



# Project Information Document (PID)

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Concept Stage | Date Prepared/Updated: 24-Sep-2020 | Report No: PIDC29158

**BASIC INFORMATION****A. Basic Project Data**

Country Cote d'Ivoire	Project ID P171613	Parent Project ID (if any)	Project Name Cote d'Ivoire Agri-Food Sector Development Project (P171613)
Region AFRICA WEST	Estimated Appraisal Date Feb 09, 2021	Estimated Board Date Feb 26, 2021	Practice Area (Lead) Agriculture and Food
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Economy and Finance	Implementing Agency Ministry of Commerce and Industry, Ministry of Agriculture and Rural Development	

**Proposed Development Objective(s)**

The Project Development Objective (PDO) is to enhance the competitiveness of selected agri-value chains through interventions to increase food production, enhance value added and improve access to markets in Project areas

**PROJECT FINANCING DATA (US\$, Millions)****SUMMARY**

<b>Total Project Cost</b>	250.00
<b>Total Financing</b>	250.00
<b>of which IBRD/IDA</b>	250.00
<b>Financing Gap</b>	0.00

**DETAILS****World Bank Group Financing**

International Development Association (IDA)	250.00
IDA Credit	250.00

Environmental and Social Risk Classification

Concept Review Decision



Substantial

Track II-The review did authorize the preparation to continue

Other Decision (as needed)

## B. Introduction and Context

### Country Context

1. **Since 2012, with the return of peace after a period of civil conflict that lasted from 2000 to 2011, Côte d'Ivoire has experienced a strong economic revival.** From 2012 to 2019, Ivory Coast has been one of the fastest growing economy in sub-Saharan Africa, and even in the world with an average real annual GDP growth of about 8 percent (World Bank, 2019). This impressive growth performance -- supported by sound Government policies -- macroeconomic stability; improvement of basic infrastructure and of the business environment to support private investments -- has been driven by the private sector, and notably services (including strong telecommunication, trade and transport services), retail and construction supported by increasing incomes in the middle class.

2. **Before the onslaught of the Covid epidemics, GDP growth was projected at over 7 percent in the medium-term.** However, the impact of Covid, although less severe than in other countries, has been hard, with growth forecasts for 2020 slashed from 7.2% to 3.6% (and to 1.2% should the pandemic persist longer). The government has acted swiftly and effectively to contain the epidemics (confirmed infection rates are so far relatively low at less than 20,000 cases as of September 2020) and prepared and implemented a crisis response package (amounting 1,700 Billion F CFA, or about 5% of the country GDP) with broad coverage to address the immediate impact for enterprises and households – and pave the way for a rapid post-Covid recovery. As the health crises gradually dissipates, the economy should recover in 2021-22 and return to its pre-Covid path of strong growth (although downside risks remain), with Government pursuing the implementation of the main thrusts of its 2016–20 National Development Plan (NDP) to foster structural economic transformation, achieve strong and inclusive growth, massively create employment and halve poverty.

3. **The excellent economic performance of Côte d'Ivoire<sup>1</sup> has however not produced the results expected in terms of social inclusion and reduction in the poverty rate, with the Covid crisis, acting as a “a magnifying glass for inequalities”<sup>2</sup>.** At national level, poverty rate did decline from 55% in 2011 to 44.4% in 2015, and 39.4% in 2018, but poverty in rural area remains very high (falling from 62.5% to 56.8% from 2008 to 2015) and the benefits of strong economic growth mostly concentrated in urban areas, the Greater Abidjan in particular<sup>3</sup>. The 2019 UNDP Human Development Report indicates that Côte d'Ivoire's Human Development Index (HDI) value for 2018 is 0.516, which puts the country in the low human development category positioning it at 165 out of 189 countries and territories, with only a modest gain from 2010 (0.442). When the value of its HDI is discounted for inequality, Cote d'Ivoire HDI falls further to 0.331, a loss of 35.8 percent due to inequality and lower than the average Sub-Saharan Africa (SSA) IHDI (0.376). The 2018 Women HDI value for Côte d'Ivoire is 0.445 in contrast with 0.559 for males, resulting in a ratio of 0.796, placing the country much lower than for SSA (0.891) and its Gender Inequality Index (GII) value was 0.657, ranking it 157 out of 162

<sup>1</sup> Which has translated into an increase in GDP per-capita of over 5% per year and 35% over the period with Cote d'Ivoire per capita GDP has now surpassing that of Ghana, Nigeria and Kenya/

<sup>2</sup> Covid-19 and Human Development: Assessing the crisis, envisioning the recovery; UNDP May 2020.

<sup>3</sup> The distribution of economic welfare indicates substantial inequalities as revealed by the Gini measure of inequality estimated at 41% in 2015.



countries in the 2018 index. Cote d'Ivoire's future development strategy will thus pay a much-increased priority to addressing inclusive growth, in particular in rural areas and for women.

### Sectoral and Institutional Context

4. **Côte d'Ivoire's economic development has largely been built on agriculture.** The past remarkable performance of its agriculture is the result of favorable agroclimatic conditions, the immigration of labor from the countries to the north (Burkina Faso, Mali) and relatively liberal economic policies. The sector contributes to about 22% of the GDP and is the main source of foreign exchange earnings (60% of export revenues in 2018). It also provides employment to about 45 percent of the working population. In addition, a considerable share of the manufacturing and transport sectors depends on agriculture. The country has a well-diversified agricultural portfolio: cash crops are represented by cocoa, cashew nut, palm oil, rubber and cotton<sup>4</sup>, and the country is also self-sufficient in a variety of staple foods – e.g. maize, sorghum, millet, yam, cassava, plantain – with growing exports to the sub-region, the only exception being rice for which it imports about 50 percent of its needs.

5. **The agricultural sector is dominated by about 1.7 million of small individual/family farms (11 million of persons or 47% of total population) which account for 95 percent of all cultivated land, against 5 percent for industrial and large estates.** Most family farms are diversified, producing a combination of food crops and cash crops largely for own consumption (about 25% surplus commercialized on average) and one or more cash crops depending on the region (cocoa, rubber and oil palm in the South, cotton and cashew in the North). Although there are signs of intensification, cropping systems are still mostly extensive, largely manual and using few modern agricultural inputs except for some cash crops (cotton, oil palm, pineapple) and irrigated rice. Several factors can explain this slow intensification: a so far relative abundance of land, poor transport infrastructure, the lack of access to well-suited technologies/inputs and financial services and an ageing farming population with low levels of education and a limited capacity to adopt new technologies<sup>5</sup>. There is an emerging trend of commercialized small/medium scale farms in cash crops (rubber, oil palm, banana and pineapple) and in the food crop sub-sector mostly in rice and vegetable production in urban and peri-urban areas.

6. **Agricultural growth has been satisfactory but its contribution to the overall economic growth and poverty reduction has been below its potential.** It is estimated that agricultural growth has been on average around 3% over the last decade, with significant annual fluctuation due to the largely rainfed nature of the farming systems. This relatively slow growth and the stagnation of productivity have not allowed a major decline in poverty in rural areas. Poverty in rural areas and among agricultural households is estimated at around 57% (2015) against 36% in urban areas with 4 out of 5 poor living in rural areas. The impact of Covid-19 on the agricultural sector has been relatively limited, and essentially linked to the pandemic's impact on external markets, with a depressed demand for Cote d'Ivoire's main exports (cocoa, cashew but mostly rubber and cotton). The food crop sector has been little affected as it largely supplies the domestic market, confinement measures have concerned only the greater



<sup>4</sup> The country is now the world's largest producer of cocoa (40 percent of the world's output), has become the world's leading producer and exporter of raw cashew nuts, and remains the largest exporter of rubber, palm oil, bananas, pineapples and copra in Africa, as well as the second ranked African producer of Robusta (7<sup>th</sup> in the world).

<sup>5</sup> more than a third of farmers are over 50 years old and only 10 percent are less than 30 years old (the new generation of producers). More than half (58 percent) have never been to school.



Abidjan and the transport of food crops to supply the main domestic consumption markets has been exempted from any restriction (the closing of borders has however affected Ivorian food exports to neighboring countries). The stability of domestic markets demonstrates that Covid-19 has had little impact on food crop production. The agricultural sector has received an important support under Government's Covid crisis response package (estimated at 250 billion FCFA for the cash crop and FCFA 50 billion for the food crop sub-sector) focused on preserving the main productive assets.

7. **The Ivorian economy has started its structural transformation, but the agricultural sector still is and will remain a main provider of employment on the future.** The share of agriculture in Cote d'Ivoire GDP has declined from 32% in 1990 to 22% today while the proportion of agricultural employment has also gradually declined to about 45% of the total labor force. However, according to the UN demographic projection, the rural population (in large part agricultural, will continue to increase until at least 2050 and the rural/agricultural sector will continue to be a critical engine of growth and poverty alleviation in the foreseeable future. Government's economic and social development strategy (National Development Plan 2016-2021 and National Agricultural Investment Plan 2017-25) make boosting the productivity of the agricultural sector and shifting from a semi-subsistence to a market-oriented sector key for increasing the sector's contribution to overall economic growth, employment creation and poverty reduction.

8. **The food crop sector will be a critical component of Government strategy.** Food crops (cereals, roots and tubers, vegetables and fruits) represents 46% of agricultural GDP (about 10% of total GDP). It is essentially rainfed and food is produced by small family farms with low productivity and generating small marketable surpluses. Globally however, the growth in the sub-sector has followed or slightly exceeded population growth which has allowed the country to be food self-sufficient except for rice (for which the country imports nearly 50% of its needs with other imports concerning cattle, fish and wheat). Cote d'Ivoire also exports significant (but unknown) quantities of food crops to countries of the sub-region (cassava, plantain, maize and palm oil). In Cote d'Ivoire, food insecurity affects about 11% of the population but is largely at individual household level and due to financial constraint and not to the non-availability of food, although it may also be increasingly affected by climate shocks, especially in the North. Food access is also constrained in some areas by a lack of wholesale markets and poor rural infrastructure which results in high food prices. Malnutrition is also relatively high (it affects 22% of children under five according to WFP) but is also due to financial constraints and deficient diets.

9. **The rising demand for food will be a major driver of agricultural growth.** Domestic demand for food crops and animal products should grow significantly faster than the rate of population growth due to rising income, urbanization, and the demand for animal feed. Cote d'Ivoire will experience further urbanization from 50% currently to an estimated 66% in 2050, combined with a large expansion in its middle class. This will drive major changes in the dietary patterns and food expenditures of domestic consumers with an increased consumption of animal products, fruits and vegetables, and processed foods. The regional market also offers considerable opportunities for Ivorian products. Regional food crop production has been struggling to keep up with the steady increase in the regional demand over the last decade and ECOWAS dependency in food imports has risen considerably in recent years. The total population of West Africa will reach 515 million by 2030 and to 850 million by 2050 and the rapid urbanization of the population combined with a steady increase in income levels will offer important opportunities to Ivorian producers if they can be competitive with regional producers and extra-regional imports.

10. **The development of food crops value chains will also be a major source of employment creation, in particular for women.** While traditionally cash crop production is dominated by men, the vast majority of food crop value chain participants, from production to processing and retail, are women<sup>6</sup>. The growing urban demand and the shift to higher value and more processed food products will have a powerful impact on labor creation, in particular for women, as these higher value crops, such as horticulture crops, have multiple times higher labor use per hectare than staple foods. Also,

<sup>6</sup> Rapid Review of the Opportunities for Women in the Horticulture, World Bank's Africa Region and IFC.



the development of the food value chains will provide increasing job opportunities in non-agricultural employment (off-farm food distribution, transformation and services) as it includes many small enterprises and represents a relatively large share of jobs in the manufacturing and services industries. Although the country experienced a remarkable reduction in gender gap both for export and food crops productivity<sup>7</sup> over the past decade, due to increased use of fertilizers, pesticides and female labor, there are still underlying issues that need to be addressed in the food crops sector. The drivers of this pervasive gender inequality include mainly use of male household labor, access to land and use of pesticide. These constraints should be lifted if the sector is to achieve its full potential in terms of production and of employment, income and empowerment of women.

**11. However, to realize this growth potential, the Ivorian food crop sector will need to address several challenges.** With the growing population shift, one farmer will need to produce a surplus for 2 non-agricultural consumers in 2030 and probably for at least 4 in 2050. Land constraints will also become gradually more binding. Farm-level productivity will have to increase substantially through a much-improved access to inputs and technologies well suited to market demand and agro-climatic conditions. Food crop farming systems will have to become more resilient to climate change. Agri-value chains will also need to be tightly integrated and responsive to adapt to demand changes and reduce cost. This deep structural transformation of agri-value chains will require addressing: (i) producers' poor access to markets because of poor transport infrastructure and services as well as the lack of adequate marketing infrastructure, market information systems and quality control mechanisms; (ii) weak value addition due to inefficiencies in post-harvest management and agro-processing capacities, (iii) a very poor access to financial services; (iv) a still unsupportive business environment and weaknesses in the current institutional environment of the sector, in particular poorly integrated value chains and the difficulty of establishing reliable contractual arrangements between actors. Finally, specific constraints faced by women, who are key actors in food crop value chains, for example for accessing land and services, will need to be relaxed.

#### Relationship to CPF

**12. The project will contribute to the government's structural transformation agenda of the agricultural sector for inclusive and sustainable growth, employment generation and food security.** The importance of the agriculture sector for poverty alleviation and economic growth has long been recognized by the Ivorian Government in its successive Poverty Reduction Strategy Papers (PRSPs) and Economic Development Plans, operationalized by National Agricultural Investment Plans (PNIA). The first phase of the PNIA (2010-2015) set up successfully the institutional framework necessary to bounce back the agricultural sector after the 2010 crisis. Emphasis was placed on improved regulation, elaboration of sectoral policies and improved governance of agricultural industries. The second National Development Plan 2016-2021 (PNIA II) puts the development of agriculture at the center of the country's economic and social development has a particular focus on the structural transformation of the agricultural sector through a shift from a semi-subsistence sector to a market-oriented sector, the development of integrated value chains, value addition through processing and the country's food system for a more inclusive sustainable growth, the creation of employment and national food security. The PNIA II introduces a new strategy anchoring the development of the agricultural sector on nine geographical Agricultural Growth Poles ("agropoles")<sup>8</sup>.

**13. The proposed project is fully aligned with Government's agricultural development strategy and the priorities of its PNIA II as well as with the regional priorities of the WBG which supports economic transformation through greater private sector investments, including in critical agricultural value chains.** The WBG has long been engaged in the cocoa

<sup>7</sup> Gender gap in agricultural productivity for food crops went from 40% to 16% from 2008 to 2016. "Reducing the agricultural productivity gap in Cote d'Ivoire. How has it changed?", World Bank, 2020

<sup>8</sup> Areas with a recognized potential for the production of specific crops for which specific programs are prepared to frame the integrated development of agriculture, agro-industrial activities and logistics.



sector in Cote d'Ivoire as it is a top priority in the Ivorian economic and social development agenda. The WBG has played a major role in supporting the cocoa sector's 2011 reform under the Heavily Indebted Poor Countries (HIPC) initiative, accompanied with an investment operation (Agriculture Sector Support Project-PSAC – P119308) supporting farmers access to improved technologies and markets and strengthening the actor's capacity along key export value chains including cocoa, cotton, oil palm and rubber. The West Africa Agricultural Productivity Program (WAAPP – P117148) in Cote d'Ivoire has supported technology development and dissemination, in particular for food crops, and the establishment of a West Africa specialized center of excellence in banana and plantain in Cote d'Ivoire. A series of Development Policy Operations (DPOs) is supporting the Government in its effort to improve the sustainability and governance of the cocoa and forestry sectors. IFC is also actively involved in supporting private investments in agricultural value chains and improving the enabling environment for agriculture.

14. **The proposed project supports IDA19 policy priorities (Gender, Climate, Governance, Jobs, FCV).** The project will support the following key agendas: (i) *Economic transformation and job creation*: by supporting sustained increases in agricultural productivity and a shift to truly commercial enterprises, the strengthening of efficient value chains and the development of a thriving rural economy which will in turn create quality employment in upstream and downstream activities servicing agriculture; (ii) *resilience building and food security*: by enhancing resilience of domestic agricultural production systems through the promotion of climate smart technologies<sup>9</sup>; (iii) *Regional integration*: by building on the results of the WAAPP to integrate food value chains in the input (regional network of research institutions sharing agricultural technologies and innovations, regional policies for seeds, fertilizer, pesticides,) and product markets (intra-regional harmonized trade policies; and (iv) *Gender inclusion*: by helping removing the severe constraints in access and ownership of productive resources (including land) faced by women as well as support their access to information, financial services and technologies (for production, processing and marketing).

### C. Proposed Development Objective(s)

15. The Project Development Objective (PDO) is to enhance the competitiveness of selected agri-value chains through interventions to increase food production, enhance value added and improve access to markets in Project areas

#### Key Results (From PCN)

16. **PDO Level Indicators.** The proposed PDO-level performance indicators are the following:

- (i) Volume of agri-food products marketed by project supported beneficiaries in targeted agri-value chains
- (ii) Volume of processed products (%) by project supported beneficiaries in targeted agri-value chains
- (iii) Value of private investment supported by the project in targeted agri-value-chains
- (iv) Number of jobs created through project supported activities (gender disaggregated)

### D. Concept Description

<sup>9</sup> The project will also contribute to the WBG's Africa Climate Change Business Plan and to reaching CIV's climate change mitigation and adaptation targets articulated in the Intended National Determined Contribution (INDC).



17. The project addresses significant challenges to developing agri-food value chains within Cote d'Ivoire, including: (i) poor organization of smallholder farmers and support institutions; (ii) low productivity due to limited access to improved technologies, and modern inputs; (iii) weak access to markets due to inadequate post-harvest, transport, and market infrastructure; and (iv) limited processing capacity and value-added activities. The project's approach reflects three core principles. The first principle is to target value chains with high growth potential in an integrated way (from farm to fork). The second principle is to concentrate investments in high-potential areas within the project zone to address binding constraints, achieve greater economies of scale, and eventually crowd-in economic activities. Considering the key role women and youth play in all segments of the value chains, the third principle ensures that the project addresses gender gaps. Towards this end, the project will be designed in accordance with the "Agropole" approach as defined by the PNIA 2016-2025, with a clear focus on increasing market demand as a main driving force for the development of the selected value chains. The demand of the selected consumption centers at domestic and regional level will drive the nature (which crop) and quality (fresh, processed) of the food to be produced within the production areas best able to supply this demand.

- *The three main urban consumption centers* proposed under the project are: the greater Abidjan; San Pedro/Sassandra and Daloa/Gagnoa (a fourth center that may potentially be selected under the project would be Bouake). Other major consumption centers such as Yamoussoukro and Korhogo are already supported by on-going or proposed projects financed by other donors (i.e.; AfDB);
- *The priority food value chains* to be supported under the project include: cassava, plantain, vegetables and aquaculture. These value chains have been selected based on: (i) Existing market demand, based on the presence of competing producers, competitive advantages (i.e.; market distance)<sup>10</sup>, and existing or planned distribution channels (i.e; end-consumer markets, industry); (ii) High growth potential, demonstrated by positive growth trends of the value chains, scope for expanding production and/or scope for value addition through processing or product improvement, and sufficient technological and managerial level of enterprises in the sector; (iii) Potential for poverty reduction, indicated by the share of poor people employed in the value chains as compared to the economy at large, covering locations where poor people live, low entry barriers for small-scale and poor entrepreneurs, and production using services, raw material, and skills that are available locally. Value chains were also selected based on a fourth criterion of project-related aspects—including their relevance to priorities expressed in government development policies, World Bank Group priorities, alignment with livelihood conditions (year-round income, use of family labor, rapid returns, and contributing to food security), prospects of offering opportunities for women, and significance for the rural economy. The fifth criterion related to other factors, including outreach (size of the value chain in relation to the project resources, significant number of people employed and new job opportunities created, significant area covered); prospects for success (own initiatives and commitment of chain actors and their readiness for change, sufficient resources such as time and know-how); the existence of partners to collaborate with; and demand on the part of investors and partners.

18. **Geographical focus.** The Project is expected to operate in five **areas out of Government's nine** Agropoles (eventually 6 if the Bouake consumption center is included): (i) Agropole 3: covering the Regions of Indénié-Djuablin, La Mé and Sud Comoé regions (with comparative advantage for the production of cassava, plantain, vegetables); (ii) Agropole 5: covering the Regions of the Abidjan District, Grands Ponts and Agneby Tiassa (rice, cassava, vegetables, poultry, aquaculture); (iii) Agropole 6: covering the Regions of Marahoué, Haut Sassandra, Goh and Loh Djiboua) (rice, yam,

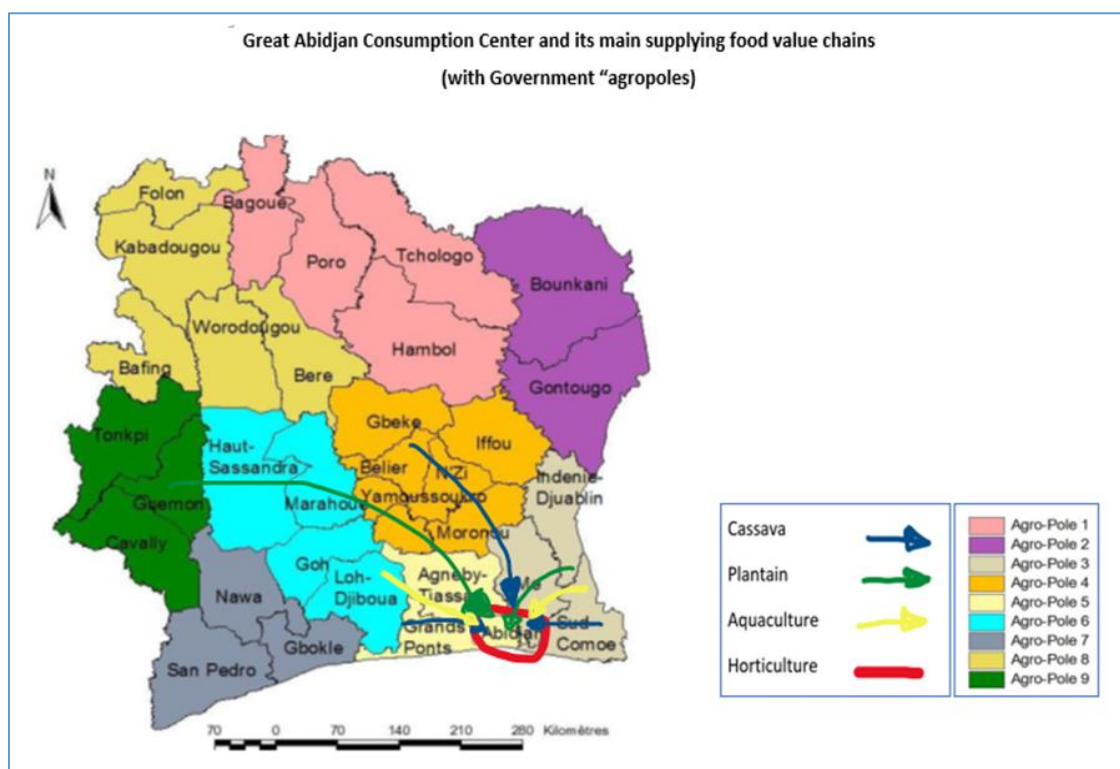
- <sup>10</sup> For example, peri-urban areas for horticultural crops, the coastal and center regions for cassava or the western region for plantain.





cassava); (iv) *Agropole 7*: covering the Regions of San Pedro, Nawa and Gbokle (rice, plantain, cassava); and *Agropole 9*: covering the Regions of Tokpi, Cavally and Guemon (plantain, riz). These agropoles/regions are all important cocoa-producing areas and the proposed project will provide diversification options for cocoa-producing households. The final selection of the project's key consumption centers and supplying areas will be determined during detailed project preparation in consultation with key stakeholders.

19. For each of the selected value chains , a detailed diagnostic will be carried-out in consultation with its keys actors (public institutions, consumers, producers, traders, processors, research and extension institutions, financial institutions...) to analyze demand and supply constraints and prepare a medium-term program for addressing identified development challenges. This diagnostic will also allow: (i)to determine where the main marketing infrastructure (wholesale markets, processing platforms, assembly platforms, cold storage...) should be established (depending on the product specific characteristics and requirements; (ii) the characteristics and needs of the key value chain actors; (iii) the current organization of the value chain and the main actions to improve its management and performance; and (iv) the policy and institutional context and needs for reforms.



20. **Main characteristics of the proposed value chains.** The four selected value chains (cassava, plantain, vegetables and aquaculture) stand out for their high potential for growth (including value addition) and employment creation:

(1) *Vegetables*: Demand for high value fresh products is growing rapidly with the rise in per-capita incomes. Production has also increased in particular in peri-urban areas although there are significant regional (Burkina, Niger) and extra-regional imports. Cote d'Ivoire has the needed factor endowment/comparative advantage to boost its vegetables production further to supply the domestic and regional market. For this comparative advantage to translate into competitive advantage the country will have to address the existing constraints to the development of the value chain that comprise (i) low productivity of domestic varieties, (ii) limited access to



irrigation, (iii) lack of cold chain infrastructure, (iii) limited (but growing) access to high end retail markets (supermarkets), and (iv) compliance with food safety standards.

(2) *Cassava*: It is in volume the second most important crop after yam, produced by more than 500 000 small farmers. With growing demand for cassava derivatives (attieke, gari...) in urban areas and export markets (it is estimated that 7% of total production is exported), cassava is a “cash crop” generating important employment and revenues for women in production, processing and marketing activities. Cassava has also important potential use as livestock feed and industrial use. The contribution of the value chain to agricultural GDP is significant, estimated at 12,4 % and providing 4.7% of employment in the country<sup>11</sup>. The national research system has produced highly productive varieties, tolerant to the mosaic virus. The further development of the value chain, including in processing, will require the improvement of small-scale “artisanal” processing and the emergence of processing at industrial scale, improvements in quality standards along the value chain, and targeted incentive and regulations from the public sector<sup>12</sup>.

(3) *Plantain*: It is the third production in volume (2.0 million tons/year), is an important element in the diet of Ivorian households and is the basis on an intense national and regional trade, dominated by women. Plantain is often associated with cocoa plantations and offer important income diversification opportunities to cocoa households. A regional Center of Specialization for plantain has been established in Cote d’Ivoire under the WAAPP and important research results have been obtained.

(4) *Aquaculture*: This sector is of strategic importance for the country’s food security, foreign exchange savings and employment. Demand for fresh fish is growing fast, representing the primary source of proteins to local consumers<sup>13</sup> in particular for poor households. Cote d’Ivoire per capita fish consumption is estimated at 14kg/year, lower than the world average of 22 kg. Total consumption is estimated at 350 000 tons/year, of which about 500 000 tons are captured locally (sea and continental) and 300 000 tons are imported<sup>14</sup>. The development of aquaculture represents the major option for reducing this deficit as it cannot be resorbed by the domestic fisheries sector. Several aquaculture projects have not been successful in the past but have given Cote d’Ivoire a solid experience and the starting base for the future development of the sector (1,600 farms nationwide, 4 fry production centers and 4 multiplication centers supplying 2.5 million fry in 2019). The main difficulties are with access to quality feed inputs and technical support, a weak control of fish diseases and deficiencies in trade logistics and marketing infrastructure.

*Other possible priority value chains*. Two other food crop value chains may be considered for support under the project; for instance; maize and rice. The two commodities are produced by a relatively important number of farmers (110 000 and 150 000 respectively), although less than tubers and plantain, and offer significant growth potential. *Maize* is produced in all regions of Cote d’Ivoire with the North and Center Regions being the most important. Cote d’Ivoire is globally self-sufficient and exports small quantities to neighboring countries. It is important for the production of livestock feeds and beer. These two industries however import large quantities of maize as domestic production is still not competitive. *Rice* is of course strategic for the country’s food security. Domestic consumption is steadily increasing (2.3 million tons/year of milled rice and nearly 100 kg/year/person) and domestic production covers a little more than 50% of domestic requirements (about US\$500 million/year), as

<sup>11</sup> In 2017, total value added provided by the value chain is estimated at 901 million USD with 56% for the processed product “attieke”, 37% for the fresh products and 7% for exports. Commission Européenne, 2018. Value Chain Analysis for Development. La chaîne de valeur Manioc en Côte d’Ivoire.

<sup>12</sup> The model of Nigeria and its regulations requiring a minimum use of cassava flour growing over time could be an example for Côte d’Ivoire to have a positive effect on the agro-industrial sector

<sup>13</sup> [http://www.fao.org/fishery/countrysector/naso\\_cotedivoire/fr#tcN7002D](http://www.fao.org/fishery/countrysector/naso_cotedivoire/fr#tcN7002D)

<sup>14</sup> This doesn’t take into account the tuna industry, essentially for canning and exports.



has been the case for the past several decades in spite of important public investments, strategic plans and many projects (mainly in irrigated rice) since the 1970s. According to official statistics there has been a significant increase in production after the 2008 crisis (annual growth of 5% over the past 10 years). The rice sector offers in principle an important growth potential through the displacement of imports but past failures to do so in the past highlights the many constraints facing the value chain that would need to be addressed: technical (adoption of improved seeds and good agricultural practices), institutional (difficulties in establishing reliable contractual arrangement for access to inputs, credit and markets) and political (tariffs on imports).

**21. The project will apply the Maximizing Finance for Development (MFD) principles to attract private investments in production, processing and marketing.** The detailed review of selected value chain will identify the proper mix of public and private investments to avoid crowding out the latter and identify the incentives necessary to attract private agribusiness investors in a way that ensures inclusive participation of smallholders and small and medium enterprises. for their development. Private investments, financed through the financial sector, will promote the modernization of the selected value chains and help structuring them, providing better linkages of small producers to markets and thus driving a more inclusive development.

**22. IDA financing of the project would be through a mix of Investment Project Financing and Performance Based Conditions (IPF with PBC).** During detailed preparation, the possibility of using performance-based conditions for disbursement for action on several governance and institutional reforms in particular in its agricultural research and extension services system<sup>15</sup> and the incentive framework supporting the development of the selected value chains (and more generally commercial agriculture). In addition to this, numerous efforts have been made in the past to instill a framework for sustainable management of rural roads network. Under the now closed IDA-financed Agricultural Sector Support Project (PSAC), a national strategy for the maintenance and development of the rural road network in Côte d'Ivoire (SNEDRR<sup>16</sup>) was elaborated and validated at technical level. It lays the ground for improved planning, maintenance and financing through public-private partnership of the rural roads network. However, the SNEDRR was never adopted by Government. The use of PBC conditions would enable the effective implementation of much needed reforms that would ensure greater efficiency in public agricultural services and rural roads network rehabilitation and maintenance.

**23. Project interventions will specifically address measures to close the gender gaps in food chains and promote the decentralization of local development planning and monitoring at regional levels.** Specifically, the project will improve women access to knowledge and improved technologies by: (i) targeting women in the diffusion of technologies, best practices, and knowledge through the appropriate channels and (ii) by strengthening the gender-sensitivity of advisory services. It will also promote the development of women-led cooperatives for service provision, marketing and processing. Finally, during preparation and implementation, close consultations will be held with Regional Councils and local municipalities of the targeted project areas to ensure appropriation and support (as currently done for the planning and implementation of the PEJEDEC project).

**24. Complementarity with other bank projects and analytical work.** The project will build on the achievements of the WAAPP in Cote d'Ivoire and scale up its research findings and mechanisms for technologies generation and

<sup>15</sup> An assessment of the latter was conducted in 2017 with a diagnostic of the role and capacity of key institutions such as the *Centre National de Recherche Agronomique* (CNRA), the *l'Agence Nationale d'Appui au Développement Rural* (ANADER) and the *Fonds Interprofessionnel pour la Recherche et le Conseil Agricoles* (FIRCA). The study identified options of reforms for the structuring and upgrading of these institutions for improved services delivery adapted to an evolving demand of the sector. Until now, now further step has been taken to implement the recommendations of the review.

<sup>16</sup> *Stratégie Nationale d'Entretien et de Développement du Réseau de Routes Rurales en Côte d'Ivoire* – The overall strategy and associated regulatory texts were developed under the PSAC and validated in by a national technical committee comprised of seventeen (17) public and private structures including line Ministries in charge of Agriculture, Economic Infrastructure, Transport, Interior, Budget, Economy and Finance, AGEROUTE, FER, the Chamber of Agriculture, the Federation of Associations of Active Consumers of Cote d'Ivoire, the National Federation of Cooperative of Food Producers of Cote d'Ivoire, the Cocoa and Coffee Council, the Cotton and Cashew Council as well as the Rubber, Cotton, Oil Palm interprofessional bodies FENASCOVICI and UC-PSAC.



dissemination<sup>17</sup>. It will strongly link with the *Regional Food System Resilience Program (FSRP)* currently under preparation for the exchange of relevant technologies, the regional harmonization of regulations on seeds, fertilizer, pesticides, regional trade policies, food security and monitoring and early warning systems. It will also (i) connect with the *e-agriculture project* to leverage digital technologies for providing access to market/technology information and extension services (synergy with the e agriculture project will also help to target most vulnerable farmers in terms of access to input and other services for example through e-vouchers); (ii) coordinate with the *Youth Employment and Skills Project (PEJEDEC)* to build youth agricultural and non-agricultural skills necessary for their sustainable integration in the food value chains; (iii) seek to complement the Cocoa Integrated value Chain Initiative to promote the diversification of cocoa households' activities; and (iv) link up with the *Access to markets and finance for women project* to enhance women market opportunities into higher value crops. The project will coordinate with IFC activities for promoting private investments in agro-industrial activities, producers' access to financial services and improvement in the sector business environment. It will leverage on and complement financing instruments that will be deployed through the *Cote d'Ivoire Jobs and Economic transformation project (JET)* in the relevant sectors of interest. Finally, the design of the project will be informed by lessons from operations supported by other Financial and Technical Partners initiatives to improve food security (IFAD, AfDB, FAO) and similar projects in other countries. Annex 1 summarizes the Theory of Change (ToC) related to the Project.

### Project Components

25. **The project will include the following interlinked components:** (i) Improving marketing infrastructure and food quality control systems; (ii) Building productive and resilient food value-chains; (iii) Facilitating productive private investments along the value chains; (iv) Institutional development and project management and monitoring and evaluation; and (v) a Contingent Emergency Response Component (CERC).

26. **Component 1. Improving marketing infrastructure and food quality control systems.** The subcomponent will address the lack of key marketing infrastructure that represents a major constraint to private investment in the value chains. It will be based on a detailed analysis of the selected value chains and the participative preparation of a medium-term program for their development. It will include: (i) the structuring of the value chains to strengthen coordination and cooperation among participants (farmers and their organization, off-takers processors marketers, as well as inputs suppliers and business development service providers); (ii) the development of marketing infrastructure, including wholesale and relay markets that will work as intermediary grouping zones in target areas based on the specificities of the value chains; (iii) the establishment of value chain-specific market information systems; (iv) the strengthening of the national quality and sanitary and phytosanitary control systems and the promotion of certification of private production and processing processes; and (v) the rehabilitation of market access roads to link producers to the markets to reduce transportation costs, improve farm-gate prices and reduce post-harvest losses. The project will also support the implementation of reforms proposed under the national strategy for the development and maintenance of rural roads. Sites and options for the developments of these marketing infrastructure will be based on private demand and identified during the preparation of the project.

27. **Component 2: Building productive and resilient food value-chains.** This component will increase the agricultural productivity and resilience of the selected food value chains through the promotion of climate-smart

<sup>17</sup> The implementation of the WAAPP from 2011 to 2016 resulted in several major achievements : (i) generation, testing and adoption of numerous food crop technologies by the beneficiaries, (ii) strengthening of national seed system and the establishment of the Regional Specialization Center for bananas and plantain; (iii) piloting of innovating extension tools and approaches such as e-extension and innovation platforms; and (iv) piloting using cassava and plantain in the baking industries. Such results need to be consolidated and scaled up.



technologies. More specifically, the project will support the following interventions: (i) improve producers' access to quality seeds and other inputs such as yield-increasing and climate-resilient foundation seeds, disease resistant fry, bio-fertilizers and pesticides; (ii) support for efficient management of soil and water resources such as innovative irrigation schemes adapted to selected crops and construction of critical water control infrastructures, including boreholes, small water-catchment dams and lowlands development; and (iii) promotion of agricultural mechanization (including through hire services); and (iv) the large-scale diffusion and adoption of improved storing and processing equipment.

28. The component will build on the solid foundation established under the IDA-financed WAAPP: (i) the multiplication of certified seeds by cooperatives or firms to increase their availability and lower their cost to farmers; (ii) the development of an e-extension platform, using digital solutions to modernize advisory services and extend their outreach; and (iii) the implementation of the restructuring programs of the National Agency for Support to Rural Development (ANADER), the National Center for Agronomic Research (CNRA) and the Interprofessional Fund for Research and Agricultural Advice (FIRCA). Disbursements for these activities would be subject to performance-based conditions on actual implementation milestones (milestones and related PBCs to be further defined during project preparation).

29. **Component 3 – Facilitating productive private investments along the value chains.** This sub-component will aim to spur private investments by facilitating access to finance for agri-entrepreneurs at production, agro-processing, marketing and ancillary services stages along the value chains. It will support access to finance by : (i) establishing a Dedicated Financial Facility for long term investment funding and support to micro-investments; (ii) enhancing the financial education of MSMEs and low-income stakeholders; and (iii) providing technical assistance to financial institutions to respond to the needs of MSME (including small-scale farmers associations). Support for improved access to finance will be provided at production, storage, conditioning and commercialization stages of targeted food value chains. It will include assistance for the detailed planning, financing and implementation of competitively selected private investments<sup>18</sup>. Adapted financing instruments will be identified during preparation based on specific value chain stakeholders' needs.

30. The component will be prepared and implemented in close collaboration with IFC who will (i) provide support to specific eligible larger investors for accessing credit/financial services, including through the de-risking of private investments; and (ii) provide support and guidance for the development of business services and the analysis of reforms in the policy and institutional environment of these selected value chains.

31. **Component 4 – Institutional development and project management and monitoring and evaluation.** The component will (i) strengthen capacities of key institutions and address essential constraints to private investments in the selected value chains.

32. *Institutional development.* This sub-component will support the key institutions involved in the development of the food crop sector. It will strengthen the policy-making, planning and monitoring capacities of the MINADER and its related institutions -- Office d'Aide a la Commercialisation des Produits Vivriers (OCPV); the National Agency for Support to Rural Development (ANADER), the National Center for Agronomic Research (CNRA), the Interprofessional Fund for Research and Agricultural Advisory Services (FIRCA). Project assistance will be based on a detailed diagnostic of these institutions current capacities and needs for strengthening. The Project will also: (i) assist in the emergence of true interprofessional bodies for the selected value chains to reinforce coordination among value-chains stakeholders and allow stakeholders to address production and marketing issues; (ii) fund, on a need basis, detailed studies and public-

<sup>18</sup> It may include: technical assistance in the following areas (inter alia) : market and supply chain analysis; preparation of business plans; selection of sites (secured access to land) and equipment; technical advice, financial and accounting systems; agricultural/industrial processes; safety and quality issues; contractual relations with raw material suppliers; environment and social risk management; support for mobilization of funding from financial institution. Implementation support and capacity-building support of the micro-project beneficiaries.



private concertation on specific key issues and reforms concerning the development of the selected value chains and of the food crops sub-sector at large.

33. *Project management and monitoring and evaluation.* The sub-component will support the Project Management Unit (PMU) to carry out its coordination, operational management, fiduciary management, implementation of environmental and social safeguards measures, monitoring and evaluation, reporting and communication activities during project implementation.

**Component 5 - Contingent Emergency Response Component**

34. The CERC will allow for a reallocation of funds from other components in order to provide immediate emergency recovery in response to an eligible crisis or external shocks. An Emergency Response Manual in accordance with the provisions of the World Bank Policy and Bank Directive on Investment project Financing will be developed. The CERC will be triggered when the Government officially declares an emergency and a statement of facts is provided justifying the request to activate the use of emergency funding. For the CERC to be activated, and financing to be provided, the Government will need (i) to submit a request letter for CERC activation and the evidence required to determine eligibility of the emergency; (ii) an Emergency Action Plan, including the emergency expenditures to be financed; and (iii) to meet the environmental and social requirements as agreed in the Emergency Action Plan and the Environmental and Social Contingency Plan.

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts

35. Most of supported activities are potentially associated with some significant environmental and social risks and impacts. Those identified at this stage of the preparation are:

- 1.Potential alteration or degradation of natural habitats and the ecological consequences of conversion and changes in ecosystem functions,
- 2.Soil and water pollution ,
- 3.Occupational health and safety issues, nuisances related to air and noise emissions,
- 4.Community health and safety issue (diseases transmission and security) ,
- 5.Gender-based violence (GBV) and/or sexual exploitation and abuse (SEA)
- 6.Child labor



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**Approved By**

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