

**AFRICAN DEVELOPMENT FUND**



**THE GAMBIA**

**AGRICULTURE VALUE CHAINS DEVELOPMENT PROJECT**

**APPRAISAL REPORT**

**OSAN DEPARTMENT**

**March 2016**

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## **Currency Equivalents**

*As of October 2015*

Currency Unit =		Dalasi (GMD)
1 UA	=	55.67 GMD
1 UA	=	1.40380 USD
1 UA	=	1.25172 EUR
1 USD	=	39.66 Dalasi

## **Fiscal Year**

1 January - 31 December

## **Weights and Measures**

1 metric tonne	=	2204 pounds (lbs)
1 kilogramme (kg)	=	2.200 lbs
1 metre (m)	=	3.28 feet (ft)
1 millimetre (mm)	=	0.03937 inch (“)
1 kilometre (km)	=	0.62 mile
1 hectare (ha)	=	2.471 acres

## Acronyms and Abbreviations

AELP	Africa Emergency Locust Project
ANR	Agriculture and Natural Resource
ARI	Africa Rice Initiative
AVCDP	Agriculture Value Chains Development Project
EARC	East Africa Resource Center
BADEA	Arab Bank for Economic in Africa
CAADP	Comprehensive Africa Agriculture Development Program
CPCU	Central Project Coordination Unit
CPPR	Country Portfolio Performance Review
DOA	Department of Agriculture
DLS	Department of Livestock Services
ESMP	Environmental and Social Management Plan
EU	European Union
FASDEP	Food and Agriculture Systems Development Project
GALDEP	Gambia Lowland Development Project
GCAVMP	Gambia Commercial Agriculture and Value Chain Management Project
GEF	Global Environment Facility
GMD	Gambian Dalasi
GNAIP	Gambia National Agriculture Investment Plan
GOTG	Government of The Gambia
IDB	Islamic Development Bank
IFAD	International Fund for Agricultural Development
IFMIS	Integrated Financial Management Information System
IRRIDEP	Irrigated Rice Development Project
JAS	Joint Assistance Strategy
KFAED	Kuwaiti Fund for Arab Economic Development
LHDP	Livestock and Horticulture Development Project
MDGs	Millennium Development Goals
MOA	Ministry of Agriculture
NARI	National Agricultural Research Institute
Nema	National Land and Watershed Management and Development Project
NERICA	New Rice for Africa
PAGE	Accelerated Growth and Employment
PIWAMP	Participatory Integrated Watershed Management Project
PROGEBE	Regional Project for Sustainable Management of Endemic Ruminant Livestock in West Africa
PRSP	Poverty Reduction Strategy Papers
PSU	Project Support Unit
SAPs	Structural Adjustment Programmes
SPA	Strategy for Poverty Alleviation
URR	Upper River Regions
WAAPP	West African Agricultural Productivity Programme
WB	World Bank
WFP	World Food Programme

## Loan Information

### Client's information

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**BORROWER:** Government of The Gambia

**EXECUTING AGENCY:** Ministry of Agriculture

### Financing plan

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Source	Amount (UA)	Instrument
ADF	6,000,000	Loan
Government	356,300	Contribution
Beneficiaries	313,550	Contribution
<b>TOTAL COST</b>	<b>6,669,850</b>	

### ADF's key financing information

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Loan currency	UA
Interest type*	Fixed
Interest rate spread*	basis points
Commitment fee*	0.5%
Other fees*	0.75% (service charge)
Tenor	40 years
Grace period	10 years
FIRR,	31%
NPV (at 12% OCC)	GMD 4,842 million
EIRR (at 12% OCC)	35%

*\*if applicable*

### Timeframe - Main Milestones (expected)

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Concept Note approval	September, 2015
Project approval	March, 2016
Effectiveness	May, 2016
Last Disbursement	December, 2020
Completion	December, 2020
Last repayment	December, 2066

## Project Summary

- 1.1 **Project Overview:** The Gambia has a narrow economic base, relying heavily on agriculture, which provides employment for about 75 % of the labour force. The performance of the agricultural sector has fluctuated, with an average growth rate of 4%, and contributing on average to 30 % of the Gross Domestic Product (GDP) in 2014. Farming is mainly rain-fed, with an estimate of 3% of arable land under irrigation. The Gambia experienced severe drought in 2011 and 2014. The Government of The Gambia (GOTG) has made food and nutrition security a national priority. To this effect, the government formulated Vision 2016 for Rice self-sufficiency and the Vision 2020 for food self-sufficiency. The reason for choosing rice is because it is the staple food of The Gambia with a per caput consumption of 117kg per annum of which only 17% is produced locally. Eighty three (83%) of the country's rice need is imported. Food security and nutritional adequacy require providing animal protein sources to compliment rice as a staple food. In this project proposal, improved livestock production and productivity is included to meet that demand.
- 1.2 A 5-year Bank-funded project was instrumental in the introduction in the country of high yielding upland NERICA varieties. At the closing of the project in 2011, a survey suggested that a record of 18,000 ha farmland was under rice cultivation, from an estimate of 12,000 ha at project inception. The same study indicated, a significant rise in productivity from 800 kg/ha to 1,500 kg/ha without fertilizers and 2,500 kg/ha when fertilizers were applied. However, higher productivity gains are generally obtainable in rain-fed lowland and irrigated rice systems. Thus PRSP II recommended concentrating future investment in lowland and irrigated rice production systems. Government commitment to prioritize Agriculture within the context of CAADP is reflected in a series of policy actions such as the Gambia National Agricultural Investment Programme (GNAIP), the West African Agricultural Productivity Programme (WAAPP), and the Food and Agriculture Sector Development Project (FASDEP), etc.
- 1.3 The Agriculture Value Chains Development Project (AVCDP) seeks to contribute to food and nutrition security, and create shared wealth and jobs. The specific objective is to increase, on a sustainable basis, the income of rural producers, entrepreneurs that are engaged in the production, processing, storage and marketing of rice and livestock.
- 1.4 The AVCDP will be implemented over a period of five-years predominantly in the Upper River (URR) Regions where poverty and food and nutrition insecurity are highly endemic. It will build on gains of the Bank-funded NERICA, LHDP, P2RS and FASDEP projects to ensure synergy and complementarity. The project cost is estimated at UA 6.669 million consisting of UA 6.00 million from an ADF loan, UA 0.356 million from GoTG and UA0.313 million from the beneficiaries. The total number of direct beneficiaries is estimated at 8,300 households comprising 3,320 women and 4,980 men. Additional 4,150 persons will benefit indirectly from the project. This brings the total beneficiaries to an estimated 12,450 households. The Ministry of Agriculture (MOA) will be the executing agency. Overall coordination and supervision will be carried out by a dedicated team (Project support Unit-PSU) under the oversight of the Central Project Coordination Unit (CPCU) of the Ministry of Food and Agriculture (MOA).
- 1.5 **Needs Assessment:** The AVCDP will build on the success of and draw lessons from the Bank-funded (i) NERICA Rice Dissemination Project, which has boosted the

productivity of the upland rice production system in the country, (ii) the Livestock and Horticulture Development Project (LHDP) and the (iii) Regional Project for Sustainable Management of Endemic Ruminant Livestock in West Africa (PROGEBE), which successfully addressed the main constraints to the livestock and horticulture value chains development in the country. The AVCDP will consolidate gains of these projects and contribute to the improvement of farm incomes and weaning smallholder farmers from subsistence to commercial entrepreneurs.

- 1.6 The AVCDP is aligned to the first pillar of the Programme for Accelerated Growth and Employment (PAGE). It is also in line with the AfDB/WB's Joint Assistance Strategy (JAS), which underscores the importance of the agricultural sector for inclusive growth in The Gambia as its central theme and primary area of focus. The JAS also recognizes that the Bank needs to provide a substantial support to the Gambia in support of the Government's efforts to set up an enabling environment to develop agribusiness as a platform to create jobs, ensure food and nutrition security and increase incomes. The AVCDP fits very well into the Bank's ten year strategy (TYS, 2013-2022) to promote green and inclusive growth in Africa and its Agriculture and Agri-business Strategy now called Africa Agriculture Transformation Strategy (ATS, 2015-2019 under preparation), to transform African agriculture through value chains that will promote jobs for women and the youth as well as build resilience to climatic variability. The project is also in alignment with the new Bank's key priorities areas (known as the high 5s, 'Light up and power Africa; Feed Africa; Industrialize Africa; Integrate Africa; and Improve the quality of life for the African people')
- 1.7 **Bank's Added Value:** The Bank's comparative advantage and added value in the project are derived from its track record and accumulated experience in funding projects in The Gambia since 1974 covering sectors comprising agriculture, water and sanitation, social, transport and multi sector. The AVCDP will provide opportunities to capitalize on the gains of past successful projects such as the NERICA and LHDP projects. It will provide outlets for the processed rice and livestock products and also upscale rice and livestock production activities in the country. AVDCP will make use of opportunities (markets, poultry processing plants, and hatchery facilities built under the LHDP, and quality rice seed production and distribution mechanism under the NERICA project) while mitigating potential risks along the rice and livestock-related value chains in the context of the Government Vision 2016 agenda.. The linkages with other projects including Nema, FASDEP and P2RS will create synergy with the government efforts towards sustainable agriculture development.
- 1.8 **Knowledge Management:** The project will be anchored in the CPCU and will make use of the existing as well as generated reports by other similar or on-going projects in the spirit of knowledge management and sharing to fast-track implementation and achieve rapid development. Other sources of knowledge, information and data like gender-disaggregated data, other special studies (such as gender analysis along the value chains) and reports from projects, supervision missions, Mid-Term Review (MTR), Project Completion Report (PCR), and linking of the project to the MOA and the Planning Services Unit of the MOA databases to facilitate efficient data collection and use will be utilized.



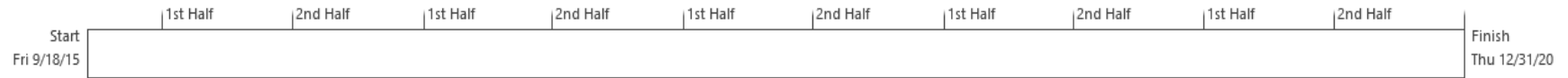
## RESULTS BASED PROJECT LOGICAL FRAMEWORK

Country and project name: <b>THE GAMBIA – AGRICULTURE VALUE CHAIN DEVELOPMENT PROJECT</b>						
<b>Purpose of the project:</b> TO ENHANCE FOOD AND NUTRITION SECURITY AND REDUCE RURAL POVERTY IN THE GAMBIA ALONG THE RICE AND LIVESTOCK VALUE CHAINS						
RESULTS CHAIN		KEY PERFORMANCE INDICATORS			Means of verification	Risk/mitigation measures
		PERFORMANCE INDICATORS	BASELINE	TARGET		
IMPACTS	Enhanced food and nutrition, reduced poverty through increased household income	1. Food Security status (% population food insecure) 2. Malnutrition status (calories intake) 3. National Poverty Rate(purchasing power parity (ppp/day))	<b>2014</b> 11 1,700 48.4% <USD1.25	<b>2025</b> 8 2,200 40.6%<USD 1.25	Gambia Bureau Statistics Poverty assessment Reports; UNDP Human Development Index, Household surveys	
	Improved livelihood of men and women agripreneurs along rice and livestock value chains	1. % Increase in rice production in Upper River Region (URR) 2. % Increase in livestock production and livestock products (meat, milk and eggs) 3. Increase income of men and women agri-preneurs (GMD)	<b>2014</b> - - 1,000	<b>2019</b> 50 30 2,000	National Agriculture Sample Surveys, Baseline study reports in Year 1 NASS ME reports,DOA repots DLS Reports, DPWF reports FAO, WFP, and other UN agency reports, PCR	<b>Risk 1:</b> Lack of clear strategy for livestock sector development, especially in poultry subsector <b>Mitigation 1:</b> Support Government for design of a comprehensive strategy in livestock sector through dialogue.
<b>COMPONENT 1: INFRASTRUCTURE DEVELOPMENT</b>						
O U T P U T S	<b>Output 1:</b> A1: Land developed	A.1. Area of land developed for pump irrigation (Ha)	<b>2014</b> 0	<b>2019</b> 500	Project reports, ME reports, DOA repots DLS Reports, DPWF reports FAO, WFP, and other UN agency reports, PCR	<b>Risk 2:</b> Deforestation to gain new lands and increase salinity on fresh waters <b>Mitigation 2:</b> Provide support to Department of Water, only develop already cleared uplands under cultivation , capacity building on climate
	A2: Livestock Infrastructure developed	A.2.1 Number of poultry and small ruminants houses built	0	95		
		A.2.2. Number of watering points built for livestock	0	3		
		A.2.3. Length of stock routes created (Km)	0	300		
	A3: Market access expanded through improved infrastructure	A.3.1 Length of access roads created (Km)	0	30		
		A.3.2 Number of paddy drying floors constructed	0	6		
		A.3.3 Number of warehouses for paddy storage constructed	0	3		
		A.3.4 Number of live bird markets with hygiene and safety measures	0	10		
		A.3.5 Number of modern, hygienic and integrated meat stalls built in population growing towns (with fast food eating pots)	2	3		
	<b>COMPONENT 2: DEVELOPMENT OF RICE AND LIVESTOCK VALUE CHAINS</b>					
<b>Output 2:</b> Improved Paddy Production	2.1 Yield (MT) Improvement in pump irrigation schemes during dry season and rain fed during raining season (double cropping with project)	2.0	9.0		<b>Risk 3 :</b> Farmers do not follow proposed farming calendar inadequate rainfall	
	3.1 Quantity of poultry meat produced yearly (MT)	100	150			

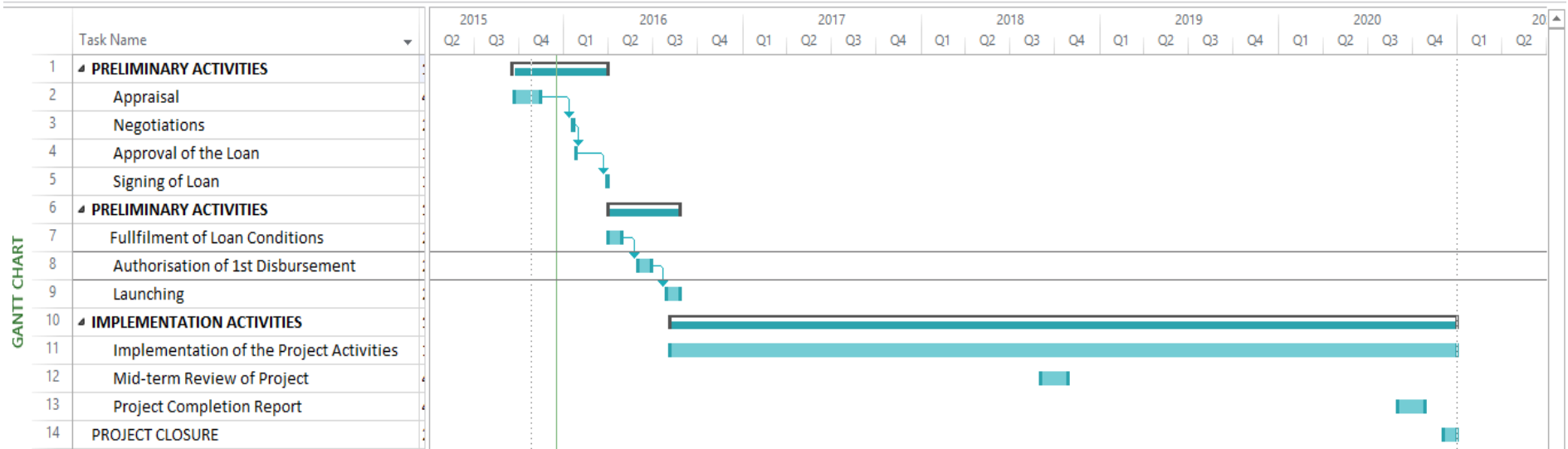
	<b>Output 3:</b> Improved Livestock and livestock product production	3.2. Quantity of small ruminant meat produced yearly (MT)	50	100	Project reports, ME reports ,DOA reports DLS Reports, DPWF reports FAO, WFP, and other UN agency reports, PCR	<b>Mitigation 3:</b> Provide adequate training to farmers through support to extension services. Provide drought tolerant varieties (NERICA). Fully implement the ESMP.  <b>Risk 4</b> livestock and rice Packages not properly used  <b>Mitigation 4:</b> To work only with adequately trained associations with bank accounts (revolving system) and carefully selected trained youth and female promoters
		3.3 Quantity of egg produced yearly (Million)	2.5	5.2		
	<b>Output 4:</b> Enhanced Capacity along the value chain	4.1 Number of farmers provided with start-up kits (seeds, fertilizer, soils and water management skills)	0	800 (40% women, 60% Youth)		
		4.2 Number of livestock agripreneurs provided with start-up kits (nucleus stock of small ruminants, vet drugs) skills trained, equipped and monitored	0	1,000 (40% women, 60% youth)		
		4.3 Number of existing and/or new Innovative Platform and Farmers based organization actors (men, women and youth) trained in technical matters and business value chains for rice and livestock products	0	2,000		
		4.4 Number of beneficiaries trained in health, food, feed safety and nutrition	0	2,000		
		4.5 Number of Farmer Field Schools, Study Tours, trade fairs and market days	0	20		
		4.6 Number of beneficiaries linked to markets and agricultural Market Information system equipped and operational	0	500		
		4.7 Number of direct and indirect employment created by newly established agribusinesses	0	12,450 (40% women; 60% youth)		
		4.8 Number of Rice Varietal Map Developed and functional	0	1		
	4.9 Number Functional Seed Control and Certification system through NARI	0	1			
<b>COMPONENT 3: PROJECT MANAGEMENT</b>						
<b>Output 3:</b> Well managed project with regularly produced reports	3.1 Number of Project Steering Committee Meetings, Supervision Missions and Midterm Reviews	0	30	PSC Meetings, Supervision Missions MTR, PCR, Reports Quarterly, Annual technical, financial and Audit Reports	<b>Risk 5:</b> Delays due to high turnover of project staff  <b>Mitigation 5:</b> Constant dialogue with government and partners to maintain critical staff	
	3.2 Number of Project Quarterly, Annual and Audits submitted	0	30			
	3.3 % ESMP Implemented	N/A	100			
	3.4. Percentage of women in the decision making position within the Steering Committee	N/A	30			
<b>KEY ACTIVITIES</b>	<b>Component 1: Infrastructure Development</b> Construction/Rehabilitation of 500 ha of pump irrigation schemes, Construction of 30 km of Access Roads, Construction of 6 units of (40x50) 2,000 square meters each of Drying Floors, Construction of 3 units of 100MT Capacity Warehouses, construction of poultry and small ruminants' houses. Creation of 3000 km of stock routes, 3 watering points and 3 meat stalls in growing towns and 10 live birds markets			Total Project Cost (UA): <u>Sources:</u> ADF Loan : 6,000,000 Government /Ben: 669,850 Component 1: 3, 666, 170 Component 2: 1,656,150 Component 3: 767,380 Physical Contingencies:153,460 Price Contingencies: 426,690		
	<b>Component 2: Development of Rice and Livestock Value Chains</b> Provision of input packages for rice and livestock entrepreneurs (rice seeds, fertilizer, day-old chicks, feed, and vet medicine and nucleus stock of small ruminants for fattening). Formation and Training of IPs (workshops, study tours and Farmer Field Schools); Training of entrepreneurs (internship, mentoring, etc.) by National and Private sectors. Enhance platform for market information sharing using ICT. Training and Technical support to the two value chain actors; provide institutional capacity building for the Seeds, Livestock, Agriculture directorates of the Ministry of Agriculture.					
	<b>Component 3: Project Management</b> Project management, coordination and supervision; Capacity building of project staff, Implementation of Project ESMP.					

# Project Timeframe

TIMELINE



GANNT CHART



**REPORT AND RECOMMENDATION OF THE MANAGEMENT OF THE ADB GROUP TO THE  
BOARD OF DIRECTORS ON A PROPOSED LOAN TO THE GAMBIA FOR THE AGRICULTURE  
VALUE CHAINS DEVELOPMENT PROJECT**

Management submits the following Report and Recommendation on a proposed loan for UA 6.00 million from the ADF XIII resources to finance the Agriculture Value Chains Development Project in The Gambia.

## **I. STRATEGIC THRUST & RATIONALE**

### ***1.1. Project Linkages with Country Strategy and Objectives***

The AVCDP is aligned to the first pillar of the Programme for Accelerated Growth and Employment (PAGE). It is also in line with the AfDB/WB's Joint Assistance Strategy (JAS), which underscores the importance of the agricultural sector for inclusive growth in The Gambia as its central theme and primary area of focus. The AVCDP fits very well into the Bank's TYS 2013-2022 and the Africa Agriculture Transformation Strategy (ATS, 2015-2019 under preparation), under preparation for turning agriculture into business in Africa. Besides, the project is in alignment with the new Bank's key priorities areas (known as the High 5s, 'Light up and power Africa; Feed Africa; Industrialize Africa; Integrate Africa; and Improve the quality of life for the African people') as it will contribute to feeding the people, creating jobs and ultimately improving the livelihoods of the people of The Gambia, as well as build resilience to climatic variability through investment in land and water management.

### ***1.2. Rationale for Bank's involvement***

The Gambia is classified as a Least Developed, Low Income Food Deficit Country (LIFDC) with 48% of its population living below the USD 1.25 purchasing power parity per day (2011). The Bank has been active in supporting the Gambia agriculture and rural development sector and the good lessons emanating from past Bank-funded projects (multinational NERICA rice dissemination, LHDP, etc.) which have informed the design of this operation include: community participation and ownership from design to implementation and monitoring and evaluation, simple adaptive technologies for water, land, livestock production and marketing, simplified and adaptable procurement systems, etc. With this understanding, the project will provide opportunities to capitalize on the gains of past projects by providing outlets for the processed rice and livestock products and upscaling rice and livestock production activities in the country. AVDCP will make use of opportunities (existence of markets, poultry processing plants, and hatchery facilities built under the project and quality rice seed producing mechanism under the NERICA project) while mitigating potential risks along the rice and livestock-related value chains in the context of the Vision 2016 agenda.

### ***1.3 Donors coordination***

The Government has set up an Aid Coordination Unit within the Ministry of Finance and Economic Affairs. The Bank and the World Bank have developed the Joint Assistance Strategy (JAS) to better harmonize the two institutions' assistance to The Gambia in line with the 2011 Busan Partnership for Development Co-operation. The JAS is also the pivotal document of dialogue between the Government and other partners. There is good coordination and harmonization with other development partners in supporting the Government's Public Financial Management strategy. With regards to the agriculture sector (Table 1.3), the FAO,

the Bank, IFAD and World Bank have established an informal agriculture donor working group for enhanced collaboration and coordination of operations.

**Table 1.3: Summary of Aid to Agriculture Sector**

	Sector	Size		
		GDP	Export	Labor
	[Agriculture/]	30%	40%	75%
<b>Players - Public Annual Expenditure (average)**</b>				
Organization	Intervention Areas	% contribution out of a total of 144.78 million USD for 2015		
AfDB/GAFSP	Food & Agriculture Sector Development Project (FASDEP)	19%		
AfDB	Programme building resilience against food and nutritional insecurity in the Sahel (P2RS)	9%		
World Bank	West Africa Agricultural Productivity Program (WAAPP)	9%		
EU-FAO	MDG 1c	5%		
IFAD-IsDB	National Land and Watershed Management and Development Project ( <i>Nema</i> )	45%		
IsDB	Gambia Agricultural Commercialization and Value Chain Management Project (GCAV)	13%		
	Existence of Thematic Working Groups ( informal)			[Y]
	Existence of SWAPs or Integrated Sector Approaches			[N]
	ADB's Involvement in donors coordination***			[M]

\* as most appropriate \*\* Years [yy1 to yy2] \*\*\* for this sector or sub-sector  
 \*\*\*\* L: leader, M: member but not leader, none: no involvement

## II. PROJECT DESCRIPTION

### *Project development goal:*

The sector goal is to contribute to food and nutrition security and create shared wealth and employments.

### *Specific Project objectives:*

The project will increase, on a sustainable basis, the income for rural producers and entrepreneurs that are engaged in the production, processing, storage and/or marketing of the rice and livestock products.

## 2.1. Project components

**Table 2.1: Project Components**

Components	Total costs (UA Thousand)	Component Description
1. Infrastructure Development	4,042.93 (60.62%)	<p><u>Rice</u></p> <ul style="list-style-type: none"> <li>▪ Development/rehabilitation of 500 ha of irrigated land in the URR and Ancillary facilities akin to the schemes including</li> <li>▪ 30 km access roads</li> <li>▪ 6 drying floors</li> <li>▪ 3 warehouses</li> </ul> <p><u>Livestock</u></p> <ul style="list-style-type: none"> <li>▪ 95 houses for poultry and small ruminants</li> <li>▪ 3 modern meat stalls</li> <li>▪ 10 live bird markets</li> <li>▪ 300 Km of stock routes</li> <li>▪ 3 watering points</li> </ul>
2. Development of Rice and livestock Value Chains	1,812.06 (27.17%)	<p><u>Rice value chain</u> Enhance rice productivity through improved extension delivery and improved participation of women and youth. Opportunities for south-south cooperation and linkages to regional rice initiatives (CARD, the FAO regional rice initiative, etc.) will be sought to identify successes and lessons that can be replicated and adapted for quick impact. Training through farmer field schools (50% of women and youth).</p> <p><u>Livestock value chain development</u> livestock and poultry entrepreneurs, men and women, trained and monitored by National Livestock Services and the private sector to established a viable livestock production schemes</p> <p><u>Enhanced capacity along the value chains</u> Support to existing innovation platform for rice and livestock, strengthen farmers based organisations, and build capacities of value actors' men and women/youth in technical and business matters. Strengthen value chain structure/institution. Enhance market information using ICT. Develop Rice Varietal Map and operationalize a Seed Control and Certification. The project will also support to vaccination and disease surveillance for livestock.</p>
3. Project Management	814.86 (12.21%)	The project management component activities will perform day to day implementation and governance of the project, including financial management, audit, procurement and supervision. The project monitoring and evaluation, implementation of ESMP and gender. Capacity building of staff including gender. Oversight and supervision will be performed by the Project Steering Committee (At least 30% will be women).
<b>TOTAL COSTS</b>	<b>6,669.85</b>	<b>Total cost including contingencies</b>

## 2.2. *Technical solution retained and other alternatives explored*

The technical solutions retained are based on criteria that will ensure project success and sustainability. Three technical alternatives were considered and rejected for their weaknesses in generating the expected impact on a sustainable basis (Table 2.2).

**Table 2.2: Project Alternatives Considered and Reasons for Rejection**

Alternative Solution	Brief Description	Reasons for Rejection
1. Provide support to the Agriculture in all regions where NERICA dissemination project was implemented in The Gambia.	In this scenario, project sites would be identified in all regions where crops have production advantages	The coordination of the intervention would be unwieldy with too many project implementation units established
1. Instrument: Project vs. sector budget support	Under sector budget support, resources are disbursed in tranches based on triggers agreed upon	Assessment of sector fiduciary environment was not conclusive
2. Tidal Irrigation in CRR	Using ocean tide to force the water of the Gambia River into the fields through canals	Very high cost of earth works (land cutting and filling). In addition there are already enough of tidal irrigation activities being implemented by other projects in the CRR.
3. Matching grant for acquisition of machinery	Beneficiaries are supported with matching grants to partially defray the cost of acquiring the requisite machinery for production / processing activities.	Mechanism has often not worked effectively with beneficiaries being expected to provide demanding justifications to access the grants from the participating financial institutions and other challenges other difficulties. Stringent collateral requirements and initial feasibility study by clients make it impossible to take off.

## 2.3. *Project type*

The Agriculture Value Chains Development Project (AVCDP) is an investment project financed by an ADF loan.

## 2.4. *Project Cost and Financing Arrangements*

2.4.1 The project cost is estimated at UA6.669 million (371.310 million GMD) net of taxes and custom duties, based on 2014 prices comprising UA2.792 million or 42% in local costs and UA3.877 million or 58% in foreign costs. This cost is inclusive of physical and price contingencies estimated at average rates of 3% and 7%, respectively. The physical contingencies are estimated from 0% (emolument) to 5% (works) based on common practices. The price contingencies were estimated on the basis of actual and projected levels of local inflation rates of about 7% to 3.9% and 2.0% per annum and foreign inflation rates. The summary of the project costs by component and by category of expenditure are presented respectively in Tables 2.3 and 2.4 while details are provided in Annex B5 of Volume II of Report.

**Table 2.3: Summary of Project Cost by Component**

COMPONENTS	THOUSAND GMD			THOUSAND UA			% FE	% BC
	Local	Foreign	Total	Local	Foreign	Total		
1. Infrastructure Development	70,049.50	134,046.30	204,095.80	1,258.30	2,407.87	3,666.17	66	60
2. Value Chains Development	37,963.92	54,233.88	92,197.80	681.95	974.20	1,656.15	59	27
3. Project Management	29,403.53	13,316.60	42,720.13	528.18	239.21	767.38	31	13
<b>BASE COSTS (BC)</b>	<b>137,416.95</b>	<b>201,596.78</b>	<b>339,013.73</b>	<b>2,468.42</b>	<b>3,621.28</b>	<b>6,089.70</b>	<b>59</b>	<b>100</b>
Physical Contingencies	2,844.52	5,698.61	8,543.13	51.10	102.36	153.46	67	3
Price Contingencies	15,172.58	8,581.28	23,753.86	272.54	154.15	426.69	36	7
<b>TOTAL PROJECT COSTS</b>	<b>155,434.05</b>	<b>215,876.67</b>	<b>371,310.72</b>	<b>2,792.06</b>	<b>3,877.79</b>	<b>6,669.85</b>	<b>58</b>	<b>110</b>

**Table 2.4: Project Cost by Category of Expenditure**

CATEGORIES OF EXPEDITURES	GMD THOUSAND			UA THOUSAND			% FE	% BC
	Local	Foreign	Total	Local	Foreign	Total		
A. GOODS	11,965.30	49,085.70	61,051.00	214.93	881.73	1,096.66	80	18
B. WORKS	42,481.70	107,062.50	149,544.20	763.10	1,923.16	2,686.26	72	44
C. SERVICES	38,382.32	39,393.48	77,775.80	689.46	707.62	1,397.09	51	23
D. PERSONNELS	18,456.00	-	18,456.00	331.53	-	331.53	-	5
E. OPERATING COSTS	26,131.63	6,055.10	32,186.73	469.40	108.77	578.17	19	9
<b>BASE COSTS (BC)</b>	<b>137,416.95</b>	<b>201,596.78</b>	<b>339,013.73</b>	<b>2 468.42</b>	<b>3 621.28</b>	<b>6,089.70</b>	<b>59</b>	<b>100</b>
Physical Contingencies	2,844.52	5,698.61	8,543.13	51.10	102.36	153.46	67	3
Price Contingencies	15,172.58	8,581.28	23,753.86	272.54	154.15	426.69	36	7
<b>TOTAL PROJECT COSTS</b>	<b>155,434.05</b>	<b>215,876.67</b>	<b>371,310.72</b>	<b>2,792.06</b>	<b>3,877.79</b>	<b>6,669.85</b>	<b>58</b>	<b>110</b>

2.4.2 Of the total project cost of UA6.669 million (371.310 million GMD), Bank Financing will be UA6.00 million (90%) through a loan from ADF XIII allocation (see Table 2.5). The ADF loan of UA6.0 million will finance 97.5% of Goods; 95.4% of Works; 100% of services; 57.9% of personnel; and 65.6% of operating costs. The Government of Gambia and the project beneficiaries will contribute UA0.669 million (10%) in local currency (100%). The Government contribution will finance respectively 3.2%, 42.1% and 34.4% of Works, emoluments of government staff and operating costs. The beneficiaries' contribution will be in kind and in cash respectively 2.5%; 1.4% and 44.0% for Goods, Works and Operating costs. Project beneficiaries will gradually finance operating and maintenance costs of the infrastructure (including water user fees for irrigation schemes), ancillary facilities (Drying floors) and equipment. Project beneficiaries include agripreneurs (farmers based organizations and cooperatives, rice and livestock innovation platform operators, commodity processors, private sector operators and registered Small and Medium Enterprises (SMEs), seeds producers, input dealers, service providers, millers, aggregator and market operators.

**Table 2.5: Sources of Financing**

SOURCES	GMD THOUSAND			UA THOUSAND			%
	Local	Foreign	Total	Local	Foreign	Total	
ADF LOAN	118,143.57	215,876.67	334,020.24	2,122.21	3,877.79	6,000.00	90.0
GOVERNMENT OF THE GAMBIA	19,834.97	-	19,834.97	356.30	-	356.30	5.3
BENEFICIARIES	17,455.51	-	17,455.51	313.55	-	313.55	4.7
<b>Total PROJECT COSTS</b>	<b>155,434.05</b>	<b>215,876.67</b>	<b>371,310.72</b>	<b>2,792.06</b>	<b>3,877.79</b>	<b>6,669.85</b>	<b>100.0</b>



2.4.3 Expenditure will be carried out according to the schedule below during the implementation period for each component (see Table 2.6). The first three years of the project will be geared mainly towards construction of infrastructure for production, processing and marketing. Commodity value chain activities will also be implemented during the first three years through a comprehensive outreach program, extensive training, mentoring and networking. Years 4 and 5 will be dedicated to the consolidation of the results through optimal use of the infrastructure and mainstreaming of the value chain development activities.

**Table 2.6: Expenditure Schedule by Component (UA Thousand)**

COMPONENTS	BASE COSTS IN UA THOUSAND					
	2016	2017	2018	2019	2020	Total
1. Infrastructure Development	218.61	2,351.86	889.91	110.95	94.84	3,666.17
2. Value Chains Development	252.75	513.14	474.86	258.21	157.19	1,656.15
3. Project Management	191.92	135.33	147.91	135.33	156.89	767.38
<b>BASE COSTS (BC)</b>	<b>663.28</b>	<b>3,000.33</b>	<b>1,512.68</b>	<b>504.49</b>	<b>408.92</b>	<b>6,089.70</b>
Physical Contingencies	14.87	83.13	38.56	9.69	7.22	153.46
<b>Price Contingencies</b>	<b>11.80</b>	<b>156.47</b>	<b>135.70</b>	<b>62.15</b>	<b>60.56</b>	<b>426.69</b>
<b>TOTAL PROJECT COSTS</b>	<b>689.95</b>	<b>3,239.93</b>	<b>1,686.94</b>	<b>576.33</b>	<b>476.70</b>	<b>6,669.85</b>

## ***2.5. Project's target area and population***

The project will be implemented in the Upper River Regions and growth centres around the country. However, with the expected increased production and productivity associated with the project and the value chain approach more areas and population outside the focal areas will be involved. Processors, marketers, agro-dealers all over the country will be engaged. It is estimated that about 8,300 households will benefit. A total of 12,450 people will directly and indirectly benefit from the project.

## ***2.6. Participatory process for project identification, design and implementation***

The project formulation was participatory. Consultation meetings with stakeholders were held during project identification, preparation and appraisal. Project concept, design and reports were presented and discussed with stakeholders including representatives from Government ministries and agencies, NGOs, Central Bank of The Gambia, private sector, farmers' based organizations, and the technical and financial partners. The participatory approach adopted during the project formulation will continue during its implementation.

## ***2.7. Bank Group experience, lessons reflected in project design***

The Bank portfolio in The Gambia accounts for eight active operations including two in the Agriculture sector. The global rating of the last portfolio review (CPPR 2011) was 2.5 which is deemed satisfactory. The details are presented in Annex II. The Bank Group has gained useful experiences as a result of its agriculture portfolio engagement in the country. Key lessons that have been learned include: (i) the need to decentralize implementation of project activities and project support team to ensure ownership, efficient implementation and sustainability; (ii) provide capacity development of beneficiaries and farmers' based organizations; (iii) target youth and women for jobs creation by youth (Graduates and Non-University graduates) to maximize revenues from agri-business. The table 2.7 summarizes key lessons learnt from

closed and on-going agriculture sector interventions in the Gambia, and indicates how they have informed the design of AVCDP.

**Table 2.7: Consideration of Lessons Learnt in Project Design**

Lessons learnt	Actions incorporated into the design of AVCDP
The need to consolidate rice production across the country using other technologies from the Success of NERICA Rice Dissemination project.	AVCDP will invest in pump irrigation in URR while the most common land development is tidal irrigation. This investment will be used by beneficiaries only during dry seasons to produce rice and assure high productivity.
The need to consolidate the production of poultry meat and livestock using technologies from LHDP. More than 50% of the LHDP beneficiaries have expanded their businesses two years after the project launch.	The choice of Poultry and Ram fattening enterprises was recommended for youth groups because of its fast maturing financial returns with an Internal Rate of returns of about 30%.
The need for participatory and socially inclusive formulation and implementation of development interventions	The organization of extensive consultation during two workshops that attracted all stakeholders and their potential involvement in implementing the Project would ensure ownership and sustainability after project investment period
The need for decentralized project support team to the region where more than 80 % of the activities will be implemented.	The project support team is located in the Upper River Region with extension and technical agents posted on project sites to ensure efficiency and ownership.
The need to target Women and Youth in order to ensure food security, wealth and jobs creation.	New Information technologies (ITC), mechanization, etc. are proposed in AVCDP to attract and retain graduates and non-graduates youth to create SMEs as agri-preneurs

## 2.8. *Key performance indicators*

The key performance indicators for monitoring progress in achieving AVCD objectives have been outlined in the Result Based Logical Framework (RBLF). These indicators include impacts, outcomes and outputs. Key impact indicators include enhanced nutrition status security, improve calorie intake from 1770 calories per day/person to 2200 calories and the improvement and reduced the poverty rate. Outcome indicators include increase milled rice and livestock products 50% in the project areas; increase income earned by value chain actors (farmers, processors, middle-men and women, market operators) of which 40% are women and 60% are youth. Output indicators increased agricultural productivity through development of 500 ha land under pump irrigation in the URR, 30 km of rehabilitated access roads, 6 constructed drying floors and 3 warehouses for paddy production; 95 poultry and small ruminant fattening schemes, 3 modern and hygienic meat stalls and 10 live bird markets, 300 Km of stock routes equipped with 3 animal watering points. The Value chain development key indicators include improved paddy and livestock production, more 1000 beneficiaries skilled and equipped in matters including group dynamics, leadership, nutrition and animal health) and more than 12,000 agro-businesses established 40% women owned. Key performance output indicators for project management, include annually 60 of project steering committee meetings (of which 30% would be women), supervision missions, technical and financial reports, and 100% implementation of the annual work plan and the ESMP.

### III. PROJECT FEASIBILITY

#### 3.1. Economic and financial performance

3.1.1 A financial assessment of the project was undertaken using cost-benefit analysis of ex-ante farm and activity models, and on the basis of prevailing market prices. The key assumptions underlying the analyses include: (i) successful project implementation will generate benefits in the areas of farm-based businesses, agro-processing, agro-industries related to (a) double cropping of pump irrigation of 500 ha of improved rice varieties and groundnut (as cash crops); high value horticultural crops (chillies, cabbage, carrots, etc.) and (b) activities including 85 multi-cycles broiler poultry enterprises and 100 small ruminants multi-cycle fattening schemes (farmers, agro dealers, machinery rental services, aggregators, marketers and equipment repair artisans); (ii) a 20-year time period was used to measure the incremental benefits from the project; (iii) the opportunity cost of capital (OCC) was estimated to be 12%. For the economic analysis, (iv) hired labour value was adjusted by a conversion factor of 0.65; (v) the conversion factor of subsidized fertilizer was estimated at 1.48; (vi) import parity price for tradable goods such as milled rice. These analyses were carried-out with financial and economic costs generated using Costab 32. Summary of financial and economic analysis is in Annex VII and further elaborated in Annex B7 in Volume II of the appraisal report.

**Table 3.1: Key Economic and Financial Figures**

NPV (base case @ 12 % cost of capital)	GMD 4,842 million
FIRR (base case @ 12 % o cost of capital)	31 %
EIRR (base case @ 12 % o cost of capital)	35 %

3.1.2 **Financial analysis:** Based on the above assumptions, a combined net financial impact yields a Net Present Value (NPV) of GMD 4,842 million with an internal rate of return of 31%. The project is financially feasible. The FIRR (31%) is higher than the opportunity cost of capital (12%).

3.1.3 **Economic analysis:** The economic analysis, based on the above assumptions yielded a combined net present value (NPV) of GMD 5,314.27 million for a 20-year operational period and an economic rate of return (EIRR) of 35%.

3.1.4 **Sensitivity analysis:** The results of financial and economic analyses are quite robust in the event of adverse changes from successive increase in project costs by 10, 20, and 30% results are stable. A 10% increase in project costs reduced revenue by 10%, FIRR and EIRR are respectively 30% and 34%. The same exercise was carried out for successive decrease in prices by 5, 10, 15, 20, 25, and 30% with a combination of yield decline. A decrease in output prices by 20% (switching values) would have to occur before the project's economic benefits reduces to break-even point at 12%, the opportunity cost of capital.

3.1.5 In real terms, the project will lead to many tangible benefits including jobs creation for the target population (women and the youth), increase rice and livestock products, and wealth creation (increase in incomes, food and nutrition security). AVCDP is financially and economically viable as it enhances agricultural value chains' incomes and competitiveness.

### **3.2. Environmental and Social impacts**

**3.2.1 Environment:** The Agriculture Value Chains Development Project is classified into category II by ORQR. The project will abide by all environmental regulations as stipulated in The Gambia Government Laws and in due consideration of the relevant national and international regulations as regards environmental conservation and protection. An elaborate ESMP has been produced and provides information on the various environmental and social impacts. The ESMP has also proposed necessary mitigation measures and put forward the ESMP implementation plan and costs with a budgetary allocation of USD76,440. The ESMP Summary has been posted online in Bank website on January 29<sup>th</sup> 2016.

**3.2.2 Negative Impacts:** Potential negative impacts may result from the physical development of land for crop and livestock production. Poor land levelling and water management may accelerate soil erosion and declining soil fertility. Dikes and bunds may interrupt the spawning of migratory fish species and cause a loss of habitat. Consumption of polluted water by farmers may increase the incidence of waterborne diseases (e.g. schistosomiasis). Other potential negative impacts include, water logging and subsequent salinization caused by poor drainage and pollution of surface waters and groundwater resulting from agrochemical runoff. The project may also cause some negative impacts during the construction phase with the use of heavy machinery provoking noise and atmospheric pollution. Movement of labor force to the new irrigation sites may lead to communicable diseases like HIV/AIDS. Disruption of wildlife feeding habitats especially hippos may occur. As for the animal production, local disturbances (e.g. odour, flies and rodents) and landscape degradation are typical local negative amenities in the surroundings of poultry farms. Pollution of soil and water with nutrients, pathogens and heavy metals may be generally caused by poor manure-management and occurs where manure is stored.

**3.2.3 Positive Impacts:** The Gambia Agriculture Value Chain Development Project is anticipated to result in accrued environmental benefits among them flood control through dyking and canal development, improved water flow control and management, run-off controls and checks, improved land management, and consequently, improved agricultural production resulting in increasing productivity in rice and livestock. For the poultry and small ruminants' production, the high nutrient content and low water content of animals litter make it a valuable input to agriculture and manure will be recycled or processed into compost on cropland. The project will enhance the social and economic status of the farmers, the women in particular from increased production, especially with the possibility of multiple crops during the year in the case of tidal irrigation. Other positive social impacts include employment opportunities, increase incomes, quality diets and standards of living associated with land development for rice production.

**3.2.4 Mitigations Measures:** Farmers will be assisted with managerial solutions aimed at solving problems associated with land preparation and livestock production. Small farm equipment will be promoted as opposed to heavy farm equipment, to reduce any potential soil damage from the heavy soil equipment and provide better flexibility in land preparation. Mitigation measures will also include the proper control of water flow to prevent stagnation, thus contributing to a reduction in the incidence of water-related diseases. Technical support and training throughout the project is important and will include pest and disease prevention, safety of pesticide use, and prevention of environmental contamination by agrochemical residues. During the construction and implementation phases of the project the following activities will be implemented as mitigation measures: (i) Protection of the upland areas

through afforestation program to compensate for the loss of vegetation during construction; (ii) Re-seeding or allowing native grass and shrubs to grow on dykes along the perimeter; (iii) Removal of vegetation only when necessary; (iv) Restoration and rehabilitation of excavated sites using the removed topsoil; (v) Sensitization and public education on the use and handling of agro-chemicals; (vi) Appropriate disposals of hazardous wastes including empty chemical containers; (vii) Public education and sensitization of the public against the spread of HIV/AIDS and other infectious diseases; (viii) if found necessary, the designs to include site-specific environmental and social impact assessments; and (ix) The project will ensure that local folks are prioritized in the job offers

**3.2.5 Climate Change:** Various other environmental tools have been used to further identify challenges that will affect the project. Some of the tools used include Climate Screening System (CSS) and the Adaptation Review and Evaluation Procedures (AREP). Following the Climate Screening System procedure, the project was classified Category II. It will, therefore, be affected by climate change impacts. One of the major challenges posed by climate change in Gambia in particular is increased frequency and severity of drought events. Direct impacts of frequent persistent droughts include ecosystem desiccation through increased salinization in freshwater wetland and mangrove ecosystems, loss of productivity in croplands, saltwater intrusion up the river, deforestation, and loss of productivity and biodiversity in woodland ecosystems as a result of wildfires and land use change. In the project area, climate change with the persistence of drought will provoke reduced freshwater recharge downstream, causing hyper-salinity in mangrove and other wetlands along the river's estuary zone causing reduction in yield of major crops and receding coastline. Overall predicted climate change and variability will present important short-term and long-term challenges to development efforts in the Gambia. In the short-term, extreme climate events including windstorms, rainstorms, droughts and dust storms will become more frequent with increased severity. Land use and land cover change, sea level rise, and coastal erosion present significant long-term challenge. It also has to be noticed that prolonged and frequent droughts would reduce the availability of firewood (the primary source of domestic cooking fuel), construction wood and other forest products. Adaptation and mitigation strategies will focus on reducing the dependency on rainfall by agricultural activity as well as protect ecosystems at risk from other natural or anthropogenic hazards that accompany droughts, such as bushfires, saltwater intrusion, and land use change.

## **Gender**

**3.2.6** Women comprise the majority of the working population in rural areas, accounting for over 50% of the agricultural labor force, 70% of unskilled laborers and producing around 40% of the total agricultural output. Rice farming in both upland and lowland areas is largely performed by women, but productivity is low due to the rudimentary technologies and practices used. To supplement household food security, most women farmers also engage in horticultural activities, such as growing vegetables and fruits, and most keep small livestock. Feminization of poverty remains the broad characteristic of poverty profile: women constitute the majority of the poor and extremely poor, exacerbated by the fact they occupy a low socio-economic status. In this regards, the Gambia was ranked 139th out of 149 countries in the Gender Inequality Index in 2013, reflecting the general vulnerability of women in the country. Women's poverty is closely linked with very low literacy levels (40% for women and 64% for men). In addition, women's access to land remains largely based on customary law where the land belongs to founding families and the user rights of in-married women are unstable. In

addition, they often lack access to credit for income-generating activities and generally play a limited role in the decision-making that affects their lives.

3.2.7 The project will target poor smallholders, particularly women, who are the core producers of rice and will take into account their specific constraints face along the value chain. The gender mainstreaming strategy in the project will focus on increasing access to project activities for women as well as increasing their participation in project implementation, community representation and decision making.

3.2.8 The project will target both male and female households with deliberate efforts to reach out, build capacity and empower about 6,225 women beneficiaries (50% of the total beneficiaries) through: (i) promoting their access to land for the new plantations by negotiating new land contracts for women beneficiaries of projects (following some good practices in the country); (ii) ensuring equitable access (50%) to financial and technical resources allocation as well as extension and advisory services provided by the Project (demonstration tools by Farmer Field Schools, drying platforms, warehouses, storages, small farmer equipment, etc.); (iii) strengthening formalization of women-led cooperatives and connect them to formal markets and service providers within the rice value chain; (iv) ensuring women's involvement in community management, the community-based and private sector management structures through community-level decision making and gender-adapted training; (v) strengthening women's access to information technologies; (vi) easing access to energy-efficient and gender-sensitive technologies; (MIS, mobile phones, energy saving stoves) and (vii) ensure decent employment for women along the rice value chain through the establishment gender sensitive PPP.

3.2.9 The Project will promote equal access for women in training sessions/study tours. The Project will also strengthen the capacity for gender mainstreaming of the CPCU. The monitoring of gender activities will be ensured by a Gender Specialist (staff) based at the CPCU and ensures gender training for all stakeholders (staff of CPCU, extension workers, MIS focal point). The project will devise gender monitoring and results tracking system to assess the impact on women.

3.2.10 Although women will participate in and benefit from all Project activities, aggregate funds allocated to their specific activities are about UA1.008 million (16% of the total budget).

**3.2.11 Land Tenure and Access to Land:** Land tenure system in the Gambia is complex and sensitive as in many sub-Saharan countries. The common system of tenure is communal which generally results to land fragmentation which does not support commercial agriculture. Gambia is comprised of 35 districts. In each province there is a district authority, which manages and regulates the use of land. Land types are divided into three categories: freehold land, customary tenure, and leasehold land. Collaboration between government and local communities, training on ethics of processing land document will be carried out.

**3.2.12 Social Impacts:** Gambia has been classified as amongst the poorest countries in the world. A household survey from 1992 to 2010 indicated an increasing trend of rate of poverty more severe in rural areas than urban especially among women. The project will target communities and will provide functional literacy, entrepreneurial and marketing skills mostly, in land and animal husbandry practices including handling and managing substances used in production like agro-chemicals. The increase production and productivity in rice and livestock will improve nutrition, incomes and livelihoods of the targeted communities. Implementation

of good environmental practices will reduce significantly the health risks that could be associated with irrigation. To reduce drudgery, especially for women (50% of the beneficiaries), the farmer cooperatives would be supplied with reapers, rice threshers as demonstration tools on established Farmer Field Schools. Since drying is a major challenge in rice processing and marketing, the project will construct elevated drying platforms and warehouses for drying of fresh paddy rice and storage of dried paddy. Strong user associations, well trained in associations' dynamics will be put in place to ensure success

**3.2.13 HIV/AIDS:** Recognizing the risk that HIV poses to Gambia's development prospects and the increased need for a multi-sectorial approach in the fight against HIV/AIDS, the National HIV/AIDS Council (NAC) was set up by the President's Office in 2001 as an advisory body on policy and strategic issues in the fight against HIV/AIDS with the adjunct of the National HIV/AIDS Secretariat (NAS) acting as coordinator for the national response to HIV/AIDS. Today, statistics show that the HIV/AIDS has not hit as hard in Gambia as in other parts of Africa. The HIV/AIDS prevalence among the young & adults (15 to 49 years) in Gambia is categorized as low at 2%. The project will support and fund HIV/AIDS awareness campaign that may involve billboards, aids prevention messages in local media and the production of educational materials targeting farmers in project sites and particularly among youth groups about the causes and consequences of HIV/AIDS and STDS.

**3.2.14 Involuntary resettlement:** No involuntary resettlement is envisaged.

### **Strengthening Resilience**

**3.2.15** The overall high variability and extreme climate change in the Gambia (windstorms, rainstorms, droughts, coastal erosion etc.) present major challenges to an agriculture sector that is mainly rain-fed, with significant risks for poverty and food security. As the agriculture sector employs about 75% of the work force and contributes to about 30% of GDP, any environmental risk affecting croplands and crop yields will eventually impact household income and food security. However, the country's abilities to address those exogenous shocks are constrained by institutional and human capacity weaknesses in some of the government institutions. Furthermore, the social inequality and regional disparity in opportunities and access to social services are structural constraints that can weaken the country's resilience to shock.

**3.2.16** The project will provide valuable opportunities for the Gambia to address adequately the issues of vulnerability and social inequality by enhancing productivity and consumption, creating labor-intensive employment, and improving food security and overall livelihood in the Gambia. By putting special attention on institutional capacity-building, the project will enable more efficiency in service delivery, strengthened interventions better suited to the local environment and preferences, and reinforced adaptation and mitigation measures to climate change and other external shocks. Another positive impact of the project will be on the rural infrastructure, which will be restored, hence creating an enabling environment for agribusiness and private sector development. As 50% of the direct beneficiaries of the project will be women, targeted interventions will help improve social inclusion in the Gambia.



## IV. IMPLEMENTATION

### 4.1. *Implementation arrangements*

4.1.1 The Ministry of Agriculture (MOA) is the executing agency. It is envisaged that the proposed project will be domiciled in the Central Project Coordination Unit of the Ministry of Agriculture. Strategic oversight and orientation function will be played by a Steering Committee (PSC). The Gambia National Agriculture Investment Program Steering Committee (PSC) for the Central Project Coordination Unit (CPCU) will serve as the steering committee of the proposed project to provide policy guidance and oversee implementation. It is headed by the Ministry of Agriculture (MoA), the PSC<sup>1</sup> will review annual work plans and budgets, progress and quality of project implementation and results on a bi-annual basis. Membership of PSC includes representatives from public, NGO, civil society and private sector, particularly project beneficiaries.

4.1.2 The field implementation would be coordinated by a dedicated AVCDP-Project Support Unit (PSU) in the CPCU. The Unit will be located in the Upper River Regional where more 80% of the activities will be carried out. The key staff of the Unit include a Project Director, Accountant, Value chain Specialists, Procurement Expert and Monitoring and Evaluation Expert (with gender skills). The appointment of these staff will be a condition precedent to first disbursement of the loan. During the appraisal mission, the Government of Gambia had identified these key staffs in line with Presidential Directive PD 02/2015. The PSU will implement the day to day supervision and monitoring of the project activities, financial resources management and reporting. Some of the Project activities will be implemented through MoU's and contracts with implementing partners (Regional Directorates of DOA) in the targeted project areas, and relevant technical departments. The MoU which will provide the responsibilities of the two parties will be submitted to the Bank for clearance and no objections. To enhance the sustainability of the project, partnership with private sector enterprises (Public-Private-Partnership) will be sought especially in areas of processing of rice and livestock for value addition and increased incomes.

4.1.3 **Procurement Arrangements:** Procurement of ICB contracts and Consultancy services for the proposed project would be carried out in accordance with the Bank's Rules and Procedures: 'Rules and Procedures for Procurement of Goods and Works', dated May 2008 Edition, revised July 2012; and the 'Rules and Procedures for the Use of Consultants', dated May 2008 Edition, revised July 2012, using the relevant Bank Standard Bidding Documents, and the provisions stipulated in the Financing Agreement. All procurement of goods and works at a certain financial threshold, financed by the Bank Group, shall be using the National Procurement Procedures of the Gambia, which has been assessed and found to be acceptable with some risks to be mitigated. Furthermore, the weaknesses in the public procurement system

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<sup>1</sup> PSC Permanent Secretary, Ministry of Agriculture- Chairperson; Project Coordinator, CPCU- Secretary to the PSC; Project Director AVCDP – Asst. Secretary; Director General, Department of Agriculture – Member; Director General, Department of Livestock Services – Member; Permanent Secretary, Ministry of Local Government and Land Member; National Environment Agency (NEA); Permanent Secretary, Ministry of Environment, Climate Change, Water Resources, Parks and Wildlife – Member; Permanent Secretary, Ministry of Finance and Economic Affairs-Member; Permanent Secretary, Ministry of Trade, Industry and Regional Integration and Employment (MOTIE); Executive Director, GIEPA- Member; Executive Secretary, Women's Bureau- Member; Gambia Chamber of Commerce and Industry –Members; Two farmer/beneficiary representatives (to be determined)-Members; Civil society, represented by the coalition of civil society group in The Gambia.; The Association of NGOs (TANGO) - Members



have been identified. The EC/World Bank and the Bank are currently providing support in strengthening and enhancing the systems and processes and envisioning future support in the areas including capacity building to key stakeholders and actors involved in public procurement.

**4.1.4 Financial Management:** The MOA would be responsible for the Financial Management (FM) functions of the Project. The latest Gambia Country Fiduciary Risk Assessment rated the overall fiduciary risk as substantial, in light of prevailing weaknesses in the oversight arena (both internal and external audit as well as inadequate legislative oversight), despite some impressive progress associated with the introduction of the new government Integrated Financial Management Information System (IFMIS). In light of the mooted improvements to the government systems, especially associated with the new IFMIS, the project is expected to use the existing system of the MOA's CPCU. The MOA, through the CPCU, has adequate staffing to manage the FM requirements of the project. Although the CPCU has not previously managed any Bank funded projects, by being mainstreamed in the Ministry, it draws synergy from a pool of technical and financial staff and provides coordination and oversight for all projects executed by MOA (including those financed by multilateral partners).

4.1.5 The project would be accounted for outside of the MOA IFMIS for the time being, using the CPCU's existing FinEx accounting software which was set up specifically to manage donor projects and programmes. The MOA, through the CPCU, has a history of timely submissions of audits for projects in their portfolio. Concern was however expressed over the risk that internal controls may not operate effectively due to the nonexistence of a CPCU administrative and operations manual (AOM) to guide its operations including FM; and the weak capacity of the internal audit unit in performing ex-ante controls as well as the non-existence of an audit committee; this will be required to strengthen the FM system as listed in the annexed FM action plan.

**4.1.6 Disbursement:** It will follow the requirements of the Bank's Disbursement Handbook, and the Bank will provide continued guidance to government officials in enhancing their understanding of the disbursement methods through trainings workshops, supervisions and fiduciary clinics. The following disbursement methods will be available for the proposed project:

- i) Direct Payment method for the main infrastructure works, goods and services (including audit) components in the agricultural value chain development.
- ii) Special Account (SA) to be opened at the Central Bank of The Gambia to facilitate project management operation costs (the opening of a special account will be a condition precedent to first disbursement); and
- iii) Reimbursement method for payment for eligible expenses pre-financed by the Borrower from its own resources (under the proposed advance procurement) Audit and Reporting.

**4.1.7 Audit arrangements:** The National Audit Office (NAO) of Gambia is mandated to audit all public funds including financing for projects, but due to both time and capacity constraints, some audits are outsourced to private firms. It is therefore expected that the NAO would audit the main CPCU financial statements, while projects audits (including the proposed project) will be outsourced to private audit firms. The project audit will be conducted in

accordance with terms of reference acceptable to the Bank; with the audited financial statements submitted to the Bank annually within six months following the end of the year audited. In addition, quarterly unaudited interim financial statements will be required to be submitted to the Bank 30 days following the end of each quarter.

#### **4.2 Monitoring**

The M&E framework and tracking system of the project as elaborated in the gender sensitive Result based framework (Logical Framework) has been designed based on outcomes, outputs and activities. The project will also make use of national data sets (e.g. NASS, MICS, GBOS, nutritional surveillance) whenever possible. The project will put in place a simple but adequate computerized M&E system. In order to stimulate stakeholder participation in M&E, the project will employ participatory approaches such as beneficiary assessments and use of focus groups.

Time Frame	Milestone	Monitoring Process and Feed Back
Year 1	Baseline data collection, Design of civil works schemes	M&E officer, Project Specialists and Data collectors/analysts
Year 1-5	Project Implementation	M&E Officer, Project Team, Service Providers and beneficiaries.
Year 1-5	Impact of Project Activities	M&E officer, Project Team, Project Steering Committee, Service Providers and beneficiaries. Annual process along project implementation with progress report
Year 3	Mid-Term-Review	Beneficiaries, Bank, Government and Project Team.
Year 1-5	Audit Reports	Project Team and Auditors, annually
Year 5	Project Completion Report	Beneficiaries, Bank, Government and Project Team

#### **4.3 Governance**

The project would be implemented by a decentralized government structure, public and private service providers, and local communities. The successful implementation of the project would contribute to the Government of the Gambia's commitment to transform agriculture into a robust, market-oriented sector for accelerated growth and poverty reduction. The Government's commitment to agricultural development is also underpinned by the National Agricultural Investment Programme (GNAIP) 2011-2015 which aims to orient agricultural and natural resources sector from subsistence to commercial production by developing agricultural value chains and market promotion, and improving agricultural land and water management, among others. More recently, the new National Development Plan (NDP 2017-2020) that the Government is currently formulating will continue to prioritize water management, agricultural productivity and rural incomes. Such developments and policies demonstrate not only the Government of The Gambia's active engagement in promoting agricultural commercialization but also efforts to build good governance in the sector. The project will therefore assist the Government of the Gambia carry out sustainable agricultural development and improve service delivery. It will provide an opportunity for the government to strengthen its institutional capacity to design, negotiate and implement public-private partnerships. The involvement of the local government authorities (i.e. day to day supervision through the Regional Directorates

of the Ministry of Agriculture) will help ensure transparency and accountability in the administration and in the implementation of the project. By complying with the Bank's procurement rules and procedures and ensuring that all financial and material transactions of the project are undertaken within a corruption-free environment, the project will minimise the risk of fraud and corruption during implementation

#### **4.4. Sustainability**

4.4.1 The ownership and buy-in of AVCDP was ensured by the roles that various stakeholders played during identification, formulation, preparation and appraisal of the Project. As the initiator of the project, the Ministry of Agriculture put up a technical team of experts from various departments of the ministry to deal with all aspects of the project formulation headed by the Deputy Minister of Agriculture and Permanent Secretary of MOA, as well as the project Directors of exiting projects in the country. Coordination with donors was done to ensure consistency.

4.4.2 The MOA through its Regional Directorates (RD) has acquired invaluable experience through the NERICA rice dissemination project and the Livestock and Horticulture project and continues to provide the advisory services to rice and livestock farmers. The project will further build capacities of the RDs to promote agri-business in both the rice and livestock subsectors targeted by the project, including marketing by NGOs and the private sector. For the production infrastructure (pump irrigation schemes), the engineering supervision firm will provide on-site training, during the civil works construction, to representatives of the Farmers' Association on the maintenance requirements of the structures. Given the expected increased incomes from the project, farmers will be able to bear gradually the operation and maintenance costs of the infrastructure through water users' fees set up by the associations. By involving the farmers in the routine maintenance of the farm access roads to the schemes, water conveyance and drainage systems, ownership will be instilled in them from the onset, and they will see the continued maintenance of these assets as necessary to the success of their enterprises. Poultry and livestock enterprises will be set up for group of beneficiaries selected on a set of criteria. These beneficiaries will be trained, equipped and mentored by the private sector during the first production cycle. The beneficiaries will further demonstrate their ownership through their investments in production inputs and agro-processing equipment, either as owners or as service providers, with a view to creating jobs and wealth in their communities.

4.4.3. The approach used value chains development which will ensure sustainability. It involves private sector engagement in providing market and credit for investment.

#### **4.5 Risk management**

The Project Result Based Logical framework (RBLF) has identified certain risks and proposed some mitigation measures summarized in Table 4.1.

**Table 4.1: Potential Risks and Mitigation Measures**

Risks	Rating <sup>1</sup>	Mitigation Measures
1. Lack of clear strategy for livestock sector development, especially in the poultry subsector	H	Encourage Government to design a comprehensive strategy in livestock sector through dialogue
2. Deforestation to gain new lands and increase salinity on fresh water	M	Provide support to Department of Water, only develop already cleared uplands under cultivation and provide training on climate change
3. Farmers do not follow proposed farming calendar___Inadequate rainfall	H	Provide adequate training to farmers through support to extension services. Provide drought tolerant varieties (NERICA) and fully implement the ESMP
4. Livestock and rice Packages not properly used.	H	Work only with adequately trained Farmers' Based Associations with bank accounts (revolving system) and carefully selected trained youth and female promoters
5. Delays due to high turnover of project staff	M	Constant dialogue with government and partners to maintain critical staff

<sup>1</sup>M = Medium; L = Low; H= High

#### **4.6 Knowledge building**

The CPCU is the hub for all projects in MOA. Various studies including the baseline study of FASDEP, and the development of a comprehensive framework policy document for the sustainable management of the Gambia agricultural water scheme will provide the requisite knowledge and data that would be used for an effective monitoring of the project indicators as well as long term planning in the utilization of agriculture water. The FFS and FBS will serve as sources of innovative knowledge and information sharing learning tools empowering farmers and other actors of the value chain to train their peers, share knowledge and experiences, thus reducing their overdependence on the public extension agents. This will also expand significantly the number of farmers having access to the disseminated knowledge and information. The technical assistance supports will introduce and consolidate knowledge and skills, and facilitate technology and skills transfer both at the community and national levels.

## **V. LEGAL INSTRUMENTS AND AUTHORITY**

### **5.1. Legal instrument**

An ADF loan will be used to finance the proposed project. A loan agreement will be signed between the Fund and The Republic of The Gambia.

## **5.2. *Conditions associated with Bank's intervention***

### **A. Condition Precedent to Entry into Force of the Loan Agreement**

5.2.1 The entry into force of the Loan Agreement shall be subject to the fulfilment by the Borrower of the condition set forth in section 12.01 of the General Conditions Applicable to Loans and Guarantee Agreements of the Fund.

### **B. Condition Precedent to First Disbursement**

5.2.2 The obligation of the Fund to make first disbursement shall be subject to the entry into force of the Loan Agreement and the submission by the Borrower of evidence, acceptable to the Fund, that the following conditions have been fulfilled.

- i) Appointment of a management team consisting of a Project Director, Accountant, Procurement Expert and Monitoring and Evaluation Expert for day-to-day running of the project following the Fund formal non-objection (see section 4.1.2); and
- ii) Opening a foreign currency denominated special account and a local currency denominated account in a bank acceptable to the Fund, into which the proceeds of the Loan will be deposited (see section 4.1.6).

## **5.3. *Compliance with Bank Policies***

This project complies with all applicable Bank policies

## **VI. RECOMMENDATION**

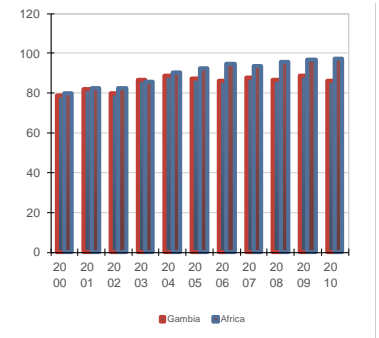
Management recommends that the Board of Directors approve the proposed ADF loan of UA 6.00 million to The Republic of The Gambia for the purposes and subject to the conditions stipulated in this report.

## Appendix I: Country's comparative socio-economic indicators

[Insert table of comparative socio-economic indicators]

Indicator	Year	Gambia	Africa	Developing Countries	Developed Countries	Charts
<b>Basic Indicators</b>						
Area ('000 Km²)	2011	11.3	30,046.4	80,976.0	54,658.4	
Total Population (millions)	2014	1.9	1,136.5	5,628.5	1,068.7	
Urban Population (% of Total)	2014	58.9	40.6	44.8	77.7	
Population Density (per Km²)	2012	157.2	34.5	66.6	23.1	
GNI per Capita (US \$)	2012	510.0	1,691.5	2,780.3	39,688.1	
Labor Force Participation - Total (%)	2014	43.2	37.5	0.0	0.0	
Labor Force Participation - Female (%)	2014	48.4	42.6	39.8	43.3	
Gender -Related Development Index Value	2007	0.5	0.9	..	0.9	
Human Develop. Index (Rank among 182 countries)	2013	172.0	..	..	..	
Popul. Living Below \$ 1 a Day (% of Population)	2003	33.6	..	25.0	..	
<b>Demographic Indicators</b>						
Population Growth Rate - Total (%)	2014	3.2	2.5	1.4	0.7	
Population Growth Rate - Urban (%)	2014	4.1	3.4	2.4	1.0	
Population < 15 years (%)	2014	45.8	40.8	29.2	17.7	
Population >= 65 years (%)	2014	2.4	3.5	6.0	15.3	
Dependency Ratio (%)	2014	81.4	77.3	52.8	..	
Sex Ratio (per 100 female)	2014	97.9	100.0	934.9	948.3	
Female Population 15-49 years (% of total population)	2014	23.8	24.0	53.3	47.2	
Life Expectancy at Birth - Total (years)	2014	59.0	59.6	65.7	79.8	
Life Expectancy at Birth - Female (years)	2014	60.4	60.7	68.9	82.7	
Crude Birth Rate (per 1,000)	2014	42.4	35.0	21.5	12.0	
Crude Death Rate (per 1,000)	2014	9.5	10.2	8.2	8.3	
Infant Mortality Rate (per 1,000)	2013	49.4	56.1	53.1	5.8	
Child Mortality Rate (per 1,000)	2013	73.8	84.0	51.4	6.3	
Total Fertility Rate (per woman)	2014	5.7	4.6	2.7	1.8	
Maternal Mortality Rate (per 100,000)	2013	430.0	411.5	440.0	10.0	
Women Using Contraception (%)	2014	10.5	34.9	61.0	75.0	
<b>Health &amp; Nutrition Indicators</b>						
Physicians (per 100,000 people)	2008	3.8	15.0	77.0	287.0	
Nurses (per 100,000 people)*	2008	56.8	..	98.0	782.0	
Births attended by Trained Health Personnel (%)	2010	56.6	..	39.0	99.3	
Access to Safe Water (% of Population)	2012	90.1	68.8	84.0	99.6	
Access to Health Services (% of Population)	2000	93.0	65.2	80.0	100.0	
Access to Sanitation (% of Population)	2012	60.2	39.4	54.6	99.8	
Percent. of Adults (aged 15-49) Living with HIV/AIDS	2013	1.2	3.8	161.9	14.1	
Incidence of Tuberculosis (per 100,000)	2013	173.0	246.0	..	..	
Child Immunization Against Tuberculosis (%)	2013	98.0	84.1	89.0	99.0	
Child Immunization Against Measles (%)	2013	96.0	76.2	76.0	92.6	
Underweight Children (% of children under 5 years)	2010	17.4	..	27.0	0.1	
Daily Calorie Supply per Capita	2011	2,849.0	2,617.6	2,675.2	3,284.7	
Public Expenditure on Health (as % of GDP)	2012	3.3	5.9	4.0	6.9	
<b>Education Indicators</b>						
Gross Enrolment Ratio (%)		..	..	..	..	
Primary School - Total	2013	86.6	100.7	106.0	101.5	
Primary School - Female	2013	88.4	97.1	104.6	101.2	
Secondary School - Total	2010	57.5	50.1	62.3	100.3	
Secondary School - Female	2010	56.0	47.1	60.7	100.0	
Primary School Female Teaching Staff (% of Total)	2013	29.4	45.5	..	..	
Adult Illiteracy Rate - Total (%)	2012	48.0	..	19.0	..	

Adult Illiteracy Rate - Male (%)	2012	38.6	..	13.4	..
Adult Illiteracy Rate - Female (%)	2012	56.9	..	24.4	..
Percentage of GDP Spent on Education	2012	4.1	5.3	..	5.4
<b>Environmental Indicators</b>					
Land Use (Arable Land as % of Total Land Area)	2011	44.5	8.4	9.9	11.6
Annual Rate of Deforestation (%)	2000	-1.0	0.6	0.4	-0.2
Annual Rate of Reforestation (%)		..	..	..	..
Per Capita CO2 Emissions (metric tons)	2010	0.3	1.1	..	..



## Appendix II: Table of ADB's portfolio in the country

List of active projects (loans and grants) by Sector:

### Bank Group ongoing national operations in Gambia as at 15 December 2015

Sector / Operation	Approval date	Amount approved (UA million)	Amount disbursed (UA million)	Disbursement ratio (%)	Closing date
<b>RURAL DEVELOPMENT</b>					
1 Food & agriculture sector devpt project (GAFSP)	15/05/13	19.11	3.75	19.6	30/06/19
<b>Sub-total / Average</b>		<b>19.11</b>	<b>3.75</b>	<b>19.6</b>	
<b>WATER &amp; SANITATION</b>					
2 Rural water supply and sanitation	13/02/2012 13/02/2012	1.11 3.15	0.70 1.09	63.3 34.5	31/12/2016 31/12/2016
<b>Sub-total / Average</b>		<b>4.26</b>	<b>1.79</b>	<b>42</b>	
<b>GOVERNANCE</b>					
3 ISP for economic and financial governance	30/09/2011	2.00	2.00	100	31/12/2015
4 Institutional Support for Economic and Financial Governance Phase III (ISEGF III)	23/09/2015	2.00	0	0	31/12/2017
5 Support to financial intelligence unit of The Gambia in the implementation of Anti-money Laundering and Terrorism Financing	03/10/2013	0.11	0.05	47.2	31/12/2015
<b>Sub-total / Average</b>		<b>4.11</b>	<b>2.05</b>	<b>49.7</b>	
<b>TOTAL</b>		<b>27.48</b>	<b>7.59</b>	<b>27.6</b>	



**Bank Group Private Sector Ongoing Operations in Gambia as at 15 December 2015**

Sector / Operation		Approval date	Approved amount (UA million)	Disbursed amount (UA million)	Disbursement ratio (%)	Closing date
1	Horizons Clinic Project	16/04/2014	5.89	-	-	01/05/2025
<b>TOTAL</b>			<b>5.89</b>			

**Bank Group regional ongoing operations in Gambia as at 15 December 2015**

Sector / Operation		Approval date	Approved amount (UA million)	Disbursed amount (UA million)	Disburse. ratio (%)	Closing date
<b>RURAL DEVELOPMENT</b>						
1	Programme building resilience against food and nutritional insecurity in the Sahel (P2RS)	15/10/2014	11.50	0.23	2	30-June-2020
<b>Sub-Total</b>			<b>11.50</b>	<b>0.23</b>	<b>2</b>	
<b>INFRASTRUCTURES</b>						
2	Trans-Gambia River crossing Project	16/12/2011	63.55	10.19	16	30/106/2017
3	Trans-Gambia corridor Phase II Preparatory studies project	19/10/2014	1.00	0	0	31/12/2016
4	OMVG Energy project (loan) (grant)	30/09/2015	3.00	0	0	31/12/2020
		30/09/2015	0.75	0	0	30/12/2020
<b>Sub-Total</b>			<b>68.30</b>	<b>10.19</b>	<b>15</b>	
<b>TOTAL</b>			<b>79.80</b>	<b>10.42</b>	<b>13</b>	

**Appendix III: Key Related Projects financed by the Bank and other Development Partners in the Country**

<b>Areas of intervention</b>	<b>Amount In million</b>	<b>Period</b>	<b>Development Partner</b>	<b>Instrument</b>	<b>Status</b>
Food & agriculture sector development project (GAFSP)	USD 27.30	5 years	AfDB/GAFSP	Grant	On-going
Nema	USD 65.00	2 cycles of 3 years each	IFAD/IsDB	Grant	On-Going
Programme for building resilience against food and nutritional insecurity in the Sahel (P2RS)	UA 11.50	5 years	AfDB	Grant	On-going

**Appendix IV: Allocation of Loan Proceeds (Amounts in UA Thousand)**

CATEGORIES OF EXPENDITURES	ADF LOAN			GVT			BENEF			PROJECT		
	Local	Foreign	Total	Local	Foreign	Total	Local	Foreign	Total	Local	Foreign	Total
<b>A. GOODS</b>	<b>189.48</b>	<b>881.73</b>	<b>1 071.21</b>	-	-	-	<b>25.45</b>	-	<b>25.45</b>	<b>214.93</b>	<b>881.73</b>	<b>1,096.66</b>
1. VEHICLE	8.08	72.75	80.83	-	-	-	-	-	-	8.08	72.75	80.83
2. OTHER EQUIPMENT	42.87	393.38	436.25	-	-	-	25.45	-	25.45	68.32	393.38	461.70
3. INPUTS	138.53	415.59	554.12	-	-	-	-	-	-	138.53	415.59	554.12
<b>B. WORKS</b>	<b>644.00</b>	<b>1,923.16</b>	<b>2,567.17</b>	<b>83.29</b>	-	<b>83.29</b>	<b>35.81</b>	-	<b>35.81</b>	<b>763.10</b>	<b>1,923.16</b>	<b>2,686.26</b>
1. LAND DVPT	438.00	1,316.91	1,754.91	-	-	-	35.81	-	35.81	473.80	1,316.91	1,790.72
3. OTHER WORKS	206.01	606.25	812.26	83.29	-	83.29	-	-	-	289.29	606.25	895.55
<b>C. SERVICES</b>	<b>689.46</b>	<b>707.62</b>	<b>1 397.09</b>	-	-	-	-	-	-	<b>689.46</b>	<b>707.62</b>	<b>1,397.09</b>
1. TRAINING	145.48	218.22	363.70	-	-	-	-	-	-	145.48	218.22	363.70
2. TECHNICAL ASSISTANCE	189.80	284.71	474.51	-	-	-	-	-	-	189.80	284.71	474.51
3. STUDIES	16.60	24.90	41.49	-	-	-	-	-	-	16.60	24.90	41.49
4. CONTRACTUAL SERVICES	323.21	158.25	481.46	-	-	-	-	-	-	323.21	158.25	481.46
5. AUDIT	14.37	21.56	35.93	-	-	-	-	-	-	14.37	21.56	35.93
<b>D. PERSONNELS</b>	<b>191.84</b>	-	<b>191.84</b>	<b>139.68</b>	-	<b>139.68</b>	-	-	-	<b>331.53</b>	<b>0.00</b>	<b>331.53</b>
<b>E. OPERATING COST</b>	<b>165.16</b>	<b>108.77</b>	<b>273.92</b>	<b>102.74</b>	-	<b>102.74</b>	<b>201.50</b>	-	<b>201.50</b>	<b>469.40</b>	<b>108.77</b>	<b>578.17</b>
Un-allocated	242.26	256.51	498.77	30.58	-	30.58	50.79	-	50.79	323.64	256.51	580.15
<b>TOTAL PROJECT COSTS</b>	<b>2,122.21</b>	<b>3,877.79</b>	<b>6,000.00</b>	<b>356.30</b>	-	<b>356.30</b>	<b>313.55</b>	-	<b>313.55</b>	<b>2,792.06</b>	<b>3,877.79</b>	<b>6,669.85</b>

## Appendix V: Summary Procurement Table in UA Thousand (COSTAB)

CATEGORIES OF EXPENDITURE	NBC	Consulting Services	Local Shopping	Direct Contracting	N.B.F.	Total
<b>A. GOODS</b>	<b>542.52 [513,30]</b>			611.33 [611.33]	37.50 [37.50]	<b>1,191.35 [1,162.13]</b>
1. VEHICLE	84.37 [84.37]	-	-	-	-	84.37 [84.37]
2. OTHER EQUIPMENT	458.15 [428.93]	-	-	-	37.50 [37.50]	495.65 [466.43]
3. INPUTS	-	-	-	611.33 [611.33]	-	611.33 [611.33]
<b>B. WORKS</b>	<b>2,842.95 [2,842.95]</b>				<b>92.97</b>	<b>2,935.92 [2,801.12]</b>
1. LAND DVPT	1,967.80 [1,925.97]	-	-	-	-	1,967.80 [1,925.97]
2. OTHER WORKS	875.15 [875.15]	-	-	-	92.97	968.12 [875.15]
<b>C. SERVICES</b>		<b>926.82 [926.82]</b>		<b>512.88 [512.88]</b>	<b>88.61 [88.61]</b>	<b>1,528.31 [1,528.31]</b>
1. TRAINING	-	313.10 [313.10]	-	-	88.61 [88.61]	401.71 [401.71]
2. TECHNICAL ASSISTANCE	-	529.87 [529.87]	-	-	-	529.87 [529.87]
3. STUDIES	-	43.41 [43.41]	-	-	-	43.41 [43.41]
4. CONTRACTUAL SERVICES	-	-	-	512.88 [512.88]	-	512.88 [512.88]
5. AUDIT	-	40.44 [40.44]	-	-	-	40.44 [40.44]
<b>D. PERSONNELS</b>	-	-	-	-	<b>331.53 [191.84]</b>	<b>331.53 [191.84]</b>
<b>E. OPERATING COST</b>	-	-	<b>479.99 [237.49]</b>	-	<b>202.75 [79.11]</b>	<b>682.73 [316.60]</b>
<b>TOTAL PROJECT COSTS</b>	<b>3,385.48 [3,314.42]</b>	<b>926.82 [926.82]</b>	<b>479.99 [237.49]</b>	<b>1,124.21 [1,124.21]</b>	<b>753.35 [397.06]</b>	<b>6,669.85 [6,000.00]</b>
<b>Note : Figures in brackets are the respective amounts financed by The African Development Fund Loan</b>						

## Appendix VI: Map of the Project Area

