	UA 11.50 million	Loan
GEF/LDCF	USD 3.503 million	Grant
Government	UA 0.508 million	-
Beneficiaries	UA 0.203 million	-
TOTAL COST	UA 14.70 million	

Key ADF Financing Information

ADF Loan currency	UA
Loan tenure	30 years
Grace period	5 years
Interest	1%
ERR (baseline scenario)	22.29%
NPV	USD 20.84 million

Timeframe – Main Milestones (projected)

Approval of the concept note	February 2015
Project approval	June 2015
Effectiveness	August 2015
Last disbursement	31 December 2020
Completion	1 st quarter 2021

PROJECT SUMMARY

General Overview of Project: The Infrastructure Rehabilitation for Food Security Support Project – Project II (PRIASA II), which is scheduled to last for five years, will benefit from an ADF loan of UA 11.5 million and a GEF/LDCF grant of USD 3.5 million. The objective of the project is to promote sustainable and inclusive economic growth while building human capital. PRIASA II seeks to improve food and nutritional security in STP by increasing the supply and value of agricultural and fishery products throughout the year. The project, with NGO support, will closely involve the farmers, fishermen and communities on the islands of Sao Tomé and Príncipe. It will directly affect 16,000 farmers and 3,000 fishermen and wholesale fish vendors, of whom over 40% are women. Apart from basic infrastructure (roads, irrigation networks, markets, etc.), the project will disseminate new techniques on quality improvement, conservation, processing and marketing of produce. These activities will be accompanied by capacity building to develop the national expertise crucial to the management of these innovations from all perspectives (technical, health, legislative, etc.).

Needs Assessment: Despite its many advantages (fertile soil, abundant rainfall, fishery resources, etc.), STP still faces food insecurity and poverty. Over two thirds of the total population lives in poverty (71% of women) and over one fifth experiences food insecurity. Among the small farmers, 68% live below the poverty line (2 US dollars/day). Agriculture remains the backbone of development policy and will, in the medium term, continue to be the main source of income and employment for both women and men. Given the limited supply of land, it is essential to optimize the use of cultivated land, lend value-added to products and enable households to earn sufficient income to purchase imported products. PRIASA II will modernise farming systems, improve conservation and processing conditions while addressing gender-disaggregated needs. It will target farming basins, with special emphasis on nutrition, value chains and employment for women and the youth.

Bank's Value-added: In November 2010, the Bank financed the Infrastructure Rehabilitation for Food Security Support Project (PRIASA). That project, which is in its closing phase, benefitted 10,000 persons and achieved highly significant results. It led to the development of specific expertise and introduced new skills in key areas for STP (irrigation, cold chain, product quality, etc.). To build on these achievements, the Bank and the Government agreed to finance this second project, laying special emphasis on farming and fishery infrastructure while orienting these operations towards the emergence of value chain production and promotion poles. The growing effects of climate change will also be addressed, to a large extent, with financing from GEF/LDCF.

Knowledge Management: PRIASA II, through its "Capacity Building" component, will help to build and consolidate the knowledge of various stakeholders, including farmers, fishermen and female wholesale fish vendors, thanks mainly to the support of NGOs specialized in structuring and organisation. Within the Sao Tome administration, the project will build expertise that is crucial to modernisation and technological innovation. The procurement of specific equipment will be accompanied by training and capacity building for specialized national technicians, including training abroad. New training modules will be developed and disseminated by supporting the Agro-pastoral Staff Development Centre (CATAP) which shall be enabled to network with other Portuguese-speaking countries. Consolidation of the statistical system will yield accurate knowledge on agricultural and fishery outputs. From the methodological and operational standpoints, the Bank will focus on island approaches and procedures as well as the context of climate change.

RESULTS-BASED LOGICAL FRAMEWORK

<i>Sao Tome and Principe – Food Security Support Infrastructure Rehabilitation Project – Project II (PRIASA II)</i>						
Project Goal: Contribute to robust and shared economic growth and to food and nutritional insecurity in STP.						
<i>RESULTS CHAIN</i>		<i>PERFORMANCE INDICATORS (with gender indication W= women)</i>			<i>MEANS OF VERIFICATION</i>	<i>RISKS/ MITIGATION MEASURES</i>
		<i>Indicator</i>	<i>Baseline Situation</i>	<i>Target</i>		
<i>IMPACT</i>	Agricultural sector contribution to the promotion of sustainable and integrated economic growth Improvement of food and nutritional security	Agricultural GDP growth rate Chronic malnutrition rate	3,2% (2009-2011) 29% (2009-2011)	6% (2020) 14% (2020)	National reports, surveys	
<i>OUTCOMES</i>	Increase in foodcrop and fishery production for local consumption Enhancement of the value of foodcrop and fishery products	Tonnage of foodcrop production Tonnage of fish catch % share of local products in the food supply	58,000 t (2009-2011) 4,800 t (2009-2011) 58% (2012)	75,000 t (2020) 6,200 t (2020) 75% (2020)	Reports from the DGP and MADR, surveys	<u>Risks</u> : Insufficient regulatory framework <u>Mitigation measures</u> : PRIASA II interventions in the area of legislation

OUTPUTS	A- Infrastructure Development A1 Irrigation system development 1.1. Flow irrigation networks rehabilitated 1.2. Collection basins constructed 1.3. Irrigation kits installed A2 Rehabilitation of rural roads 1.4. Farm-to-market road segments rehabilitated A3 Support infrastructure for the production, processing and marketing of agricultural produce 1.5. Nursery shelters erected 1.6. New solar drying areas constructed 1.7. Produce collection centres constructed 1.8. Farmers' markets constructed or rehabilitated 1.9. Small processing units modernised 1.10. Processing units developed A4 Modernisation of fishery infrastructure 1.11. Existing markets modernised 1.12. Cold storage equipment installed 1.13. Fibreglass canoe workshops developed 1.14. Fish concentration devices (FCD) installed 1.15. Coastal erosion control mechanisms built 1.16. Pilot fish farming site developed	1.1 Number of networks and surface area irrigated 1.2 Number of construction basins collected 1.3 Number of irrigation kits installed 1.4 Kilometres of farm-to-market road segments rehabilitated 1.5 Number of nursery shelters installed 1.6 Number of drying areas constructed 1.7 Number of centres constructed 1.8 Number of markets constructed or rehabilitated 1.9 Number of small units modernised 1.10 Number of processing units developed 1.11 Number of fish markets modernised 1.12 Number of ice-making units/cold stores installed 1.13 Number of workshops developed 1.14 Number of FCDs installed 1.15 Number of coastal erosion control mechanisms constructed 1.16 Number of pilot fish farming sites developed	(PRIASA I) 1.1 6 networks (340 ha) 1.2 0 1.3 0 1.4 23 km 1.5 14 shelters 1.6 6 drying areas 1.7 0 1.8 1 market 1.9 10 small units 1.10 2 units 1.11 1 market 1.12 4 ice-making units and 3 cold stores 1.13 1 workshop 1.14 0 1.15 0 1.16 0	(PRIASA I and II) 1.1 16 networks (860 ha) (1/5F) 1.2 1 collection basin 1.3 20 kits (5/20 F) 1.4 48 km 1.5 24 shelters (at least 25% W) 1.6 14 drying areas (at least 25% W) 1.7 2 centres (equipped for W) 1.8 6 markets (equipped for W) 1.9 30 units (60% W) 1.10 At least 5 units (1/3 W) 1.11 3 markets (equipped for W) 1.12 6 ice-making units and 5 cold stores 1.13 3 workshops 1.14 20 FCDs 1.15 2 devices 1.16 1 pilot site	Status reports of the project and of partner structures (DGP, FIC, INAE, MARAPA, CADR, NGOs, etc.) Signed contracts Report of the control offices, partner structures and FIC AfDB supervision reports;	<u>Risks</u> - Delays in the procurement process <u>Mitigation Measures</u> - Procedures manual for community works prepared, recourse to FIC, PMU installed and tested, having financial autonomy, modes of procurement adapted to the island context
	B - Capacity building B1 Agricultural component 2.1. Agricultural extension and advisory support actions conducted 2.2. Farmers' organisations structured and organised 2.3. Structuring of processing supported 2.4. School canteens provisioned 2.5. Training sessions organised for the youth at CATAP 2.6. CATAP made autonomous and supported 2.7. CIAT upgraded to standard, modernised and safeguarded 2.8. CADR reinforced and equipped 2.9. MADR reinforced B2 Fisheries Component	2.1 Number of farmers receiving guidance 2.2 Number of FOs organised and structured 2.3 Number of processing farmers supported and provided with guidance 2.4 Number of school canteens supported 2.5 Number of young persons benefitting from training 2.6 New equipment procured for CATAP 2.7 CIAT buildings modernised and safeguarded 2.8 CADR delegations rehabilitated/equipped 2.9 Number of MADR employees trained	2.1 500 farmers 2.2 30 FOs 2.3 10 processing farmers 2.4 0 2.5 200 2.6 Partial equipment 2.7 1 centre rehabilitated 2.8 0 2.9 100 employees	2.1 3,500 farmers (1/3 F) 2.2 80 FOs (25% women) 2.3 90 processing farmers (60% W) 2.4 12 canteens (10% children) 2.5 800 youth (40% F) 2.6 1 set of equipment 2.7 1 modernised / secured centre 2.8 2 delegations from CADR 2.9 270 employees trained (30% W)	Status reports of the project and of partner structures (DGP, FIC, CADR, MARAPA, NGOs, etc.) Signed contracts Control office reports	<u>Risks</u> - Individualistic practices of farmers and fishermen that compromise community action and the innovations initiated, and which could undermine infrastructure sustainability - Limited human and institutional resources <u>Mitigation Measures</u> - Selection of the most motivated groups, awareness-raising and guidance by NGOs, counterpart contribution requested from

	<p>2.10. Infrastructure management staff trained</p> <p>2.11. Feasibility study on semi-industrial fishing conducted</p> <p>2.12. Statistics monitoring system reinforced</p> <p>2.13. Surveillance system operationalized</p> <p>2.14. Fisheries laboratory modernised</p> <p>2.15. Several employees of the DGP trained</p>	<p>2.10 Number of persons guided and trained</p> <p>2.11 Study conducted</p> <p>2.12 Statistics monitoring system reinforced</p> <p>2.13 Operationalized system</p> <p>2.14 Fisheries laboratory modernised</p> <p>2.15 Number of DGP employees trained</p>	<p>2.10 1,500 persons</p> <p>2.11 0</p> <p>2.12 1 system supported</p> <p>2.13 1 system in place</p> <p>2.14 1 laboratory in place</p> <p>2.15 20 employees</p>	<p>2.10 2,500 persons (1/3 W)</p> <p>2.11 1 study conducted</p> <p>2.12 1 system reinforced</p> <p>2.13 1 system operationalized</p> <p>2.14 1 laboratory modernised</p> <p>2.15 50 employees trained (20% W)</p>	<p>AfDB supervision reports;</p>	<p>communities</p> <p>- Programme of capacity building, targeted training, partnership established with structures involved in PRIASA – Project I</p>																
	<p>C- Project management</p> <p>3.1. Procurement activities conducted</p> <p>3.2. Project activities conducted</p> <p>3.3. Financial management conducted</p> <p>3.4. Monitoring and Evaluation executed</p> <p>3.5. Gender considerations ensured</p> <p>3.6. Communication activities</p>	<p>3.1 PPM maintained and respected</p> <p>3.2 Proper disbursement rate</p> <p>3.3 Audit reports produced</p> <p>3.4 M&E system operational</p> <p>3.5 Promotion of gender ensured</p> <p>3.6 Communication plan established and</p>	<p>3.1 prepared (mid-2015)</p> <p>3.2 0% (mi-2015)</p> <p>3.3 firm recruited (2015)</p> <p>3.4 In place (2015)</p> <p>3.5 Process initiated (2015)</p> <p>3.6 Established (end 2015)</p>	<p>3.1 PP updated and respected</p> <p>3.2 approximately 20% per year</p> <p>3.3 5 audit reports validated</p> <p>3.4 up-to-date during execution</p> <p>3.5 Disaggregated data available</p> <p>3.6 Communication ensured</p>	<p>PP</p> <p>SAP system</p> <p>Audit reports</p> <p>Progress reports</p> <p>Mission aide-mémoires</p> <p>Website, films, etc.</p>	<p><u>Risks</u></p> <p>Limited capacity</p> <p><u>Mitigation Measures</u></p> <p>- PMU and manuals in place, recourse to FIC</p>																
	COMPONENTS			RESOURCES																		
ACTIVITIES	<p>A- Infrastructure Development</p> <p>Studies, works execution and control (irrigation, roads, fisheries, processing, marketing, coastal erosion, etc.), equipment, modernisation, pilot actions etc.</p> <p>B- Capacity Building</p> <p>Consultancy support, structuring, studies, CIAT and CATAP support, sensitisation, training, trips, partnerships, etc.</p> <p>C- Project Management</p> <p>Coordination, procurement, monitoring-evaluation, financial management, audit, communication, gender, piloting, etc.</p>			<p style="text-align: right;"><u>Financing Sources</u></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 30%;">Component A:</td> <td style="width: 30%;">UA 9.25 million</td> <td style="width: 20%;">ADF (loan):</td> <td style="width: 20%;">UA 11.50 mill.</td> </tr> <tr> <td>Component B:</td> <td>UA 4.31 million</td> <td>GEF (Grant):</td> <td>UA 2.49 mill.</td> </tr> <tr> <td>Component C:</td> <td>UA 1.14 million</td> <td>Gov't/Benef:</td> <td>UA 0.71 mill.</td> </tr> <tr> <td colspan="3">TOTAL:</td> <td>UA 14.70 mill.</td> </tr> </table>			Component A:	UA 9.25 million	ADF (loan):	UA 11.50 mill.	Component B:	UA 4.31 million	GEF (Grant):	UA 2.49 mill.	Component C:	UA 1.14 million	Gov't/Benef:	UA 0.71 mill.	TOTAL:			UA 14.70 mill.
Component A:	UA 9.25 million	ADF (loan):	UA 11.50 mill.																			
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Component C:	UA 1.14 million	Gov't/Benef:	UA 0.71 mill.																			
TOTAL:			UA 14.70 mill.																			

Remark: A more detailed logical framework of PRIASA II is presented in Annex C4 of volume 2

PROJECT IMPLEMENTATION SCHEDULE

	Year Quarter	2015				2016				2017				2018				2019				2020			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1 INITIAL ACTIVITIES																									
<i>Negotiations and approval of ADF loan and GEF/LDCF grant</i>																									
<i>Signature of the ADF loan agreement, satisfaction of 1st disbursement</i>																									
<i>Publication of General Procurement Notice</i>																									
2 START-UP ACTIVITIES																									
<i>Confirmation of PMU, recruitment of accounting clerk and additional secretary</i>																									
<i>Preparation of MOUs and conventions with partners</i>																									
<i>Adjustment of procedures manuals (accounting and FIC)</i>																									
<i>PRIASA II launching mission</i>																									
<i>Procurement of additional goods, construction of meeting room</i>																									
<i>Signature of conventions with partner structures FIC, DGP, DGA, ...</i>																									
3 MODERNISATION OF AGRICULTURAL INFRASTRUCTURE																									
<i>Development of irrigation systems</i>																									
<i>Construction of a water collection tank</i>																									
<i>Rehabilitation and maintenance of rural roads</i>																									
<i>Support infrastructure for production, processing and marketing</i>																									
4 MODERNISATION OF FISHING INFRASTRUCTURE																									
<i>Establishment and monitoring of fish concentration devices</i>																									
<i>Construction and rehabilitation of fish markets</i>																									
<i>Cold storage equipment</i>																									
<i>Construction of coastal erosion control mechanisms</i>																									
5 DEVELOPMENT OF VALUE CHAINS																									
<i>Agricultural extension, consultancy support and structuring actions</i>																									
<i>Equipment support and organisation of processing</i>																									
<i>Improvement of the legal framework for exports</i>																									
<i>Support to provision of 12 school canteens</i>																									
<i>Various studies and pilot actions for fishing</i>																									
6 NATIONAL CAPACITY BUILDING																									
<i>Strengthening of MADR (statistics, monitoring and evaluation, irrigation, etc.)</i>																									
<i>Modernisation, protection, upgrading to CIAT standards</i>																									
<i>Support the autonomy and equipment of CATAP</i>																									
<i>Targeted training for various DGP and MADR employees</i>																									
7 PROJECT MANAGEMENT																									
<i>Update of the accounting system and procedures manual</i>																									
<i>Management, monitoring and evaluation and communication activities</i>																									
<i>Annual accounts audit</i>																									
<i>Impact assessment and mid-term review</i>																									
<i>Completion report from the Bank and the Government</i>																									

**SAO TOME AND PRINCIPE
INFRASTRUCTURE REHABILITATION FOR
FOOD SECURITY SUPPORT PROJECT - PROJECT II (PRIASA II)
APPRAISAL REPORT**

Management submits this report and recommendations on a proposed *grant of USD 3.503 million from GEF/LDCF and a loan of UA 11.5 million from the ADF* to the Democratic Republic of Sao Tome and Principe to finance the Infrastructure Rehabilitation for Food and Nutrition Security Support Project – Project II (PRIASA II).

I Strategic Thrust and Rationale

1.1. Project Linkage with Country Strategy and Objectives

PRIASA II will be consistent with the “sustainable and balanced economic growth” pillar of the Government’s second National Poverty Reduction Strategy 2012-2016 (NPRS II). This pillar mainly focuses on agricultural sector development that targets exports and food security, infrastructure improvement and the control of climate change. PRIASA II will also take into account the guidelines defined in the National Food and Nutritional Security Programme (PNSAN 2013-2023). It will be consistent with the Government’s gender strategy (SNEEG-2005) and its strategic focus on the economic empowerment of rural and urban women. During the joint mid-term review of CSP 2012-2016 in June 2014, the agricultural sector emerged as the Government’s priority, manifested through the addition of a second pillar titled "Promotion of agricultural infrastructure" which will fall directly under PRIASA II.

1.2. Rationale for Bank Involvement

1.2.1 Despite its many advantages (fertile soil, perennial water courses, fishery resources, etc.), STP still faces food insecurity and poverty. Over two thirds of the total population lives in poverty (71% of women) and over one fifth experiences food insecurity. In rural areas, 68% of the population lives below the poverty line (2 US dollars/day) and 22% live in extreme poverty. The agricultural and fishery sectors suffer from lack of modern infrastructure, inadequate product development, limited capacity and the lack of stakeholder development. Agriculture remains the cornerstone of development policy and will remain the main source of employment in the medium term. Given the limited supply of land, it is essential to optimize the use of cultivated land, increase productivity, lend value-added to products and enable male and female heads of poor households to earn sufficient incomes to purchase certain food items which must be imported and to gain access to basic social services. This is where PRIASA becomes relevant by modernising farming systems, developing irrigation, opening up access to rural areas and improving the storage, processing and marketing conditions of agricultural produce. The new PRIASA II project will follow this policy direction with special emphasis on the effective inclusion of women, nutrition, value chains, youth employment, capacity building, and dissemination of knowledge, in synergy and complementarity with the operations of other partners. The growing effects of climate change will also be addressed to a large extent with additional financing from GEF/LDCF (see Annex V: Consideration of Risks Factors Associated with Fragility in Sao Tome and Principe).

1.2.2 PRIASA II will be aligned on the Bank’s Ten-Year Strategy (TYS 2013-2022) by tackling the “infrastructure development” and “qualification and technology” pillars and focusing directly on the specific domains of agriculture, food security and gender. PRIASA II will also be consistent with the Bank’s new Agriculture Sector Strategy (2015-2019) whose pillars are: (i) agricultural infrastructure; (ii) agribusiness and innovation; and (iii) natural

resource resilience and management. Lastly, the project tallies with the Bank's gender strategy (2014-2018), especially pillar 2 on the economic empowerment of women.

1.3. Aid Coordination

1.3.1 Official development assistance represents 75% of the GDP of STP. The coordination and complementarity of operations have developed mainly between partners, especially the IMF and WB, during field missions or long-distance information-sharing. The partners present in Sao Tomé (UNDP and the UN System which hosts the Bank's Programme Office in STP, some bilateral partners like Portugal, Brazil, France, Taiwan, etc.) meet periodically and this facilitates information-sharing and synergy of development actions. The partners' rural sector operations (agriculture, livestock, fisheries, environment) are presented in Annex B4 of volume 2 and can be summed up as follows:

Sector or sub-sector*	Scope of GDP	exports	Labour
[Rural sector]	[20%]	80%	60%
Stakeholders – Public Expenditure (ongoing programmes or projects)			
Government	Donors	Amount (USD mil.)	Period
USD 7 million	<i>World Bank</i>	4.15	2011-2016
	<i>ADF</i>	13.15	2006-2015
	<i>IFAD</i>	6	2015-2020
	<i>Taiwan</i>	5	2011-2017
	<i>WFP</i>	5	2012-2016
	<i>AFD</i>	0.7	2015-2017
	<i>EU</i>	1.92	2012-2015
	<i>UNDP/GEF</i>	10	2013-2018
	<i>Others (FAO, Brazil, etc.)</i>	2	2014-2017
Level of aid coordination			
Existence of thematic working groups		No	
Existence of a global sector program		No	
AfDB role in aid coordination		Participation of Resident Economist	

1.3.2 This project provides for complementarities and synergies with the operations of other TFPs: recourse , and consolidation of, GIMes for farm-to-market roads as a follow-up to the mechanism supported by the EU, recourse to, and support of, FIC and irrigation development with PAPAC/IFAD, processing of agricultural produce including involvement of women with PIPAGA/EU, and integration of pilot actions for school canteens with PNASE/WFP.

II Project Description

2.1 Project Objectives and Components

The sector objective of the project is to contribute to robust and shared economic growth as well as food and nutrition security in STP. The specific objective is to sustainably boost production, productivity as well as agricultural and fishery sector incomes. The activities, broken down into three components, are as follows:

Table 2.1
Project Components

Components	Description
<p>Component A: Infrastructure development</p> <p>UA 9.25 million (62.9%)</p>	<p>The activities under this component to ensure the participatory and sustainable development and modernisation of agricultural and fisheries infrastructure designed to boost the productivity, marketing and valued-added of plant and fishery products and also ensure their availability throughout the year. The main activities scheduled are:</p> <p>Fisheries: (i) rehabilitation and modernisation of 2 fish markets, including specific equipment for women; (ii) construction of a fish processing unit for women; (iii) installation of 20 FCDs; (iv) establishment of a pilot fish farming unit; (v) construction of a fibre glass canoe manufacturing unit in Sao Tomé and capacity building in the San Antonio unit in Principe; (vi) support in the installation of a fisheries equipment and materials shop, including an information centre; (vii) construction of 2 coastal erosion control mechanisms.</p> <p>Agriculture: (i) rehabilitation works on 25 km of rural roads; (ii) rehabilitation and extension of approximately 10 irrigation systems over a surface area of 520 ha; (iii) protection of 150 ha of land through SPR/WSC; (iv) construction of a water collection reservoir; (v) installation of 20 drip irrigation kits; (vi) construction/rehabilitation and equipment of 5 farmers' markets, including equipment for women; (vii) construction of 2 produce collection centres with cold stores; (viii) construction of 10 new plant nurseries; (ix) construction of 8 solar drying areas; (x) support for the modernisation of 20 small processing units, including at least 60% for women; (xi) construction of a unit for processing dried banana and breadfruit flour; (xii) modernisation of 2 cassava processing units, including the Terrero Velho unit in Principe; (xiii) installation of a small cocoa by-product processing unit.</p>
<p>Component B: Capacity building</p> <p>UA 4.31 million (29.3%)</p>	<p>This component will focus on strengthening agricultural extension, advisory support, the organisation of farmers and fishermen, food processing and marketing mechanisms. It will also concentrate on building the capacity of agricultural sector public, private and community institutions to ensure efficient management of the infrastructure and crop sectors selected. The main activities scheduled under this component are: (i) the conduct of a study on development opportunities in semi-industrial fishing; (ii) sensitisation, guidance and training of fishermen and female wholesale fish vendors; (iii) capacity building for the DGP, the statistics service, the fishery products quality control laboratory and the fisheries control and surveillance centre; (iv) organisation and advisory support for farmers and processing agents (including women); (v) improvement of the legislative and statutory framework; (vi) diagnostic study, rehabilitation work and procurement of equipment as well as self-reliance and training support to CATAP and CIAT; (vii) implementation of a training plan for 600 youth of both sexes at CATAP; (viii) support of 12 school canteens and nutrition under PNASE; and (ix) various forms of support to MADR (training, equipment, studies, etc.) in planning, monitoring and evaluation, agricultural and irrigation statistics.</p>
<p>Component C: Project Management</p> <p>UA 1.14 million (7.7%)</p>	<p>This component comprises all the coordination and monitoring activities of the project, including those related to administrative and financial management, as well as procurements. It will seek to ensure the efficient conduct and management of the project, focusing on impact results, and paying special attention to gender mainstreaming and communication. It includes project steering as well as ESMP implementation and monitoring.</p>

2.2. Technical Solutions Adopted and the Alternatives Explored

The technical solutions adopted are based on criteria and standards that ensure the sustainability of the investments made and proper ownership by beneficiaries. They also took into account the lessons learnt from similar projects, including those of PRIASA, relying on design formats that are adapted to local and island conditions.

*Table 2.2
Alternative solutions considered and reasons for rejection*

Alternative solution	Brief description	Reason for rejection
Rehabilitating the roads by recruiting contractors for that purpose	Recruiting national or foreign contractors through a competitive bidding process to execute the road works	The recruitment of contractors to construct short scattered degraded segments of road would increase construction costs and duration. The GIMEs, already set up and equipped, are responsible for road maintenance in STP and are able to execute the planned rehabilitation works. This would lead to greater ownership, job creation and more efficiency than if the works were executed by a contractor.
Food production through rain-fed farming	Growing food crops strictly through rain-fed farming	Despite an abundant average rainfall, STP experiences increasingly long periods of drought, especially in the northern parts of the island of Sao Tomé and in Principe. Irrigation helps to extend and guarantee farming seasons and to ensure rational and efficient use of water resources.
Selecting sites scattered all over STP	Intervening on numerous scattered sites without any specific interconnection between them	As regards site selection, interventions focused on three target production basins by setting up the production, storage and marketing infrastructure in one place so as to increase operational impact and thus ensure greater value chain coherence.

2.3. Type of Project

PRIASA II is an investment operation financed by an ADF loan and a GEF grant.

2.4. Project Cost and Financing Mechanisms

2.4.1 The total project cost, net of taxes and customs duties, is estimated at UA 14.70 million, or approximately USD 20.69 million, broken down into an ADF loan of UA 11.5 million, a GEF grant of USD 3.503 million (approximately UA 2.49 million), and contribution from the Government and beneficiaries of UA 0.711 million, comprising a contribution to the operating costs (Government and related structures) and to general labour (community). It should be noted that the endorsement letter of GEF/LDCF was signed by the STP focal point and that the PIF was transmitted to GEF for approval. The GEF grant will mainly cover coastal erosion control, promotion of renewable energies, dissemination of water-saving irrigation techniques, pilot fish farming activities, the conduct of certain studies and awareness-raising actions.

2.4.2 The breakdown of project costs is presented in the tables below, by component, expenditure category and financing source. An expenditure schedule by component is also provided. A table of detailed project costs and list of goods and services covered by the ADF loan and GEF grant is presented in Annex B2 of Volume II.

Table 2.3 : Summary of project cost by component

Components	USD thousand			UA thousand			% F.E.
	L.C.	F.E.	Total	L.C.	F.E.	Total	
Infrastructure development	5 431.8	5 667.6	11 099.5	3 859.5	4 027.1	7 886.6	51.1
Capacity building	2 665.0	2 846.3	5 511.3	1 893.6	2 022.4	3 916.0	51.6
Project management	1 273.6	459.5	1 733.1	904.9	326.5	1 231.4	26.5
Total base cost	9 370.4	8 973.4	18 343.9	6 658.0	6 375.9	13 034.0	48.9
Provision for physical contingencies	185.9	343.1	529.0	132.1	243.8	375.9	64.9
Provision for price escalation	945.8	870.4	1 816.3	672.0	618.5	1 290.5	47.9
Total Project Cost	10 502.2	10 186.9	20 689.1	7 462.1	7 238.2	14 700.3	49.2

Table 2.4 : Summary of project cost by category of expenditure

Categories of expenditure	USD thousand			UA thousand			% F.E.
	L.C.	F.E.	Total	L.C.	F.E.	Total	
Works	4 003.6	4 418.9	8 422.4	2 844.7	3 139.7	5 984.4	52.5
Goods	509.6	2 040.9	2 550.6	362.1	1 450.2	1 812.3	80.0
Services	2 667.8	2 284.4	4 952.2	1 895.5	1 623.1	3 518.7	46.1
Operating cost	1 005.7	229.3	1 234.9	714.6	162.9	877.5	18.6
Personnel	1 183.8	0.0	1 183.8	841.1	0.0	841.1	0.0
Total base cost	9 370.4	8 973.4	18 343.9	6 658.0	6 375.9	13 034.0	48.9
Physical contingencies	185.9	343.1	529.0	132.1	243.8	375.9	64.9
Price contingencies	945.8	870.4	1 816.3	672.0	618.5	1 290.5	47.9
Total Project Cost	10 502.2	10 186.9	20 689.1	7 462.1	7 238.2	14 700.3	49.2

Table 2.5 : Sources of finance by category of expenditure (in UA thousand)

Components	ADF	GEF	GOV'T	BEN	Total	%
Works	4 620.6	1 182.7	0.0	181.1	5 984.4	40.7%
Goods	1 494.7	314.6	0.0	3.0	1 812.3	12.3%
Services	2 914.2	604.5	0.0	0.0	3 518.7	23.9%
Operating cost	431.4	17.8	428.3	0.0	877.5	6.0%
Personnel	777.6	34.1	29.4	0.0	841.1	5.7%
Unallocated	1 261.4	335.4	50.2	19.3	1 666.4	11.3%
Total Project Cost	11 500.0	2 489.0	507.9	203.4	14 700.3	100.0

Table 2.6 : Expenditure schedule by component (in UA thousand)

Components	2015	2016	2017	2018	2019	2020	Total	%
Infrastructure development	25.3	1 855.9	3 621.3	2 240.8	912.3	595.2	9 250.7	62.9
Capacity building	7.4	1 374.9	1 453.5	689.0	403.7	382.7	4 311.2	29.3
Project management	43.7	220.5	195.7	237.6	204.0	236.9	1 138.5	7.7
Total Project Cost	76.4	3 451.3	5 270.4	3 167.4	1 520.1	1 214.8	14 700.3	100.0

Table 2.7 : Sources of finance

Financing sources	USD thousand			UA thousand			% total
	L.C.	F.E.	Total	L.C.	F.E.	Total	
ADF loan	8 290.6	7 894.4	16 185.0	5 890.7	5 609.3	11 500.0	78.2
Grant GEF/LDCF	1 210.5	2 292.5	3 503.0	860.1	1 628.9	2 489.0	16.9
Government	714.8	0.0	714.8	507.9	0.0	507.9	3.5
Beneficiaries	286.3	0.0	286.3	203.4	0.0	203.4	1.4
Total project cost	10 502.2	10 186.9	20 689.1	7 462.1	7 238.2	14 700.3	100.0

2.5. Project Area and Beneficiaries

The project area covers the entire territory of Sao Tomé and Príncipe whose total surface area is 1,001 km², excluding the two protected natural reserves which have a surface area of 295 km². The climate is tropical with two dry seasons and two rainy seasons. Rainfall exceeds 6,000 mm in the south-west of São Tomé and is not up to 900 mm in the north-east, and the temperature is 26.5°C. The island of Sao Tomé is subdivided into 6 districts and PRIASA II will specifically target the districts of Mé-Zochi, Lobata, and Cantagalo which have high agricultural potential, as well as the autonomous district of Pagué situated on the island of Príncipe. Awareness-raising and agricultural extension actions in the area of fisheries will affect all the fishing villages of STP in varying degrees, with special focus on those that already have PRIASA infrastructure. The beneficiary communities targeted by the project are those of STP, representing almost 190,000, including approximately 7,500 on the island of Príncipe. More directly, the project will affect close to 16,000 farmers and 3,000 fishermen and wholesale fish vendors (40% women) who will benefit from suitable infrastructure, capacity building and increased incomes. Over 200 employees from technical and administrative services, one third of whom are women, will also benefit from targeted technical training so that they can acquire the knowledge crucial to the introduction of new technologies.

2.6. Participatory Approach to Project Identification, Design and Implementation

The Bank's identification and preparation missions of 2014 organised many meetings to discuss with farmers, fishermen, women's associations, civil society, NGOs, government stakeholders and development partners. Many field visits were organised to the potential project sites and sites targeted by previous operations. These visits made it possible to discuss with the communities concerned and to get a better appreciation of the difficulties they encounter. In January 2015, participatory discussion workshops were organised to ensure better identification of activities and operational procedures of PRIASA II. During those workshops, the main themes of the project (irrigation, rural roads, agricultural advisory support, small-scale fishing, processing, development of CIAT and CATAP) were discussed, among all stakeholders, including representatives of farmers, fishermen and women's organisations. An international individual consultant then followed up the discussion by meeting with the various stakeholders in order to consolidate the preparation document. The final outcomes of these meetings were presented during a validation workshop organised during the appraisal mission of March 2015 that was attended by all stakeholders. The established operational mechanism as well as the steering and management bodies of the project will help carry on this participatory and inclusive approach, while ensuring that women and local communities are fully involved.

2.7. Bank Group Experience and Lessons Reflected in Project Design

The Bank's portfolio in STP comprises 5 operations amounting to an approved total of UA 12.67 million. PRIASA (UA 5 million), which will close on 31 December 2015, presents good performance indicators (score of 2.54; disbursement rate of 86% as of 15 April 2015) and produced significant results within a short time: (i) rehabilitation of 23 km of roads; (ii) construction of 6 irrigation networks (330 ha); (iii) rehabilitation of 6 small processing units; (iv) modernisation of one fish market and construction of a docking ramp; (v) installation of 4 cold rooms and 3 ice-making plants for fish conservation; (vi) modernisation and equipment of CIAT and CATAP; (vii) construction of new premises for the Directorate of Fisheries, etc. The Fisheries Support Project – phase II (PADE II) closed in December 2013, with significant results in terms of rehabilitated infrastructure, the introduction of improved cattle stocks and the organisation of stockbreeders. The project's completion report prepared in June 2014 underscored the importance of good quality at entry, procurement procedures that take the island context into account and indispensable needs in terms of capacity building. These lessons and those drawn from reviews of the entire portfolio and from PRIASA implementation were factored into the design of this project. The table below sums up the key lessons learnt.

<i>Lessons learnt</i>	<i>Measures adopted for PRIASA II</i>
Procurement difficulties and costs resulting from the country's insularity	Recourse to FIC procedures manual, procurement procedures adapted to the context, preparation of protocols with the qualified structures.
Limited capacity and weak institutions	Short-term technical assistance, trips abroad, training of DGP and MADR employees, studies and strategic planning.
Inadequate consideration of the gender approach in project implementation	Appointment of a "gender" focal point at the National Institute for the Promotion of Gender Equality and Equity (INPG), targeted actions and quotas for women.
Insufficient ownership by the communities and fishermen	Participatory approach, selection criteria imposed for selection of sites, involvement of local councils (municipalities) and decentralized services (CADR), increased structuring support, several training sessions planned, recourse to specialized NGOs.
Delays noted in fisheries activities under PRIASA I	Preparation of PRIASA II procurement documents as from 2015, greater involvement of MARAPA, technical assistance provided by DGP, inclusion of a fisheries expert in Bank missions.
Insufficient coordination under PRIASA I	Establishment of a guidance committee with quarterly meetings, appointment of focal points including one in Principe.

2.8. Key Performance Indicators

Internal monitoring and evaluation of project activities and logical framework indicators will be done by the monitoring and evaluation expert from the PMU, together with all project partners and NGOs. Special emphasis will be laid on targeting parameters that can be monitored and collected internally and on those that relate specifically to women (systematic data disaggregation). Relative to the baseline situation, monitoring will specifically cover: (i) volume of production, fish capture (tons) and crop yields (t/ha); (ii) increased incomes for farmers and fishermen, including the youth and women; (iii) number of jobs created (road works according to the GIME mechanism, installation of women and youth through CATAP, value chain activities, etc.); (iv) infrastructure construction rate (km of road, number of agricultural and fisheries infrastructure by type, etc.); (v) surface area irrigated (hectares), including land that benefits women (%); (vi) effective organisation of training (number of persons trained, with gender taken into consideration) and the participation of women in decision-making bodies (%); (vii) overall social impact of the project, including impact on access (roads) and nutrition (provisioning of school canteens, nutritional education). Impact

measurement surveys will be conducted periodically, concentrating on solely female focus groups. The various supervision, portfolio review and periodic progress reports of the PMU and partners will report on the status of these indicators.

III Project Feasibility

3.1. Economic and Financial Performance

3.1.1 Assumptions and Methodology: Financial analysis of the project was conducted on a cost-benefit (C/B) basis of additional cashflows from vegetable farming models resulting from irrigation development, fishery production and the produce processing units set up by the project. The assumptions retained are: (i) the project impact assessment is 25 years corresponding to the optimal period for operation of the investments; (ii) the opportunity cost of capital is estimated at 12%; (iii) the average prices, output and production costs of 2014 were used for the baseline situation; (iv) the estimated project cost; and (v) the taxes, subsidies and transfers were deducted from the economic (baseline) prices and costs, using a conversion coefficient of 0.95. The assumptions and detailed calculations of the economic and financial analysis are presented in Annex B7 of volume 2. These assumptions led to the following results.

*Table 3.1
Key Economic and Financial Data*

<i>NPV (baseline scenario: at a discount rate of 12%)</i>	USD 20.84 million
<i>ERR (baseline scenario)</i>	22.29 %

3.1.2 Financial Performance: PRIASA II has a positive financial impact on the incomes of beneficiaries and households in the target areas. In income terms, the project will directly benefit approximately 1,500 farmers, supported by works on the irrigation networks, and indirectly benefit close to 1,100 farms within the right-of-way of the rehabilitated feeder roads. In a normal year, the income from small and large farms is estimated at USD 2,722 and USD 5,647 respectively. Fishermen will record a 20% reduction in fish catch losses evaluated at approximately USD 500 per fisherman. With regard to the processing component, the three processing units will increase output by over 15%, thus generating a revenue increase of USD 500 per tonn of finished product.

3.1.3 Economic Performance: The performance indicators are good. The baseline economic rate of return (ERR) stands at 22.29% for an NPV of USD 20.84 million and a C/B ratio of 1.97. In the short term, the project impact will be evident through the creation of approximately 3,000 temporary jobs for the execution of the infrastructure works in agriculture, fisheries and processing. Ultimately, PRIASA II will have an impact on employment through the creation or consolidation of approximately 7,000 permanent direct jobs in the agricultural, fisheries and processing sectors. In terms of sustainability, the project benefits include the improvement of food and nutrition security for the most vulnerable groups (women and youth) and it affects at least 6,000 pupils through the school canteens programme.

3.1.4 Sensitivity Analysis: Sensitivity tests were conducted on the risk parameters of price and output (successive variations from 5 to 20%) and their impact was estimated on the economic and financial performance indicators (ERR, C/B and NPV ratios) of the project. The profitability threshold values were attained beyond 10% for price reduction and beyond

15% for output decline. The performance indicators are stable. Detailed results of the sensitivity analysis are presented in Annex B7, paragraph 7.4.3 of Volume 2.

3.1.5 The financial and economic analysis results indicated that PRIASA II needs to be supported by the Bank's investment.

3.2. Environmental and Social Impact

3.2.1 **Environment:** Considering the insignificant negative impact which can be eliminated with the appropriate corrective measures, PRIASA II was classified under environmental category II. An impact mitigation plan, which is an integral part of the Environmental and Social Management Plan (ESMP) has been elaborated and will be implemented under the Project for the cost of UA 570,000. Environmental surveillance will be conducted by the DGA which is the competent authority in that domain in STP, whereas monitoring will involve a committee composed of representatives of the technical services and localities concerned. The mitigation plan will focus essentially on environmental risks related to the construction of buildings, the development of irrigation networks and the rehabilitation of farm-to-market roads (localized clearing, excavation, dust, construction site nuisances, etc.) and management of irrigation areas (use of agro-chemical inputs, water-borne diseases, etc.). The summary of the ESMP has been published on the Bank's website on 28th April 2015 and can be consulted at: <http://www.afdb.org/en/documents/document/sao-tome-et-principe-projet-de-rehabilitation-des-infrastructures-d-appui-a-la-securite-alimentaire-projet-2-priasa-ii-resume-pges-04-2015-52528>.

3.2.2 During the works, the main mitigation measures will be to apply the specific technical prescriptions set out in the BDs (waste management, information and awareness-raising, security and hygiene measures, rehabilitation of borrow sites, etc.). It will also entail informing and involving the communities concerned during the works, including farmers' groups and fishermen's associations. During the operational phase, the project will train farmers on the reasonable use of pesticides and fertilizer, and also develop best practices and recourse to organic fertilizer. To preserve soil fertility and water resources, the project will develop SPR/WSC techniques (150 ha) and drip irrigation. This will facilitate soil maintenance and save water. The project will build the capacity of all stakeholders in order to encourage responsible and environmentally-friendly practices. The incidence of water-borne diseases will be reduced through health education and outreach on the notions of prophylaxis, hygiene and environmental sanitation.

3.2.3 In addition to the impact mitigation plan, a programme will be implemented to enhance the positive impacts of PRIASA II. The positive human impact of the project includes: creation of jobs especially for the youth; increase and diversification of foodcrop and fishery production; better nutrition for children and women; building of local infrastructural capital; increased incomes for women and vulnerable groups; improvement of living conditions; and easier access to basic services thanks to project roads. The various activities implemented to support food and nutritional security, especially those related to processing (establishment and modernisation of units), conservation (reinforcement of the cold chain), demonstration (cooking demonstrations) and control of products will help to provide consumers with more diversified and better quality products. The actions conducted on environmental awareness-raising and support to the monitoring and supervision of fishery activities will encourage the promotion of responsible practices. The thematic reflections, improvement of the legislative framework and development of new skills will help the country to tackle sustainable economic development challenges in its island context.

3.2.4 Climate Change: On account of its insularity, small size and low-lying coasts with high population concentration, STP is very vulnerable to climate change. Many socio-economic activities are conducted along the coast which has a high concentration of infrastructure. In 2005, the country adopted a national climate change adaptation strategy which led to an analysis of potential risks and the measures to be taken. Rising temperatures, rising sea levels and the intensification of climate disruptions are potential risks that have already left noticeable consequences (e.g. coastal erosion). Climate change could also have consequences on the specific composition and distribution of fishery resources. In the agricultural sector, protracted dry seasons and the increase in torrential rains are a potential threat to food security and soil management. The specific challenges that the project will address to mitigate these risks, thanks mainly to GEF/LDCF financing, include those relating to irrigation development (establishment of networks, construction of reservoirs and tanks, distribution of drip irrigation kits), promotion of resilient technical itineraries and adapted varieties, safety at sea for fishermen through support to the centre for monitoring and procurement of safety equipment for fishermen, pilot actions in coastal erosion control and awareness-raising activities.

3.2.5 Gender: In 2012, poverty continued to affect more women (71.3%) than men (63.4) in STP. The number of women earning a monthly income that is below the guaranteed minimum wage (44.5%) is double the number of men (20.8%). Within the entire population of the country, 41.2% of the household heads are women, which is one of the highest rates in Africa. In rural areas, women carry out many tasks and are highly represented in the agricultural (processing, marketing, etc.) and fishery (female wholesale fish vendors) sectors. They represent over 90% of fish vendors, over 80% of foodcrop and vegetable vendors and over 90% of operators involved in small-scale processing of agricultural and fishery products. The project will pay special attention to women who are often poorly trained and lack equipment. In keeping with the gender profile conducted by PRIASA I and which will be updated for PRIASA II, the project will mainly support the organisation of the activities of women who are wholesale fish vendors, processing agents and traders. Furthermore, in addition to supporting agricultural and fishery processing, the project will help women to better organise themselves in production and marketing activities and encourage the development of women's cooperatives and associations. The project, in collaboration with the National Gender Promotion Institute (INPG), will also organise training on gender equality for the various stakeholders involved (project staff, technical services, partner structures, NGOs, etc.). A focal point will be appointed in INPG to enhance mainstreaming of the gender question during the implementation of PRIASA II. In all, over 7,600 women will be directly supported by the project (40% of beneficiaries). The sum of close to UA 3.5 million (23.7% of total project cost) will be directly allocated to activities that benefit women and children, excluding certain community infrastructure such as roads that benefit the entire community.

3.2.6 Social: The promotion and opening up of access to food production basins, initiated by the project, will help to retain the youth in rural areas, reduce the frequent urban problems of unemployment and curb household and child poverty. By rehabilitating or constructing a certain number of essential infrastructure while ensuring capacity building for the stakeholders concerned, the project will encourage not only food production, but also the improvement of community living conditions, mainly in terms of better roads and access to socio-economic services, hygienic conditions of marketed products as well as social and community organisation. The project will also help to improve the nutritional status of vulnerable groups, especially under-five children and women of childbearing age. Close to 6,000 pupils will benefit from the support provided to 12 school canteens. The implementation of PRIASA II activities will help to ensure sustainability in the improvement

of food and nutritional security, increased incomes and consequently poverty reduction for the rural communities of Sao Tomé and Príncipe.

3.2.7 **Forced Resettlement:** PRIASA II activities do not involve any displacement or resettlement of peoples.

IV Execution

4.1. Implementation Arrangements

4.1.1 **Implementation Schedule:** Implementation of the new project will be entrusted to the team in charge of the PRIASA project which is about to be completed. This autonomous team (PMU) is based in Sao Tomé and comprises a coordinator, a monitoring and evaluation officer, a procurements officer, an accountant and support staff. It is under the supervisory authority of MADR and has the requisite experience. It will be supplemented with two assistants (accounting and operations) to deal with the increased volume of activities. As was the case in PRIASA I, activities will be implemented through structures having operational expertise and proven know-how: General Directorate of Fisheries and MARAPA for fishery activities; the services of MADR and FIC for agricultural infrastructure and agricultural production activities; FIC, INAE and GIME for rural road works; CATAP and CADR for technical training and advisory support activities; and CIAT for research/development and product control activities. NGOs (ADAPA, AZATONA, ALIZEI) will provide backup by conducting activities related to guidance, training and organisation of farmers around value chains and the processing sector. Focal points will be appointed within the structures concerned to facilitate implementation. Similarly, a focal point will be appointed in Príncipe to ensure better follow-up of activities on that island and another appointed in Sao Tomé within INPG to attend to aspects related to gender and nutrition. To facilitate communication and the preparation of files in French, the PMU will benefit from the short-term assistance of a translator. The steering committee set up under the PRIASA I will continue to provide high level guidance in PRIASA II. It will be chaired by the Minister of MADR or a designated representative. The Project Coordinator will be the secretary of the steering committee. The steering committee will include designated representatives of the Ministry of Planning and Finance, Ministry of Economy and Trade / Directorate of Fisheries, Ministry of Works and Infrastructure, General Directorate of Environment, FENAPA and FONG. It will also include a representative from the Regional Secretariat of Economy of the Autonomous Region of Príncipe.

4.1.2 **Procurement Procedures:** All goods and consultancy services financed by the Bank will be procured in accordance with the Bank's *Rules and Procedures for the Procurement of Goods and Works* (May 2008 edition, revised July 2012) and the Bank's *Rules and Procedures for the Use of Consultants* (May 2008 edition, revised July 2012), using the Bank's standard bidding documents, and with the provisions set out in the various financing agreements. For the community agricultural works, (roads, irrigation networks, buildings, nursery sheds, markets, etc.), the project will resort to the FIC mechanism, using the existing procedures manual for community works that will be adjusted to the needs of this project and submitted to the Bank for approval. The project will establish agreements and protocols with certain departments, structures and NGOs on the basis of their singular expertise and know-how (training of fishermen and wholesale fish vendors, organisation of farmers' organisations, processing of produce, agricultural extension). The other procurements will be made by the PMU, in close collaboration with the technical departments and beneficiary entities. The experience from PRIASA and lessons learnt from closed projects revealed the importance and efficiency of flexible and targeted procurement mechanisms in the specific context of STP.

The summary of procurement arrangements is presented in Annex IV and detailed procurement methods are set out in Annex B5 of Volume 2.

4.1.3 Financial Management: The Bank assessed the management systems of PRIASA and FIC for implementation of the proposed project. This assessment included a review of the budget, accounting, internal controls, cash flows, financial reports and audits. It revealed that the current arrangements met the minimum requirements of the Bank to ensure that funds allocated for financing of the project will be used economically and efficiently for their intended purpose. The overall financial management risk is deemed to be “moderate”. However, an action plan was established and should be implemented within the set timeframe in order to create an enabling environment in terms of accounting, internal control and reporting.

4.1.4 The project’s financial management will be executed by specialized teams from PRIASA and FIC. These two entities have experience in the financial management of Bank-funded operations, since they currently manage the ongoing PRIASA project. The proposed financial management arrangements are similar to those of the ongoing PRIASA. The project’s overall financial performance is satisfactory and the existing system makes it possible to produce the financial statements needed for efficient control and management of the project. Moreover, the project produces quarterly progress reports, the internal control system functions correctly and there is no late submission of audit reports. However, some shortcomings were noted related to the disbursement of counterpart funds, and the need to strengthen the team by recruiting an accounting clerk and also make some minor technical improvement to the accounting system and in internal controls. The PMU took appropriate measures to correct these shortcomings and regular Bank supervisions will ensure that internal control measures are up to standard.

4.1.5 The project’s accounting system will be automatically used for the accounting of PRIASA revenue and expenditure. The system makes it possible to generate the reports needed to efficiently control and manage project progress. The executing agency will produce consolidated quarterly progress reports within no more than 45 days following the end of each quarter, and including financing sources and expenditure projections. The project’s financial statements will be audited annually by a qualified independent firm, in accordance with terms of reference approved by the Bank. The audit shall be conducted in accordance with the applicable international audit norms as promulgated by the International Federation of Auditors (IFAC). The audit report accompanied by the letter addressed to Management must be submitted to the Bank within six months following the audited fiscal year.

4.1.6 Disbursements: ADF and GEF resources will be disbursed in three ways, namely: (i) the direct payment method; (ii) the special account method; and (iii) the reimbursement method. The direct payment method will be used to finance eligible expenditures for contracts covering works, goods and services categories. The special account method will be used to finance low value expenditures, especially operating costs, salaries and allowances of project staff, and training directly implemented by the project. Under this method, two different accounts (ADF and GEF) will be opened at the national level in a local bank deemed acceptable by the Bank. These accounts will also be used to provision two sub-accounts located in FIC and opened to settle expenditure generated by the community infrastructure (ADF and GEF financing). Proof of opening of the two accounts will be the condition precedent to the 1st disbursement. Apart from FIC expenditure, all expenditure on consultancy services, companies and suppliers will most often be defrayed through direct payments. The reimbursement method will be used to reimburse eligible project expenditures pre-financed with counterpart funds, with the prior agreement of the Bank. The provisions set out in the

disbursements manual will fully apply to the management and justification of disbursed resources.

4.2. Monitoring

The PRIASA steering committee will be reappointed to serve as the supreme policy organ of Project II. To improve the coordination and planning of activities, a technical committee composed of the main project partners will be established and shall meet each quarter. Internal monitoring and evaluation of project activities shall be conducted by the monitoring and evaluation officer of the PMU, in conjunction with the various services and partners concerned (DGP, MARAPA, FIC, INAE, CIAT, CATAP, etc.). The current monitoring and evaluation system of PRIASA will be adjusted to project needs. The PMU will be supported by an expert consultant who will help with the establishment of the baseline situation. The PMU shall produce quarterly and annual progress reports, detailing the execution status of the various components, relative to the performance indicators in the logical framework. Gender-disaggregated data will be systematically fed into the monitoring and evaluation mechanism and a simple geographical information system shall be set up. Special attention will be paid to the impact obtained, by heavily involving the partners present on the ground. At least two external evaluation missions will be organised each year by MADR. The project will also be supervised by the ADF through periodic supervision missions (the target is two supervisions per year, including one in Principe). A mid-term review will be conducted in the third year through a consultancy firm. Upon project completion, the Bank and the Government shall produce a PRIASA II completion form within the required time frame. The main implementation stages are summed up as follows:

<u>Activities</u>	<u>Date / Period</u>	<u>Authorities in charge</u>
Approval of ADF loan and GEF grant	June 2015	ADF
ADF loan signature	July 2015	ADF/GVT
Effectiveness of ADF loan	August 2015	ADF/GVT
Approval/signature of GEF grant	2 nd half of 2015	GEF
Launching of project	November 2015	ADF/GVT/PMU
Preparation of RFPs and BDs - PMU	2 nd half of 2015	PMU
Preparation of RFPs and BDs - fisheries	July 2015 – Dec. 2016	DGP/PMU Preparation
of RFPs and BDs –infrastr.	July 2015 – Dec. 2016	FIC/PMU/INAE
Execution of works and services	2016 – 2020	Comp./GIME/Bur./PMU
Mid-term review	April 2018	ADF/GVT/PMU
Project closure date	31 December 2020	PMU/GVT/ADF
Completion report	1st quarter 2021	ADF/GVT

4.3. Governance

In recent years, progress was made in the area of governance with regard to “macroeconomic management”, “budget policy”, “gender equality”, “quality of budgetary and financial management”, or “transparency, accountability and corruption”. However, the STP private sector remains narrow and under-developed, dominated by small businesses operating in the trade, fisheries and tourism sectors. Cumbersome investment laws, regulations and procedures undermine private sector activity. There are few public-private partnerships in STP, mainly due to the absence of an adequate legal and institutional mechanism that is tailored to such partnerships. The limited institutional capacity contributes to the STP’s poor performance in governance, with the result that the country’s development targets are yet to be attained. For the implementation of PRIASA II and in an effort to mitigate the risks related to the government's shortcomings and instability, it was decided that the existing and experienced PMU of PRIASA should manage the project and that some of the procurements be entrusted

to tried-and-tested mechanisms like FIC. With regard to legislations, the project will support the regulatory framework governing exports and the promotion of cooperatives. It will also nurture private initiative by conducting feasibility studies and establishing support mechanisms (renewable energy, drip irrigation, nursery shelters, etc.) based on farmer selection criteria.

4.4. Sustainability

4.4.1 Activities shall be implemented, under the coordination of the PMU, by existing associations and organisations or those set up under the project. These entities will be closely involved in the participatory planning process and make their contribution in kind. The sustainability of project actions, especially infrastructure maintenance and management, is a central concern that has informed project design. Hence, the project is essentially composed of two intertwined components, namely: “infrastructure” and “capacity building”. In the fisheries sector, PRIASA II will support the emergence of economic interest groups (EIGs) and professional cooperatives, such as COPAFRESCA, that have the capacity to gradually take over the organisation of various segments of the sub-sector. In the agricultural sector, the organisation of farmers and processing agents will be reinforced through the creation of irrigators’ groups and support to sub-sector structuring. The surveys and studies that will be conducted prior to each intervention, mainly to ensure final validation of the proposed sites, and the scheduled guidance of farmers by CADR, FIC and experienced NGOs, are primarily geared towards guaranteeing the sustainability of project actions in the long term.

4.4.2 The rural roads will be rehabilitated in accordance with the norms defined by INAE, by using primarily local materials and skills (GIME). Four regional federations currently serve as umbrella structures for 31 GIMEs with a total membership of over 1,600 road-menders as well as their own machinery and equipment. With regard to irrigation, most of the networks will use flow irrigation, to take advantage of the multitudinous slopes and water sources and thereby cut operating costs. The construction of a pilot water collection basin in addition to the reservoirs dotted all over the site is intended to guarantee sufficient water supply but also to set up a demonstration model that could be replicated elsewhere. For small-scale fishing, the type and dimension of infrastructure selected (markets, cold rooms, ice-making machines, etc.) were adapted to the capacities of beneficiaries, taking into account management constraints and past experience. The shortcomings of the national power grid were taken into account, preference being given to sites supplied with electricity. The construction and equipment of ice-making units is also a palliative measure against unreliable electricity supply. The project will also encourage recourse to renewable energies by supporting the equipment of pilot sites through an incentive fund.

4.5. Risk Management

Procurement bottlenecks and delays, the individualistic practices of farmers and fishermen, and shortage of human and institutional resources could have a negative impact on compliance with the timeframe and achievement of PRIASA II results. However, these risks will be mitigated through the following respective measures:

- (i) agricultural infrastructure will be procured using the community procurements manual, whereas the scheduled procurement arrangements will take into account the country's island context;
- (ii) as regards the organisation and structuring of farmers and fishermen, PRIASA II together with MADR, DGP and experienced NGOs, will intensify the

guidance given to various communities; their commitment and motivation will also be taken into account during the selection of intervention sites;

- (iii) as concerns human resources, the project team is already in place, fully conversant with the Bank's procedures and endowed with financial autonomy; it will be strengthened with additional expertise (accounting clerk, operations assistant, focal points) and the establishment of a technical committee composed of the main partners and which shall meet every quarter.

4.6. Knowledge Development

Through its "capacity building" component, PRIASA will contribute to the training and knowledge development for various stakeholders, especially farmers and fishermen, mainly through the support provided by specialized NGOs in structuring and organisation. More specifically, thanks to technical assistance and training missions, the project will consolidate, within the STP government, the emergence of new specific expertise in the area of irrigation as well as new farming and fishing technologies. As concerns packaging, cold storage and product control and certification, the procurement of specific equipment will automatically be accompanied by training in management, operation and maintenance for specialized technicians, including abroad. New training modules will be developed and disseminated by supporting the Agro-pastoral Staff Development Centre (CATAP) which shall be networked with other Portuguese-speaking countries. Special emphasis will be laid on organic farming, biodiversity, ecotourism, responsible practices, etc. Hence, recourse to INAE and GIMEs to build the rural roads will promote the emergence of national expertise and SMEs endowed with the necessary technical skills. Consolidation of the agricultural and fishery statistics system will improve on the monitoring of agricultural returns and output, and provide more accurate knowledge on fishery resources. From the methodological and operational standpoints, the Bank will focus on island approaches and procedures as well as the context of climate change.

V Legal Framework

5.1. Legal Instrument

The legal framework of the project shall be an ADF loan agreement and a GEF grant agreement protocol between the Republic of Sao Tome and Principe and, respectively, the ADF and the Bank as the executing agency of GEF.

5.2. Conditions Associated with ADF and AfDB Interventions

5.2.1 Conditions Precedent to Loan and Grant Effectiveness: The ADF loan agreement shall become effective subject to the Borrower's fulfilment of the conditions provided for in Section 12.01 of the Fund's General Conditions for Loan Agreements and Guarantee Agreements. The GEF grant shall become effective subject to signature of the related protocol agreement by the Donee and the Bank.

5.2.2 Conditions precedent to first disbursement: First disbursement of the ADF loan and GEF grant shall be subject to the effectiveness of the ADF loan agreement and the GEF grant protocol agreement, in accordance with the abovementioned provisions and proof of fulfilment of the following condition, in format and substance, to the satisfaction of the Bank and the ADF: providing the Bank and ADF with proof of the opening of two accounts in a

commercial bank deemed acceptable by the Bank and the ADF, to receive ADF loan and GEF grant resources (see 4.1.6).

5.3 Conformity with Bank Policies

This project is in conformity with all the Bank's applicable policies.

VI Recommendation

The Management recommends: (i) that the Boards of Directors of the Bank and the Fund should approve the award of a GEF/LDCF grant, not exceeding USD 3,503 million, to the Democratic Republic of Sao Tomé and Príncipe and (ii) that the Board of Directors of the Fund should approve the proposal to award an ADF loan of UA 11.5 million to the Democratic Republic of Sao Tomé and Príncipe; for the purpose and under the conditions set out in this report.

ANNEX I:

Comparative Socio-economic Indicators of Sao Tomé and Príncipe

Indicator	Year	Sao Tome and Príncipe	Africa	Developing Countries	Developed Countries	Charts
* Basic Indicators						<p>GNI per Capita (US \$)</p>
Area (000 Km²)		1,0	30 046,4	80 976,0	54 658,4	
Total Population (millions)	2014	0,2	1 136,5	5 628,5	1 068,7	
Urban Population (% of Total)	2014	64,7	40,6	44,8	77,7	
Population Density (per Km²)	2014	183,3	35,4	66,6	23,1	
GNI per Capita (US \$)	2013	1 470,0	1 969,6	2 780,3	39 688,1	
Labor Force Participation - Total (%)	2009	28,2	32,7	0,0	0,0	
Labor Force Participation - Female (%)	2014	38,0	42,6	39,8	43,3	
Gender -Related Development Index Value	2007	0,6	0,5	..	0,9	
Human Develop. Index (Rank among 169 countries)	2012	144,0	..	..	..
Popul. Living Below \$ 1 a Day (% of Population)	2001	28,2	..	25,0	..	
* Demographic Indicators						<p>Population Growth Rate - Total (%)</p>
Population Growth Rate - Total (%)	2014	2,5	2,5	1,4	0,7	
Population Growth Rate - Urban (%)	2014	3,5	3,4	2,4	1,0	
Population < 15 years (%)	2014	41,5	40,8	29,2	17,7	
Population >= 65 years (%)	2014	3,3	3,5	6,0	15,3	
Dependency Ratio (%)	2014	72,7	77,3	52,8	..	
Sex Ratio (per 100 female)	2014	97,6	100,0	934,9	948,3	
Female Population 15-49 years (% of total population)	2014	24,6	24,0	53,3	47,2	
Life Expectancy at Birth - Total (years)	2014	66,5	59,6	65,7	79,8	
Life Expectancy at Birth - Female (years)	2014	68,4	60,7	68,9	82,7	
Crude Birth Rate (per 1,000)	2014	33,1	35,0	21,5	12,0	
Crude Death Rate (per 1,000)	2014	6,7	10,2	8,2	8,3	
Infant Mortality Rate (per 1,000)	2014	42,8	60,4	53,1	5,8	
Child Mortality Rate (per 1,000)	2009	65,5	108,9	51,4	6,3	
Total Fertility Rate (per woman)	2014	4,0	4,6	2,7	1,8	
Maternal Mortality Rate (per 100,000)	2010	70,0	415,3	440,0	10,0	
Women Using Contraception (%)	2014	41,1	32,5	61,0	75,0	
* Health & Nutrition Indicators						<p>Access to Safe Water (% of Population)</p>
Physicians (per 100,000 people)	2004	49,0	52,6	77,0	287,0	
Nurses (per 100,000 people)*	2004	187,0	..	98,0	782,0	
Births attended by Trained Health Personnel (%)	2009	81,7	..	39,0	99,3	
Access to Safe Water (% of Population)	2009	93,7	66,9	84,0	99,6	
Access to Health Services (% of Population)	2005	86,1	65,2	80,0	100,0	
Access to Sanitation (% of Population)	2012	34,4	39,4	54,6	99,8	
Percent. of Adults (aged 15-49) Living with HIV/AIDS	2009	..	4,4	161,9	14,1	
Incidence of Tuberculosis (per 100,000)	2012	93,0	223,6	..	..
Child Immunization Against Tuberculosis (%)	2009	99,0	85,5	89,0	99,0	
Child Immunization Against Measles (%)	2009	90,0	75,2	76,0	92,6	
Underweight Children (% of children under 5 years)	2009	14,4	..	27,0	0,1	
Daily Calorie Supply per Capita	2009	2 734,0	2 564,7	2 675,2	3 284,7	
Public Expenditure on Health (as % of GDP)	2011	2,6	5,9	4,0	6,9	
* Education Indicators						<p>Secondary School - Total</p>
Gross Enrolment Ratio (%)		..	..	..	..
Primary School - Total	2009	131,8	100,9	106,0	101,5	
Primary School - Female	2009	132,3	97,0	104,6	101,2	
Secondary School - Total	2009	50,2	47,5	62,3	100,3	
Secondary School - Female	2009	53,1	44,4	60,7	100,0	
Primary School Female Teaching Staff (% of Total)	2009	48,6	44,6	..	..
Adult Literacy Rate - Total (%)	2008	69,5	..	19,0	..	
Adult Literacy Rate - Male (%)	2008	60,1	..	..	..
Adult Literacy Rate - Female (%)	2008	80,3	..	..	..
Percentage of GDP Spent on Education	2008	..	5,3	..	5,4	
* Environmental Indicators						
Land Use (Arable Land as % of Total Land Area)	2011	9,1	8,4	9,9	11,6	
Annual Rate of Deforestation (%)	2000	..	0,6	0,4	-0,2	
Annual Rate of Reforestation (%)		..	..	..	..
Per Capita CO2 Emissions (metric tons)	2011	0,8	1,1	..	..

Sources : ADB Statistics Department Databases; World Bank: World Development Indicators

UNAIDS; UNSD; WHO, UNICEF, WRI, UNDP; Country Reports.

Note : n.a. : Not Applicable ; .. : Data Not Available.

Last update: May 2015

ANNEX II:

**Bank Portfolio Situation in Sao Tomé and Príncipe
Situation as of 18 May 2015**

Project	Amount (UA million)	Source	Approval date	Closing date	Disb. rate	Rating
Agriculture Infrastructure Rehabilitation for Food Security Support Project (PRIASA)	5.00	ADF grant	16/11/2010	31/12/2015	86.86%	Non-PP
Water and sanitation RWSSI Water and Sanitation Study Programme	0.671	RWSSI Trust Fund	03/07/2013	31/12/2016	11.75%	PPP
Multi-sector * Economic and Financial Management Support (PAGEF- ADF)	5.00	ADF grant	14/01/2013	30/06/2016	13.03%	Non-PP
* Economic and Financial Management Support (PAGEF- FSF)	2.00	FSF grant	14/01/2013	30/06/2016	31.51%	Non-PP
* Negotiation of oil prospecting contracts (co-financed with ALSF)	0.022	FSF grant	17/06/2013	31/12/2015	0.00%	Non-PP
TOTAL PORTFOLIO	12.69				44.93%	

Map of the Project Area



Location of Sao Tomé & Principe



Island of Sao Tomé and Island of Principe



Main cities of Sao Tomé and Principe

ANNEX IV:

Summary of Procurement Arrangements
(amount in UA million)

CATEGORIE	National Competitive Bidding		Short List		Shopping		Direct Contracting		Others*		Gov't and Benef.	Total
	ADF	GEF	ADF	GEF	ADF	GEF	ADF	GEF	ADF	GEF		
WORKS												6.75
Rehabilitation/construction buildings	1.58				0.11						0.022	1.71
Construction collection tank		0.42										0.42
Irrigation works									1.05	0.08	0.109	1.24
Rural roads rehabilitation works									2.10			2.10
Marine erosion control works		0.50										0.50
Installation of renewable energy syst.										0.32	0.032	0.35
Works on shelters, dryers									0.34		0.030	0.37
WSC/SPR works and reforestation										0.06	0.008	0.07
GOODS												2.05
Vehicles					0.10							0.10
Two-wheeled vehicles					0.01							0.01
IT/Office automation equipment					0.09	0.02						0.11
Furniture					0.03							0.03
Cold rooms, ice machines	0.23											0.23
Other equipment					1.22	0.35					0.003	1.57
SERVICES												3.97
Studies, works control			0.31	0.28								0.58
Study/Consultancy recruited by FIC									0.22	0.16		0.38
Consulting services			0.41	0.05								0.45
Technical assistance			0.19	0.04								0.22
Training activities			0.26	0.02								0.28
Study tours and courses abroad							0.23					0.23
Accounting and Audit system			0.07									0.07
Agreements (DGA, MARAPA, etc.)							1.27	0.14				1.41
MOU (INAE)							0.34					0.34
OPERATING COST									0.50	0.02	0.48	1.00
PERSONNEL									0.86	0.04	0.03	0.93
TOTAL	1.81	0.92	1.23	0.39	1.56	0.37	1.84	0.14	5.06	0.68	0.72	14.70

*"Others" refers to procurement using the Procedures Manual for community services and works

Consideration of Risks Factors Associated with Fragility in Sao Tome and Principe

Sao Tome and Principe, situated in the Gulf of Guinea, is composed of two islands with a total area of 1,001 km² (859 km² for the main island of Sao Tome and 109 km² for Principe). The total population was estimated at 190 000 (60% in urban areas) in 2013 with 7,500 inhabitants in the island of Principe and 50 000 for the town of Sao Tome alone. Due to insularity, double insularity for that matter, and geographical isolation, the country is particularly vulnerable to exogenous economic and environmental shocks.

This vulnerability exposes Sao Tome and Principe to particular issues involving political, economic, social and environmental fragility that imperils the country's development prospects.

Political Fragility: Since 1990, the country is experiencing permanent political instability preventing the various governments from completing their terms of office. Indeed, the size of parties and movements do not allow for strong alliances that can provide the expected efficiency and undermines efforts to address the country's economic and social problems. Moreover, the situation is characterized by the low capacity of public administration. The corruption perception as well as the absence of reforms impact on the relationship between the State and the society, which has become increasingly tense.

Social Fragility: The country very rarely experiences demonstrations and social unrest. Nevertheless, the high dependence on foreign aid as well as food and energy, imports and the very limited capacity of the authorities to mitigate the effects of inflationary shocks undermine stability in the event of hikes in the global prices of basic commodities and oil.

Economic Fragility: Low diversification (dominance of the agricultural sector based on a single product: cocoa) and high dependence on foreign aid are major constraints. Economic development is beset by inadequate and dilapidated infrastructure (transport, production, processing) and inadequate legal and regulatory framework: subsidies, trade, business climate, banking, etc. Regarding the economic integration of Sao Tome and Principe, it faces a triple challenge: the extremely small nature of the domestic market, the local population's low purchasing power and weakness of supply (quantity and products).

Environmental Fragility: The country's insularity makes it typically vulnerable to climate change, land degradation and coastal erosion. Therefore, it is essential to provide the country with a sustainable and resilient growth strategy.

In rural areas and the agricultural sector, PRIASA II will help to mitigate the main fragility factors identified as follows:

- (i) **Weak capacity of public services**: PRIASA II attaches great importance to building the technical and material capacity of MADR and the Directorate of fisheries and decentralized services. There are plans to train and upgrade 120 staff members and executives, in technical fields for better control of strategic planning and programming aspects (planning, statistics, monitoring, etc.). The project will also support two key public institutions: CIAT (research and development) and CATAP (agricultural training).
- (ii) **Weak and outdated infrastructure**: PRIASA II, through the building and rehabilitation of farm-to-market roads and irrigation networks, will improve the

population's access to basic social services and farmlands. The opening up of production areas will enable improved access to inputs and production factors resulting in better productivity and sale of harvests, contributing to regularize supply to consumption areas and increasing the incomes of producers and other stakeholders.

- (iii) **Low productivity of the agricultural sector and food insecurity:** In addition to the improvement of irrigation infrastructure, PRIASA II will contribute to setting up a mechanism for advisory support and extension of good agricultural practices and appropriate technical procedures to improve production and productivity. Also, through the structuring and professionalization of actors, the development of value chains and market access, PRIASA will help to alleviate food insecurity and reduce dependency on imports.
- (iv) **Weak diversification and processing:** PRIASA will support food and vegetable crop production to reduce dependence on external markets. Cold chains will be developed to improve the quality and hygiene of seafood and garden produce. Processing units will be set up for the development of production and supply of school meals as a substitute for imported products. PRIASA II will support CIAT in terms of quality control and certification according to international standards and also the Directorate in charge of Trade in terms of legislation and obtaining barcodes to promote the export of agricultural products from the country.
- (v) **Gender and youth employment:** With 23.7% of the financing and 40% of beneficiaries, PRIASA II will strongly contribute to reduce inequality and improve the conditions of women through better access to factors of production (land, market, stores, etc.), build capacity and ensure greater involvement in decision-making bodies. The development of agriculture and fisheries will offer employment and income opportunities for disadvantaged groups, mainly youth and women. The capacity of the latter will be built through support provided to CATAP for technical training and the promotion of agricultural entrepreneurs.
- (vi) **Vulnerability to climate change:** through co-financing from GEF, the PRIASA II will implement a range of activities for mitigation of, and adaptation to impacts. The project will disseminate resilient production/operation models and techniques (irrigation, adapted varieties, crop management, etc.) and to carry out pilot actions against coastal erosion. Regarding the conservation of natural resources, maintenance of soil quality, water and coastal zone as well as green growth will be ensured with a special focus on environmental and social accountability (resilience to climate shocks).