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Enabling poor rural people
to overcome poverty

President's report

Proposed grant to the Republic of The Gambia for the

National Agricultural Land and Water Management Development Project

Note to Executive Board representatives

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Abbreviations and Acronyms

CPCU	Central Project Coordination Unit
GMD	Gambian Dalasi
GNAIP	Gambia National Agricultural Investment Plan
M&E	monitoring and evaluation
MoA	Ministry of Agriculture
<i>Nema</i> ¹	National Agricultural Land and Water Management Development Project
PSU	project support unit

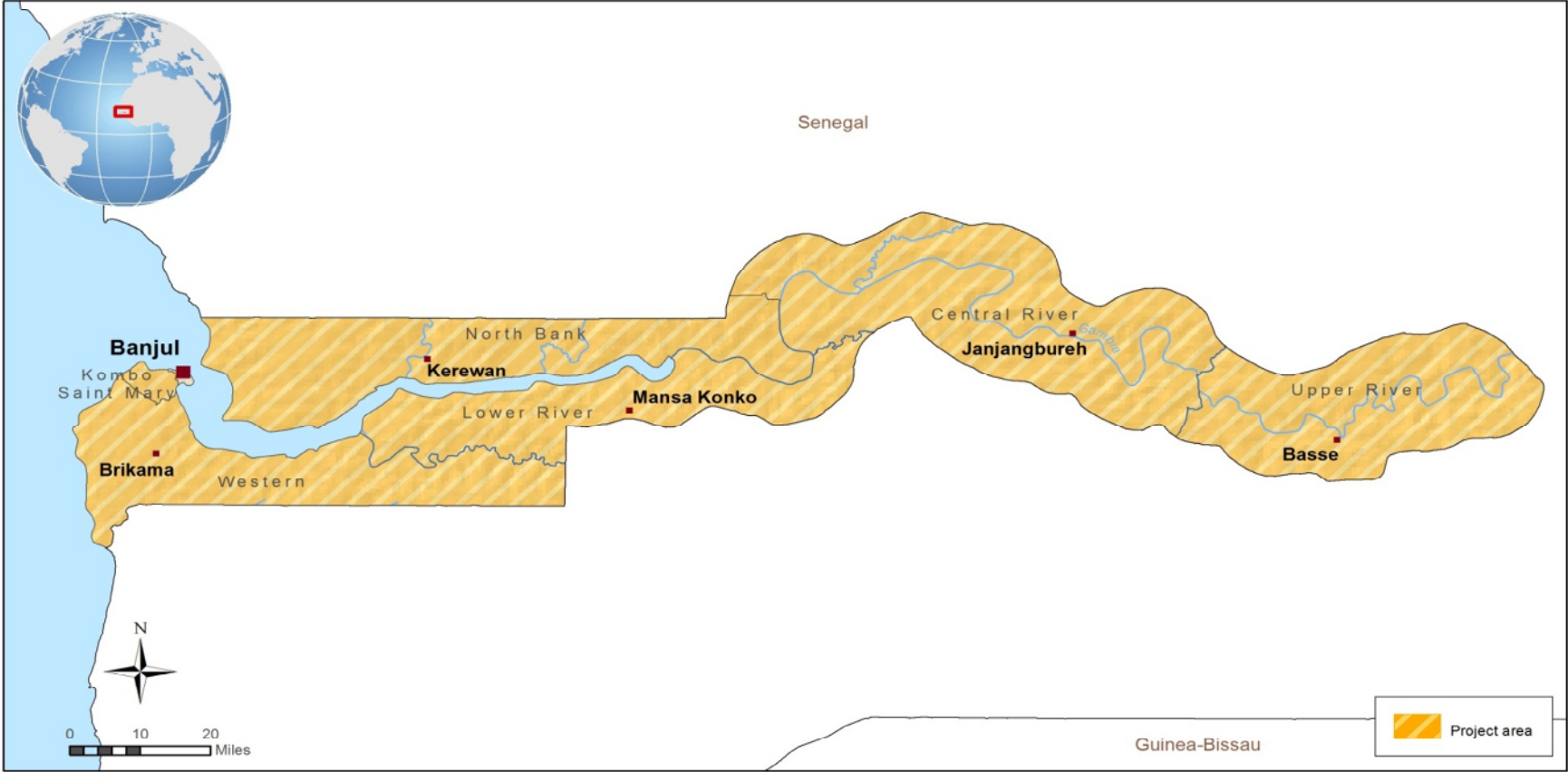
¹ *Nema* is a Mandinka word in the Gambia that means “prosperity” or “better livelihoods”.

Map of project area

Republic of the Gambia

National Agricultural Land and Water Management Development Project (*Nema*)

Design report



30-10-2012



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

Map compiled by IFAD

Republic of The Gambia

National Agricultural Land and Water Management Development Project

Financing summary

Initiating institution:	IFAD
Recipient:	Republic of The Gambia
Executing agency:	Ministry of Agriculture
Total project cost:	US\$64.97 million ²
Amount of IFAD grant:	SDR 13.15 million (equivalent to US\$20.28 million) as initial financing
Cofinancier(s):	Islamic Development Bank (IsDB) and other donors
Amount of cofinancing:	IsDB: US\$15.00 million Other donors: US\$11.75 million
Contribution of recipient:	US\$2.61 million
Contribution of beneficiaries:	US\$1.17 million
Appraising institution:	IFAD
Cooperating institution:	Directly supervised by IFAD
Retroactive financing:	For eligible expenditures up to approximately US\$17,000 incurred between September 2012 and the date of entry into force of the financing agreement

² Total project cost includes additional financing from IFAD from the 2013-2015 performance-based allocation system (PBAS) allocation cycle; this will be submitted to the Executive Board for approval as applicable. The additional IFAD financing shall be apportioned pro-rata to all project's activities and categories.

Recommendation for approval

The Executive Board is invited to approve the recommendation for the proposed grant to the Republic of The Gambia for the National Agricultural Land and Water Management Development Project (*Nema*), as contained in paragraph 49.

Proposed grant to the Republic of The Gambia for the National Agricultural Land and Water Management Development Project (*Nema*)

I. Strategic context and rationale

A. Country and rural development and poverty context

1. The Gambia's economy has been relatively resilient since the onset of the global economic crisis, with real GDP averaging at more than 5 per cent over three years since 2009. However, it is predicted that this figure will contract in 2012 due to crop failure resulting from bad weather. Agriculture remains an important sector in the country with a growth rate of almost 10 per cent in 2009; it accounts for approximately one third of GDP and employs over 70 per cent of the population.
2. A number of key actions are needed to sustain the recent economic performance in the country, including encouraging market-led diversification of agricultural production towards export crops and promoting market-oriented agricultural production among smallholders. In recognition of this, the country approved the Gambia National Agricultural Investment Plan (GNAIP) 2011-15, which is now the blueprint for agricultural development and part of the Comprehensive Africa Agriculture Development Programme Compact. The transformation of the agriculture and natural resource sector from a subsistence-based to a commercially-oriented system is a national priority under the plan, with the focus on smallholders as the main pathway to sustainable development. Major potential for development lies in capitalizing on and accelerating growth in fast growing subsectors such as horticulture and coarse grains and increasing rice (the main staple food) productivity for enhanced food security, income generation and import substitution.
3. Poverty in The Gambia varies according to factors such as employment sector, place of residence, gender and age, and household size. It is highest among household heads working in the agriculture and fishing sector: an estimated 72 per cent of the extremely poor Gambians depend on agriculture for their livelihoods. Women constitute a large part of the poor and extremely poor in the country. Their poverty is closely linked to their high illiteracy level, absence of economic opportunities and inadequate access to productive resources such as credit, land ownership, skills and support services. Due to the relatively high birth rate, children and young people constitute a large proportion of the poor in The Gambia. In 2008, almost 60 per cent of the poor population were under the age of 20 years and a further 55 per cent of young people aged between 15 to 24 were poor. This age category constitutes 23 per cent of the entire population and 21 per cent of the poor (2008 Poverty Assessment).
4. The causes of rural poverty reported by farmers include widespread food and income insecurity resulting from weather-induced crop failures and shortage of cash, which forces farmers to sell part of their produce immediately after harvest, when prices are at their lowest, and buy back grain at high prices during the hungry

season (July–September). Poor farmers are caught in a vicious circle of poverty-related low income, risk aversion and use of low-output technologies. The rural poor are generally forced to produce for home consumption and sell surpluses at disappointing prices.

B. Rationale and alignment with government priorities and RB-COSOP

5. The proposed National Agricultural Land and Water Management Development Project (*Nema*) will support the Government's drive to transform the country's largely rainfed production systems into sustainable market-oriented agriculture based on smallholders, mainly women and young people. Building on the successes of past and ongoing IFAD-supported projects, particularly the Participatory Integrated Watershed Management Project (PIWAMP), the project will seek to tackle the intractable poverty by increasing rural household income through the transformation of the agricultural sector into an increasingly efficient market system. It is fully aligned with the country strategic opportunities programme (COSOP) for The Gambia reviewed by IFAD's Executive Board in September 2003 and takes into account lessons from the country portfolio review conducted in October 2011.

II. Project description

A. Project area and target group

6. The project will have countrywide coverage, operating in the poor rural areas of all the six regional agricultural directorates (Central River, North Central River South, West Coast, North Bank, Upper River and Lower River regions) in order to consolidate and scale up to the national level the approach of ongoing IFAD-financed operations in the country. The project targets poor smallholders, particularly women, as they are the core producers of rice and vegetables throughout the country. In addition, rural young women and men under thirty years of age will be targeted for inclusion in market-oriented production and value addition initiatives based on demand. A secondary target group will be market intermediaries, service providers and operators in the rice and vegetable markets, including producers' organizations and small and medium-sized enterprises.

B. Project development objective

7. The overall goal of the project is to reduce the poverty of rural women and young people. The development objective is to increase their incomes through improved productivity based on sustainable land and water management practices.

C. Components/outcomes

8. The project design responds to two challenges for the sustainable and socio-economic development in the rural areas of The Gambia: the limited productivity and economic carrying capacity of land used for farming; and poorly developed domestic markets that generate very low real demand for the main produce of smallholders. It comprises three main components that are mutually supportive.
9. **Component 1: Watershed development.** The overarching goal is to achieve improved productivity of scarce agricultural land to enable poor producers to earn more money from their surplus output after ensuring household food security. The proposed mechanism is a substantial programme of investments in public economic infrastructure to address the constraints on crop production identified by the farmers themselves, namely the lack of control over available agricultural water supply and the physical constraints on moving people, inputs and produce between settlements, fields and markets. Current average rice yields are low and returns erratic, and the marketing of any surpluses is problematic. Key subcomponents will be (i) communal watershed planning; (ii) water management for rice cultivation; (iii) village vegetable schemes; and (iv) access to roads and market infrastructure.

10. The outcomes envisaged for this component are improved productivity of scarce agricultural land and improved farm-to-market road access.
11. **Component 2: Agricultural commercialization.** This component will provide strategic support to rice and vegetable markets, from the “farm gate to the Gambian plate”, expressly to increase real cash demand for the produce of smallholders. It complements the first component with investments in the economic assets of common economic interest groups, including producers’ organizations and enterprises. The expected outcome is a sustained uplift in the level of agricultural business activity in both profitable primary production and support services by enterprises and producers’ organizations with a strong presence of young people. Key subcomponents are (i) establishment of producers’ organizations, value addition in rice and vegetable production; (ii) and technical support services.
12. The outcomes envisaged for this component are: strengthened producer capacity, promotion of agricultural enterprises and improved technical support services.
13. **Component 3: Project facilitation.** Project facilitation measures will be used to deliver the two substantive components above. This will involve effective project management and administration, operational support to the Ministry of Agriculture in implementing project activities and capacity-building of the management cadres in all aspects of knowledge management, communication, and monitoring and evaluation (M&E).

III. Project implementation

A. Approach

14. Project design is based on the following guiding principles:
 - Scaling up by building on and replicating successful experiences of IFAD operations and other donors’ interventions in the country and elsewhere;
 - Watershed approach, whereby agricultural development is founded on effective participatory planning to ensure financially and ecologically sustainable benefits;
 - Demand-driven approach, whereby the farmers and enterprises are regarded as the owners and managers of the supported activities;
 - Strong institutions and linkages within the rice and vegetable markets, achieved by connecting producers’ organizations, reputable service providers, market intermediaries, financial institutions and consumers;
 - Inclusiveness, gender and youth mainstreaming by addressing the needs of marginalized and vulnerable groups and ensuring that they benefit from project interventions; and taking the specific needs of young people and women into account in project design and implementation modalities.

B. Organizational framework

15. The Ministry of Agriculture (MoA) will act as the executing agency. The project will be managed by a project support unit (PSU). It will be mainly implemented by appropriately qualified service providers including the technical services and decentralized units of MoA. Some services will be contracted by the PSU under the direction and oversight of a project steering committee.
16. The PSU will be embedded in the existing PIWAMP structure and will be responsible for overall project implementation and day-to-day management. To the extent possible, the PSU will be integrated with national and decentralized processes and decision-making mechanisms. Complementary PSU staff will be recruited competitively in close consultation with IFAD.

17. The Central Project Coordination Unit (CPCU) of MoA is responsible for the overall coordination of operations aligned with GNAIP, and therefore will include *Nema* within its remit.
18. **Governance.** Project activities will be implemented by central and regional government structures, contracted suppliers and service providers, and village communities. All financial and material transactions will be subject to The Gambia's governance framework and comply with IFAD's fiduciary requirements.

C. Planning, monitoring and evaluation, and learning and knowledge management

19. Successful market development requires a sound planning framework and access to the best available information and knowledge to improve the effectiveness and efficiency of market actors. In this context, an integrated system of planning, M&E information, knowledge management and communication will be established to meet the needs of project management and other stakeholders for: (a) timely and accurate information on implementation progress and regular feedback for decision making and addressing potential design deviations and implementation problems; (b) a basis on which to assess the achievement of project results; and (c) a platform for continuous knowledge sharing and learning activities. In addition, *Nema* has made provision for the recruitment of international technical assistance to support the Government in setting up a national M&E system for enhanced knowledge management and evidence-based policy dialogue at all levels.
20. The country programme approach (CPA) has been developed for the three ongoing IFAD-financed projects to engender regular consultation and exchange and sharing of information on project sites. The CPA promotes the consolidation of interventions and optimal results, cross-fertilization and synergies among the three ongoing projects. Since *Nema* is scaling up the outcomes of these projects, the CPA will be used as a mechanism for learning and exchanging knowledge among the various IFAD-supported programmes and other in-country programmes and as a tool for policy dialogue.

D. Financial management, procurement and governance

21. **Financial management.** The project will maintain accounts and records in accordance with International Public Sector Accounting Standards (IPSAS). SAGE 50 Accounts professional software will be used for recording receipts by financier and expenditures by component and category.
22. **Designated account and flow of funds.** The Government will establish a designated account in United States dollars at the Central Bank for the proceeds of the IFAD grant. Expenditures in Gambian Dalasi (GMD) eligible under IFAD financing will be paid directly from the designated account in United States dollars. An account in GMD will also be established to receive the Government's contribution. Payments against approved workplans and associated budgets will be executed centrally with the authorization of the project director.
23. **Audit.** Each fiscal year the project accounts will be audited in accordance with IFAD Audit Guidelines and article 9 of the IFAD General Conditions. An audit report will be submitted within six months of the end of each fiscal year. The financial statements will be prepared in accordance with IPSAS and IFAD audit guidelines, and audited by an auditing firm acceptable to IFAD.
24. **Procurement.** MoA will carry out procurement functions for *Nema* with the support of the PSU, in line with the current Public Procurement Law, which is consistent with the IFAD Procurement Guidelines and Procurement Handbook; where deviations are identified, IFAD Guidelines will prevail. The Gambia has a history of using market-based and competition-based techniques for contracting the supply of goods, works and public service delivery.

E. Supervision

25. The project will be supervised directly by IFAD. Supervision and implementation support will be a continuous process, involving ongoing communication and engagement with the Government, the PSU and other relevant stakeholders. Several instruments will be applied to steer implementation: ongoing policy dialogue with the Government; adjustment of annual workplans and budgets; revision/updating of implementation manuals; and undertaking of supervision, implementation support and midterm review missions. **Project costs, financing, benefits**

A. Project costs

26. The total project costs are estimated at US\$64.97 million (GMD 1.949 million), including price and physical contingencies of US\$12.60 million over a seven-year implementation period (2013 to 2019).

Project costs by component

<i>Component</i>	<i>GMD million</i>	<i>US\$ million</i>	<i>Percentage of total base costs</i>
Watershed development	1 223	40.7	77.8
Agricultural commercialization	210	7.0	13.4
Project facilitation	137	4.6	8.8
Total base costs	1 570	52.3	100
Physical contingencies	132	4.4	8.4
Price contingencies	247	8.2	15.7
Total project costs	1 949	64.9	124.1

B. Project financing

27. The project will be financed principally by IFAD with two grants covering two PBAS cycles. This initial financing amounts to US\$20.28 million, representing the 2010-2012 PBAS allocation and 31.25 per cent of overall project financing. Additional financing from the 2013-2015 PBAS cycle, as applicable, will be submitted to the Executive Board for approval. Once approved, the additional financing will be allocated on a proportional basis across all project activities and categories.
28. Other cofinanciers include the IsDB with a concessional loan of US\$15.00 million (23.1 per cent), and further financial contributions from one or more other development partners of US\$11.75 million (18.1 per cent). The Government contribution is estimated at US\$2.61 million (4.0 per cent) and beneficiaries will contribute the remaining amount of US\$1.17 million (1.8 per cent). **Retroactive financing.** Retroactive financing facilities will be provided to cover the implementation of preparatory activities between September 2012 and the entry into force of the financing agreement. These proposed expenditures will fall under expenditure category VI – operating costs – to allow for the recruitment of an international technical expert for the setting up of the national M&E system. Expenditures up to a total of US\$17,000 are eligible under IFAD financing. The expenditures under retroactive financing will be disbursed by IFAD after the project's entry into force, subject to Executive Board approval.

C. Summary of benefits and economic analysis

30. The total number of direct beneficiaries at the grass roots level is estimated at 22,000 households and 660 young rural men and women as follows:
- 4,000 households benefiting from increased income from upland crops;
 - 14,400 women benefiting from increased income from lowland and tidal irrigated rice;

- 4,800 women benefiting from increased income from vegetable production;
- 660 young people benefiting from sustainable income from market-oriented vegetable production and jobs in agricultural businesses; and
- 16,500 women and men benefiting by earning under the public works programme.

The economic internal rate of return for the whole project is estimated at 21.8 per cent under the base scenario.

D. Sustainability

31. The sustainability of the flow of benefits, assuming appropriate technical investments, depends on a supply side response by farmers to improve agricultural land and water management; year-round market access for producers and traders; and increased real demand in domestic trade.
32. The project seeks to halt and reverse the deterioration in the physical state and economic carrying capacity of agricultural land by moving towards community-led co-management arrangements and aligning public and private interests in the shared resources. Communities will be supported in developing the competence and confidence to take on management responsibility for their local natural resource assets and, in parallel, government services will be assisted in strengthening their non-technical capacity and institutional know-how to interact with villagers as partners.
33. The use of existing government institutions and farmers' organizations and the participation of dependable service providers in the implementation process is expected to establish a strong institutional framework that will foster sustainability. Producers and market intermediaries will be able to enter into productive dialogue with the Government and other private-sector operators.
34. Realistic targets are important in ensuring the sustainability of investments in private sector agriculture. Despite the challenges presented by the prevailing agro-climatic conditions along the River Gambia, there is good reason to believe that the farmers can and will respond to increases in real demand for rice and vegetables with strategic investments in agricultural land and water management.

E. Risk identification and mitigation

35. The main potential risks for *Nema* are, at the development objective level: macro-economic stagnation and decline, scaling back of the ambitious agricultural land and water management programme, and a retreat by Government from its pro-poor policies focused on reducing income disparities.
36. Targeting and gender-related risks include the possibility of *Nema* watershed development activities resulting in labour constraints for women, especially as both lowland rice cultivation and vegetable production are the responsibility of women and their time is already fully occupied during the peak season. Other risks include takeover by men and the exclusion of young poor people from the proposed interventions.

V. Corporate considerations

A. Compliance with IFAD policies

37. The project design is aligned with all relevant IFAD strategies and policies, including: Strategic Framework 2011-2015; Targeting Policy; Gender Equality and Women's Empowerment Policy; Climate Change Strategy; Environment and Natural Resource Management Policy; Supervision and Implementation Support Policy; and Environmental and Social Assessment Procedures.

B. Alignment and harmonization

38. The project is fully aligned with GNAIP 2011-2015, and specifically with programme 1: Improvement of Agricultural Land and Water Management and programme 3: Development of Agricultural Chains and Market Promotion. The project also supports the objectives of the Programme for Accelerated Growth and Employment 2012-2015, the Agricultural and Natural Resources Policy 2009-2015 in addition to the policies on gender and women's empowerment (2010-2020) and on youth (2009-2018).
39. The project was initiated by IFAD following the Government's request. It will use existing national systems for implementation at both the central and the decentralized levels. A donor coordination group has been formed to support the Government in mobilizing resources for the full implementation of GNAIP and IFAD will continue to participate in its key consultations to ensure that smallholders are given sufficient attention and support. Through various activities, especially direct supervision, missions will be coordinated with the cofinancier and other donors to ensure that results are disseminated and best practices replicated throughout the country programme.

C. Innovations and scaling up

40. Knowledge management and a business development champions system will be embedded in the project to ensure the systematic capturing and dissemination of best practices and innovations and to promote a business culture at all levels.
41. A public-private partnership will be piloted through contract farming arrangements between market-oriented vegetable gardeners and business enterprises/NGOs in the country, with a view to scaling up successful models. Another innovative feature of *Nema* is the piloting of a tripartite medium-term modality for funding new businesses to increase financing for agricultural business development in the country.
42. By supporting national M&E systems, sharing experiences and lessons learned, and building capacity of key public staff, *Nema* will assist the Government in championing the further development of national frameworks for rice development and agricultural land and water management, using evidence-based approaches.

D. Policy engagement

43. Through participation in the agricultural donor working group and enhancing partnership, IFAD will continue to advocate for greater attention and increased investments to smallholders, especially women farmers, and support for greater inclusion of rural young women and men in development interventions. *Nema* will also strengthen the capacities of rural producers, rural youth associations and their organizations from the village to the national level to play pro-active roles in all key decision-making and policymaking processes that concern their livelihood security.
44. Through *Nema's* support to the Ministry of Agriculture, IFAD will continue to advocate for effective coordination through the central technical unit to ensure maximum synergies and complementarities in the agricultural sector with the overarching goal of achieving greater pro-poor impact from ongoing and future interventions within the framework of GNAIP.
45. The full implementation of the proposed strategies on rice development and land and water management will be central in providing guidance to the Government in its overall development approach in the medium to long term.

VI. Legal instruments and authority

46. A financing agreement between the Republic of The Gambia and IFAD will constitute the legal instrument for extending the proposed financing to the recipient. A copy of the negotiated financing agreement is attached as an annex.

47. The Republic of The Gambia is empowered under its laws to receive financing from IFAD.
48. I am satisfied that the proposed financing will comply with the Agreement Establishing IFAD and the Lending Policies and Criteria.

VII. Recommendation

49. I recommend that the Executive Board approve the proposed financing in terms of the following resolution:

RESOLVED: that the Fund shall provide a grant to the Republic of The Gambia in an initial amount equivalent to thirteen million one hundred and fifty thousand special drawing rights (SDR 13,150,000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

Kanayo F. Nwanze
President

Negotiated financing agreement: "National Agricultural Land and Water Management Development Project"

(Negotiations concluded on 30 October 2012)

Grant Number: _____

Project Title: National Agricultural Land and Water Management Development Project (*Nema*) (the "Project" or "*Nema*")

The Republic of The Gambia (the "Recipient")

and

The International Fund for Agricultural Development (the "Fund" or "IFAD")

(each a "Party" and both of them collectively the "Parties")

hereby agree as follows:

Section A

1. The following documents collectively form this Agreement: this document, the Project Description and Implementation Arrangements (Schedule 1), the Allocation Table (Schedule 2), and the Special Covenants (Schedule 3).

2. The Fund's General Conditions for Agricultural Development Financing dated 29 April 2009, as may be amended from time to time (the "General Conditions") are annexed to this Agreement, and all provisions thereof shall apply to this Agreement. For the purposes of this Agreement the terms defined in the General Conditions shall have the meanings set forth therein.

3. The Fund shall provide a Grant to the Recipient (the "Financing"), which the Recipient shall use to implement the Project in accordance with the terms and conditions of this Agreement.

Section B

1. The initial amount of the Grant is thirteen million one hundred and fifty thousand Special Drawing Rights (SDR 13 150 000).

2. The first day of the applicable Fiscal Year shall be the first of January.

3. The Recipient shall establish a Designated Account in United States Dollar (USD) at the Central Bank of The Gambia for the proceeds of the IFAD Grant and an account in Gambian Dalasi to receive counterpart financing as provided in paragraph 4 below. Payments for works, goods and services shall be executed by the Lead Project Agency against approved work plans and associated budgets and procurement plans.

4. The Recipient shall provide counterpart financing for the Project in an approximate amount of two million six hundred thousand USD (USD 2.6 million). The counterpart financing provided by the Recipient includes contributions from its budget (USD 0.62 million, comprising some office operating costs and the basic emoluments of seconded civil servants) and taxes and duties foregone (USD 1.98 million).

5. Upon each submission and approval of an Annual Work Plan and Budget (AWPB), a cash contribution by the Recipient shall be deposited in advance in the Gambian Dalasi account established to receive counterpart financing. Any expenses budgeted for the preparatory work before the beginning of the first fiscal year should be accounted for separately for that period.

Section C

1. The Lead Project Agency shall be the Ministry of Agriculture (MoA) of the Recipient, acting through the Project Support Unit (PSU) under the auspices of its Central Project Coordination Unit (CPCU).

2. The Project Completion Date shall be the seventh anniversary of the date of entry into force of this Agreement.

Section D

The Financing shall be administered by the Fund and the Project supervised by the Fund.

Section E

1. The following is designated as an additional ground for suspension of this Agreement:

Key PSU staff shall have been transferred, suspended, or terminated without the Fund's prior no-objection.

2. The following are designated as additional conditions precedent to withdrawal, in addition to those contained in Section 4.02 (b) of the General Conditions:

- (a) The Designated Account shall have been duly opened by the Recipient;
- (b) The account in Gambian Dalasi shall have been duly opened to receive Government's contribution; and
- (c) No withdrawal from the Designated Account shall be made until:
 - i. the current PSU and Project Director (PD) for *Nema*, as identified by the Recipient, shall be confirmed as described in paragraph B.4, Section II of Schedule I. The MoA, through the CPCU, shall facilitate and coordinate the recruitment of complementary PSU staff (especially Business Development Officer, Knowledge Management/Communication Officer and Planning, Monitoring and Evaluation Officer) with IFAD's prior no objection. Other PSU cadres shall be seconded from MoA or contracted in; and
 - ii. a final draft of the Project Implementation Manual (PIM) shall have been submitted to and approved by the Project Steering Committee as defined in paragraph B.3, Section II of Schedule I, during the first three months of implementation in close collaboration with key stakeholders and be subject to IFAD's prior no objection.

3. As an exception to Section 4.08(a)(ii) of the General Conditions, expenditures of up to the equivalent of USD 17 000 incurred after 1 September 2012 but before the date of entry into force of this Agreement for operating costs (category VI) may be considered Eligible Expenditures for the purposes of this Agreement, if otherwise eligible,

notwithstanding the fact that they have been incurred before the start of the Project Implementation Period.

4. The following are the designated representatives and addresses to be used for any communication related to this Agreement:

For the Recipient:

Minister of Finance and Economic Affairs
Address: Ministry of Finance and Economic Affairs
The Quadrangle
Banjul, The Gambia

Tel: + 220 422 7221
Fax: + 220 422 7954

For the Fund:

The President
International Fund for Agricultural development
Via Paolo di Dono 44
00142 Rome, Italy

This Agreement, dated _____, has been prepared in the English language in six (6) original copies, three (3) for the Fund and three (3) for the Recipient.

THE GAMBIA

Name of the Authorized Representative
Title

INTERNATIONAL FUND FOR
AGRICULTURAL DEVELOPMENT

Kanayo F. Nwanze
President

Schedule 1

Project Description and Implementation Arrangements

I. Project Description

1. *Target Population.* The Project is being designed for women who are the core rice and vegetable producers in the country. Equally, rural poor young men and women (under 30 years) will be targeted for market-oriented vegetable production and agricultural businesses. A secondary target group will be value-adders, service providers and operators in the rice and vegetable markets, including producers' organisations and small and medium enterprises. The geographic coverage of the Project is defined as all the six Regional Agricultural Directorates along the River Gambia, essentially the whole rural sector.
2. *Goal.* The goal of the Project is to reduce poverty of rural women and youth.
3. *Objective.* The objective of the Project is to increase incomes from improved productivity based on sustainable land and water management practices.
4. *Components.* The Project shall consist of the following three Components: (i) watershed development, (ii) agricultural commercialization and (iii) project facilitation.

4.1 Component 1: Watershed development

4.1.1 *Subcomponent 1.1 Communal watershed planning.* The activities under this sub-component shall include:

- (a) *Formation and training of watershed water user groups (WUGs).* Department of Agriculture (DoA) extension services shall be used for the formation and support of WUGs for water control and tidal irrigation schemes and a minimum quota will be applied to ensure adequate participation of women and youth within management committees.
- (b) *Interactive negotiation of watershed development and management plans.* Through the capacitated WUGs, the participating communities shall decide on their priorities for local project investments in agricultural land and water resources within a defined watershed. Communities/WUGs shall request project assistance by filling a requisition form which shall be made available at each of the Regional Agricultural Directorates. *Nema* shall sensitise the farmers and community members to set-up an operation and maintenance (O&M) fund and Memoranda of Understanding (MoUs) shall be signed between local government/Regional Agricultural Directorates, communities, WUGs and village development committees to ensure that participating farmers take full responsibilities for the O&M of any built infrastructure. Once agreement is reached, participating communities shall be expected to remain committed to the achievement and subsequent maintenance of the whole watershed land and water improvement scheme and to contribute to infrastructure development. In return, farmers shall be given priority in earning opportunities arising during construction.

4.1.2 *Subcomponent 1.2 Water management for rice cultivation.*

- (a) *Construction of contour bunds, dykes, bridges and spillways to control surface water in the rainy season (uplands and lowlands).* The target scope of the upland activity is to bring 4,000 ha of cropping area under control, whereas in the lowlands, the dikes, bridges and spillways to be constructed will bring a total of 12,400 ha under a water control system and check saline water incursion along the estuary and lower reaches of the River Gambia and main tributaries.
- (b) Construction of the upland water control structures, as for all the public economic infrastructure installed by the Project, shall be by private contractors hired on a one-contractor-one-watershed basis.
- (c) The lowland soil and water improvement package includes tractor ploughing services to assist water penetration and the application of lime on acid soils for about 3,100 ha (a quarter of the total area to be improved), most of which will be supplied by youth enterprises established with the support of the Project.
- (d) Construction of dykes, canals, gates, field and access roads as a system to control tidal flood waters (tidal irrigation).
- (e) It is anticipated that the Project shall consolidate and extend the works installed at several existing sites of the Participatory Integrated Watershed Management Project (PIWAMP), particularly in the Central River Region, before moving on to other watersheds with relatively good productive potential. For tidal irrigation, an investment threshold of USD 6,250/ha shall be used to pre-screen potential sites and any site above this threshold cost shall be ineligible for *Nema* support. The adequacy of the threshold may be reviewed at any time but no later than mid-term. An initial 500 ha is targeted for converting existing pumped-irrigation schemes into fully tidal schemes with the potential to increase the area if proved to be cost-effective. The Project is expected to bring a total of 2,000 ha (about 1,500 ha new schemes) into intensive irrigated rice production by project completion in 2019.
- (f) The works shall be undertaken by contractors who shall be committed to using labour-intensive construction methods to give local people first refusal on the opportunities for daily-paid unskilled and semi-skilled work (cash-for-work). These contractors shall work in close consultation with the Department of Water Resources (DWR) and the National Environment Agency (NEA), from design through implementation and monitoring afterwards. As a "public good", it is essential that the infrastructure is, and is seen to be, owned and operated by the beneficiary farming communities.

4.1.3 *Subcomponent 1.3 Village vegetable schemes.*

- (a) The Project shall bring thirty such village vegetable schemes up to fully functional condition with the potential for multiple cropping around the year, thereby permitting proper planning and greatly-increased returns. The schemes for upgrading shall be selected from the six Regional Agricultural Directorates, at the request of existing or newly-mobilized women's groups.
- (b) As locally appropriate on a case-by-case basis, the investments shall include: upgrading or construction of perennial irrigation systems with groundwater

abstraction, conveyance, storage and distribution; construction of animal-proof security fences with gates around garden perimeters; construction/repair of simple buildings providing shelter, storage facilities, toilets and other farm tools.

- (c) The lifting of groundwater shall be achieved by a solar powered pump with 100 m³/day capacity from a 6 inch borehole, with the consequences of low operating costs, saved productive surface area and improved safety. The DWR shall supervise the installation and monitor the water quality of project wells/boreholes on a regular basis.
- (d) In addition to the upgrading works, the Project shall construct eighteen similar schemes expressly as youth market gardening enterprises in locations with favourable conditions and strong local demand.
- (e) The Project shall start with a 15 ha pilot vegetable scheme for both youth and women *kafo* and this will be evaluated at mid-term before scaling up. *Nema* shall ensure that contract farming agreements are signed for youth and women *kafo* gardens respectively during the pilot phase.

4.1.4 *Subcomponent 1.4 Access roads and market infrastructure.*

- (a) The nominal target for project planning purposes is 2,500 ha of farmland to benefit from access road/truck upgrading works. The goal is greatly improved access to the rice fields and vegetable gardens. The Project shall focus on spot improvements to make a greater length of farm-to-market access roads passable in all seasons by improving the conditions of crossing points with hydraulic structures and some gravel surfacing.
- (b) The communal watershed planning process shall identify roads and tracks for improvement.
- (c) Ten local markets shall be constructed to complement productivity gains under the Project.
- (d) Appropriate structures for trading local produce shall be installed at convenient locations, with storage facilities, water supplies and sanitation.

4.2 **Component 2: Agricultural commercialization**

4.2.1 *Subcomponent 2.1 Producer organisations.*

- (a) The Project shall work with producer organizations to capitalize on the major public infrastructure investments in agricultural water control, irrigation of vegetable gardens, access and market structures by promoting both on-farm productivity and enterprise profitability.
- (b) The Project shall strengthen the technical and management capacity of producer groups in economic activities in which they have a comparative advantage, and provide management, technical and entrepreneurship training to women *kafos* and youth groups, including basic marketing, processing and negotiating skills and business counselling.
- (c) *Nema* shall support the training of one farmer organisation representative at Master Degree level for Agribusiness.

- (d) Commodity inter-professional bodies for rice and vegetables shall be established or strengthened to influence policy and take advantage of market opportunities.
- (e) *Nema* shall support the sensitisation of youth on employment opportunities in the agriculture sector, the sharing of experience among youth and the organisation of exchange visits using a youth peer-to-peer approach. Around thirty-six individual young people shall be trained at the Songhai Centre in Benin for extended courses in agricultural business enterprises.
- (f) *Increased production of rice by Producers' organisations (POs)*. Crop packs for rice, including quality seed with appropriate fertilizer and pesticides, shall be provided to farmers once following infrastructure installations to demonstrate the efficient use of the improved croplands and to encourage greater investment of resources in production given the significant reduction in risk of crop failure for lack of sufficient water at the right times.
- (g) *High-quality seed available locally*. The rice seed development activity shall be fully financed by the European Union with clear integration into *Nema* in order to maximise complementarities and synergies, thereby guaranteeing the availability and affordability of certified rice seeds to farmers in the country as a direct response to the perennial seed crisis.
- (h) *Increased production of vegetables by POs*. *Nema* efforts to link women vegetable *kafos* with potential off-takers shall go hand-in-hand with capacity building to enable them to negotiate win-win deals, activity monitoring to avoid the breakdown of contracts and the provision of platforms for dialogue.

4.2.2 *Subcomponent 2.2 Value addition - rice and vegetables.*

- (a) *Strengthening of value chains*. To complement the Project's major infrastructural investments to boost productivity in each watershed, *Nema* shall promote the deepening and broadening of the rice and vegetable value chains by capacity building of the various stakeholders, particularly POs, and the facilitation of start-up businesses supplying services to the sector.
- (b) *Business development*. *Nema* shall sponsor the establishment of about sixty value-adding enterprises providing services to communal production, post-harvest processing, handling and domestic trade in rice and vegetables.
- (c) *Dearth of commercial term lending in the sector*. Recent experience in the sub-region indicates an improving environment for building, innovating and customizing financial instruments for small and medium enterprises (SMEs), and that the two necessary conditions for promoting viable businesses in the context of general market failure are sufficient investment/working capital and management capacity.
- (d) *Capital Investment Stimulation Fund (CISF)*. *Nema* shall pilot an agribusiness development facility, the CISF, to continue the process of innovating, developing and building medium-term financial services adapted to group and individual-based SMEs on a sustainable basis in The Gambia.
- (e) The main innovative elements of the proposed scheme include a tripartite contribution to the scheme wherein participating SMEs contribute at least 10% of the asset value from own savings, participating private sector

financial service providers (Financial Service Providers (FSPs) e.g. Ecobank, Reliance Financial Services, AGIB, NACCUG, etc) 45% through interest-bearing loans to the SMEs on market-driven terms, and *Nema* funds of not more than 45%.

- (f) Business development agents shall assist clients to develop and submit financially viable business plans to selected FSPs for study and consideration for financing.
- (g) Eligibility criteria outlined in the PIM shall be used to screen the financial status of candidate borrowers and disqualify those with substantial assets and rent-seekers, that is, to avoid the risk of elite capture.
- (h) Technical Assistance (TA) shall be provided to participating group-based enterprises to enable them to establish savings schemes that promote community-level capitalization from which funds can be drawn to fund term financing in the future. Group-based participating SMEs shall have to establish and implement a user fee scheme to finance asset replacement in due time, to be held in accounts with participating FSPs.
- (i) Through mentoring of the poorest and internal social support arrangements, all *kafo* members shall be encouraged to participate in any joint business ventures to facilitate equitable access by all women, including the poorest, and the protection of their access from usurpation. For youth, the beneficiary contribution shall be set in consultation with youth and the community.

4.2.3 *Subcomponent 2.3 Technical support services.*

- (a) *Public and private sector technical support service capacity.* *Nema* shall contribute to the institutional strengthening of public and (increasingly) private sector technical support cadres to make affordable agricultural sector technical services accessible to primary producers and value adders.
- (b) It is anticipated that the core business of the Department of Agriculture (DoA) extension services shall continue to be the transmission of appropriate technology packages developed by the National Agricultural Research Institute (NARI) to farmer-users in their communities. The Project shall strengthen NARI-DoA services to ensure that the technologies extended to farmers are technically sound, environmentally friendly and lead to improved productivity, and that the delivery modalities are effective.
- (c) Capacity building shall be achieved through the secondment of staff, on-the-job and formal training and mentoring for officers and Multi-Disciplinary Field Teams (MDFTs) in a range of disciplines as well as the provision of specialist equipment (soil testing, seed cleaning) and field mobility support. Four MoA staff shall receive overseas academic training (two BSc and two MSc in land and water management, soil science or agronomy) with at least one MSc candidate being staff of the Soil and Water Management Services.
- (d) The Project shall engage private sector service providers to complement public sector extension provision in the financial, managerial and organizational aspects of agricultural business development. In recognition of the shortage of experienced and competent firms and NGOs offering such services, the Project may include an element of capacity building within service contracts.

- (e) The Project shall strengthen the organizational, technical and infrastructural capability of the DoA and NARI to provide technical support to rice seed producer enterprises through mobilization, training and input supply and so enable smallholder farmers to produce certified seed on contract.
- (f) At the national level, the Project shall assist MoA with an investigation to determine the most cost-effective arrangements for the identification, research, development, multiplication and utilisation of the rice varieties best suited to agro-ecological conditions in The Gambia.

4.3 Component 3: Project facilitation

To deliver the two substantive components, *Nema* shall feature Project facilitation comprising effective project management and administration, operation support to the MoA in implementing project activities and capacity-building of the management cadres in all aspects of knowledge management, communications and Monitoring and Evaluation (M&E). The PD shall hold overall responsibility for facilitating *Nema* and the PSU shall be embedded in the existing PIWAMP management structure.

4.3.1 Subcomponent 3.1 Project management and Implementation Support.

- (a) *Planning and leadership.* The PSU shall provide direction and leadership to *Nema*, focused on the preparation of coherent work plans and realistic budgets.
- (b) *Liaison.* Close liaison and cooperation shall be maintained with all stakeholders within the Project, ongoing IFAD-supported projects within the Country Programme Approach, other Government of The Gambia (GoTG) projects and activities in the sector, and other development partners. The PSU shall inform and follow up on the decisions of the PSC.
- (c) *Contract management and oversight.* The PSU shall ensure that all project-sponsored services and works are delivered in line with performance-based contracts and MoUs through an orderly programme of consultations, supervision visits and progress reporting. Due emphasis will be given to the deliverables and outputs specified for each activity, rather than the inputs. Given the large volume of civil works and construction in the first component, watershed development, *Nema* shall contract an external supervising engineer to oversee contracts in infrastructure development.
- (d) *Financial administration and audit.* The PSU is tasked with the efficient administration of all project financial and accounting transactions, including the compilation of withdrawal applications for IFAD/other partners and maintenance of the Designated Account. *Nema* shall procure the "SAGE 50 Accounting Professional" accounting software to enable the timely closing of the books at the end of each accounting period.
- (e) The PSU shall procure and facilitate an external audit at the close of each financial year and at project completion.
- (f) *Community mobilisation.* Project staff shall assist MoA field services in the mobilisation, organizational/technical capacity building and support of WUGs and POs benefitting under *Nema* from the increased productive potential of their lands, specifically the implementation of Subcomponents *1.1 Communal watershed planning* and *2.1 Producer organisations*. Staff skills development activities shall include advocacy training and sensitization of leaders at grassroots level. The activity shall be led by the Knowledge Management/Communications Officer, with outreach provided by both the

upland and the lowland Field Coordinators and twenty Conservation Field Assistants.

- (g) *Enterprise promotion.* The Business Development Officer (BDO) shall lead the promotion and support of value-adding enterprises (POs and SMEs), predominantly youth, under *Subcomponent 2.2 Value addition – rice and vegetables*. His/her crucial roles will be the identification of potential opportunities and enterprises, and intermediation between the candidate businesses and funding sources (lenders). Staff training shall include youth and gender-sensitive value chain development.

4.3.2 *Subcomponent 3.2 Knowledge management, M&E capacity*

- (a) *Nema* shall make a feature of modern knowledge management approaches by realizing an effective unified management information system to support implementation and building up national institutional capacity to a level adequate for the needs of future interventions in the sector. The activity shall be led by the Planning/Monitoring & Evaluation Officer (PMEO).
- (b) *Management information.* The Project shall establish an effective internal KM, reporting, communications and M&E system congruent with both the framework established by previous projects and MoA's emergent Gambia Agricultural Information Management System (GAIMS). The MoA/CPCU, supported by the lead international M&E technical assistant and accountable to the Permanent Secretary, shall be responsible for developing and implementing the GAIMS. The main purpose shall be to make pertinent information in time to project decision-makers. Provision is made for data base development and information systems. Key project indicators shall be tracked and analysed by an effective M&E system. Baseline, mid-term and impact/completion studies shall be compiled.
- (c) *M&E capacity.* Beyond the immediate KM needs of *Nema*, the Project shall contribute directly to the establishment of operational national M&E mechanisms to support proactive sectoral development and the embedding of enhanced knowledge management protocols in MoA. The principal resource in this regard shall be an international M&E technical assistant attached to the MoA/CPCU for two years as advisor, trainer and mentor. Provision is made for consultancies in aspects of KM and communications. Knowledge products shall be generated to inform sectoral policy and planning.
- (d) *Knowledge Products.* Studies shall be commissioned on high priority topics related to the scope of *Nema*, including the drafting of strategies on National Rice Development and Agricultural Land and Water Management.

II. Implementation Arrangements

A. Approach

1. Approach to project implementation. *Nema* design is based on the following guiding principles:

- scaling up: building on and up-scaling of successful interventions from PIWAMP, the Livestock & Horticulture Development Project (LHDP) and other interventions in the country and elsewhere;
- watershed approach: agricultural development is founded on effective participatory planning to ensure financially and ecologically sustainable benefits;

- market-led approach: production and supply are driven by effective market (cash) demand;
- demand-driven approach: the farmers and enterprises are regarded as the owners and managers of supported activities, rather than as the passive recipients of material benefits;
- focus on farmers organisations: increasing their productivity and share of the total value added in the markets;
- strong institutions and linkages within the rice and vegetable markets: linking POs, credible service providers, transporters, processors, dealers, financial institutions and consumers;
- enabling environment: contributing to improved policy and regulatory framework;
- critical infrastructure: addressing public economic infrastructure constraints on private enterprise; and
- inclusiveness, gender and youth mainstreaming: addressing the needs of marginalized and vulnerable groups and ensuring that they benefit from project interventions; and taking youth and gender differences into account in project design and implementation modalities.

2. *Nema* shall be implemented through a cascade of performance-based contracts for all service providers, including all related staff of the PSU, based on the experience of ongoing IFAD-supported projects.

3. Project duration and phasing. *Nema* shall be implemented over seven years (2013 to 2019 inclusive), with the first half-year devoted to planning and preparatory activities, six years of investment and follow-up activities, and a final half-year winding down and (possibly) assisting with the design of project replication in other parts of The Gambia. Project engagement with individual communities shall extend over three years, with the main physical works executed in one off-season. Three years is regarded as the minimum required to develop and consolidate the public-private natural resource co-management arrangements.

B. Organisational framework

1. Implementing arrangements. The MoA shall be the executing agency for *Nema*. The Project shall be managed by the PSU (to be embedded in existing PIWAMP management structure) with implementation by appropriately-qualified service providers including MoA technical service units and others contracted by the PSU under the direction and oversight of a Project Steering Committee (PSC).

2. The management of implementation shall be streamlined and simple, the Project being an activity under the direction of the MoA's CPCU, which is being capacitated rapidly to oversee the coordination of projects and programmes including those aligned with The Gambian National Agricultural Investment Plan (GNAIP). The organization and management arrangements for *Nema* implementation shall be set out in a PIM. The PIM shall be finalized by the PSU during the first three months of implementation in close collaboration with key stakeholders and be subject to revision as required.

3. Project Steering Committee (PSC). For strategic oversight and guidance of the Project, the PSC established in line with GNAIP implementation arrangements shall be co-opted. The PSC shall include representatives of farmers' organizations, women, youth (global youth innovation network) and post-production value-adding entities as well as the coordinators of closely-related ongoing projects. *Inter alia*, the PSC shall approve Annual Work Programmes and Budgets (AWP&Bs) and the PIM, and ensure that overall project operations are within the legal and technical framework agreed between the

Government and IFAD. The PSC should meet at least twice a year to review implementation progress and approve annual work plans and budgets.

4. Project Support Unit. A Project Support Unit (PSU) shall be embedded in existing PIWAMP management structure within the MoA/CPCU set-up to assist in the overall and day-to-day management of the implementation of *Nema*. The following existing PIWAMP PMU staff shall concurrently manage *Nema*: Project Coordinator, Financial Controller, one accountant and one accounts clerk, Lowland Field Coordinator, Upland Field Coordinator and twenty Field Conservation Assistants. These staff shall be fully integrated in *Nema* PSU upon completion of PIWAMP in 2014. The MoA, through CPCU, shall facilitate and coordinate the recruitment of complementary PSU staff (Business Development, Planning, Monitoring & Evaluation, Knowledge Management/Communication Officers) in close consultation with IFAD. Other PSU cadres shall be seconded from MoA or contracted in. To the extent possible, the PSU shall be integrated with national and decentralized processes and decision-making mechanisms.

The responsibilities of the PSU shall include:

- planning and liaison functions for implementation of *Nema*;
- proactive management of the various MoUs, contracts and agreements specifying implementation arrangements;
- financial management functions, including grant administration and external audits;
- knowledge management, including periodic and *ad hoc* project reporting for GoTG, IFAD and other stakeholders as well as informing management decisions; and
- monitoring and evaluation activities.

5. Central Project Coordination Unit. The management of agricultural information and knowledge within the MoA has become increasingly challenging in recent years. This reflects staff shortages, compounded by the recent creation of the CPCU, as well as the increasing number of different development partner-supported projects and programmes that GoTG is concerned to coordinate effectively and efficiently. In this context, the Project shall contribute to the further development of effective information, communication and knowledge management in the sector through the uplift of the monitoring and evaluation capacity of the CPCU.

6. It is understood that the CPCU shall support all mainstream programmes and projects to implement government policies and strategies in agricultural development. The unit will play a coordination role to strengthen the effectiveness of these programmes through a focus on planning and coordination mechanisms at all levels, including overall guidance to link annual work planning and budgeting processes and outcomes.

C. Governance

1. *Nema* activities shall be implemented by central and regional government structures, contracted suppliers and service providers, and village communities. All financial and material transactions of the Project shall be subject to The Gambia's robust prevailing governance framework and comply with IFAD's exacting requirements of transparency and rectitude.

2. In particular, good governance measures built in to the Project shall include (a) undertaking all necessary measures to create and sustain a corruption-free environment for activities under the Project; (b) instituting, maintaining and ensuring compliance with internal procedures and controls for activities under the Project, following international best practice standards for the purpose of preventing corruption, and shall require all relevant ministries, agents and contractors to refrain from engaging in any such activities; (c) complying with the requirements of IFAD's Policy on

Preventing Fraud and Corruption in its Activities and Operations; and (d) ensuring that the Good Governance Framework is implemented in a timely manner.

3. Government shall also ensure that: (i) it is engaged actively to allow potential Project beneficiaries and other stakeholders to channel and address any complaints they may have on the implementation of the Project; and (ii) after conducting necessary investigations, the Government shall report immediately to IFAD any malfeasance or maladministration that has occurred under the Project.

Schedule 2

Allocation Table

1. *Allocation of Grant Proceeds.* (a) The Table below sets forth the Categories of Eligible Expenditures to be financed by the Grant and the allocation of the amounts of the Grant to each Category and the percentages of expenditures for items to be financed in each Category:

Category	Grant Amount Allocated in SDR	% of Eligible Expenditures to be financed
I. Civil works, vehicles, goods and equipment	7 900 000	100% net of taxes, Government contribution and co-financiers
II. Technical assistance	840 000	100% net of taxes
III. Training, Monitoring and Evaluation	1 360 000	100% net of taxes
IV. Fund	320 000	100% net of taxes and co-financiers contribution
V. Staff Salaries	620 000	100% net of taxes and Government contribution
VI. Operating costs	140 000	100% net of taxes and Government contribution
Unallocated	1 970 000	
TOTAL	13 150 000	

(b) The terms used in the Table above are defined as follows:

Technical assistance: shall also mean crop packs for rice and vegetables.

Fund: means the Capital Investment Stimulation Fund to provide co-financing (45%) as matching grant for the rice and vegetable value additions business.

Operating costs: means all costs to the exclusion of office running cost e.g. utility bills.

Staff Salaries: means allowances paid to PSU staff excluding basic salaries paid by the Recipient.

(c) *Retroactive financing.* Expenditures of up to the equivalent of USD 17 000 incurred after 1 September 2012 but before the date of entry into force of this Agreement for Operating Costs (category VI) may be considered Eligible Expenditures for the purposes of this Agreement, if otherwise eligible, notwithstanding the fact that they have been incurred before the start of the Project Implementation Period.

Schedule 3

Special Covenants

In accordance with Section 12.01(a)(xxiii) of the General Conditions, the Fund may suspend, in whole or in part, the right of the Recipient to request withdrawals from the Grant Account if the Recipient has defaulted in the performance of any covenant set forth below, and the Fund has determined that such default has had, or is likely to have, a material adverse effect on the Project.

1. The Recipient confirms its commitment to engage with the private sector as implementing partners and service providers, with the active participation of the Project's target group, in order to ensure that the *Nema* objectives are met.
2. The Recipient shall, to the fullest extent possible, exempt the proceeds of the Grant from all taxes. Any taxes and duties paid by the Project shall be reimbursed by the Recipient.
3. The Recipient shall ensure that gender concerns are mainstreamed in all Project activities throughout the Project Implementation Period. The Recipient shall also ensure that the Project activities specifically designed to benefit women and women-headed households and rural young people are duly and diligently implemented.
4. The Recipient shall accept the framework defined in IFAD's Policy on Preventing Fraud and Corruption in its Activities and Operations and the definitions contained therein, which IFAD shall apply to all Project activities.
5. The Recipient commits to mobilizing financing from other development partners (including the Islamic Development Bank) in the form of loans or grants to ensure that the Project Objectives are met.
6. The Recipient commits to obtaining the Fund's prior agreement for the waiver, suspension, termination, amendment or modification of the PIM which may have a material adverse effect on the Project.

Logical framework

Results Hierarchy	Indicators	Means of Verification	Assumptions
Goal: Reduced poverty of rural women and youth.	<ul style="list-style-type: none"> At least 23,560 HH with 25% increase in asset index (by sex).* 30% reduction in child malnutrition (by sex).* Reduction in rice "hungry season" from five to two months a year (by sex of head of HH).* 	<ul style="list-style-type: none"> RIMS baseline and impact surveys. GAIMS. National Living Standards Survey. Project Completion Report. 	<ul style="list-style-type: none"> Continued political stability. Commitment to poverty reduction.
Objective: Increased incomes from improved productivity based on sustainable land and water management practices.	<ul style="list-style-type: none"> 4,000 households achieving a 15% increase in income from upland crops; 12,400 women with annual average income from rainfed lowland rice increased from <u>minus</u> USD 62 to USD 163 (by age). 2,000 women with annual average income from irrigated tidal rice increased from USD 119 to USD 826 (by age). At least 4,800 women with annual average income from vegetable production increased from USD 34 to USD 744 (by age). 360 youth with average annual income of USD 7,629 from intensive market-oriented vegetable production (by sex and age). 300 youth with full-time jobs in agricultural service businesses (by sex and age). 	<ul style="list-style-type: none"> RIMS baseline and impact surveys. National & Divisional Surveys. GNAIP reports. National Agricultural database. Nema M&E system. Project Completion Report. 	<ul style="list-style-type: none"> Policies favouring smallholder market-oriented agriculture are in place. Sustained emphasis on income-generating opportunities for youth.
Outcomes: A: Watershed development			
1 Improved productivity of scarce agricultural lands.	<ul style="list-style-type: none"> No of watersheds developed and managed by the communities. Up to 12,400 ha of lowland areas brought under command for improved rice productivity.* No of women rice farmers reporting improved yields in lowland from 0.7 t/ha to 1.8 t/ha.* Up to 2,000 ha of tidal areas developed with water control and drainage structures for rice production. No of women rice farmers reporting annual yield increases in irrigated tidal areas from 1.5 t/ha to 6.5 t/ha (by age). At least 3,100 ha of degraded land reclaimed for production. 4,000 ha of upland areas with improved cropping potential. No of women vegetable farmers reporting improved yields, such as tomato from 0.8 t/ha to 9.0 t/ha and onion from 0.7 t/ha to 8.0 t/ha, (by sex and age).* No of youth vegetable farmers reporting average yields of at least 18.0 t/ha for tomato and 16.0 t/ha for onion, (by sex and age).* 	<ul style="list-style-type: none"> National & Divisional statistics. GNAIP and GAIMS reports. RIMS reports. Project progress reports. Supervision and MTR reports. 	<ul style="list-style-type: none"> Government committed to lowland rice development based on validation and implementation of the Gambia National Rice Development Strategy. Robust arrangements made for regular maintenance of infrastructure. Availability and affordability of certified seeds especially rice. Positive supply-side response to improved potential profitability of crops. Appropriate rice and vegetable import tariff regimens to incentivise local producers.

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Results Hierarchy	Indicators	Means of Verification	Assumptions
2 Improved farm-to-market access roads.	<ul style="list-style-type: none"> 85% of producers in project area with year-round access to farmlands and markets. Access roads/tracks serving 2,500 ha of farmland constructed or upgraded. 16,550 workers employed temporarily under labour-based construction of infrastructure within watersheds. 	<ul style="list-style-type: none"> National & Divisional statistics. GNAIP reports. RIMS reports. Project progress reports. Supervision and MTR reports. 	<ul style="list-style-type: none"> Robust arrangements made for regular maintenance of infrastructure.
B: Agricultural commercialization			
1 Strengthened producer capacity.	<ul style="list-style-type: none"> At least 20,000 producers adopting and practicing ecologically sound approaches.* At least 72 producer organisations enabled with technical and business skills. 	<ul style="list-style-type: none"> National & Divisional statistics. GNAIP reports. RIMS reports. Project progress reports. Supervision and MTR reports. 	<ul style="list-style-type: none"> Conducive legal and regulatory environment supporting POs at all levels.
2 Agricultural enterprise promotion.	<ul style="list-style-type: none"> 36 youth trained and starting businesses (by sex and age). 300 women <i>kafos</i> supported with market-oriented enterprises (by age). 60 start-up agricultural service enterprises capitalized and operational, creating 300 jobs. 	<ul style="list-style-type: none"> National & Divisional statistics. GNAIP reports. RIMS reports. Project progress reports. Supervision and MTR reports. 	<ul style="list-style-type: none"> Availability of competent agencies in agricultural commercialisation.
3 Technical support services.	<ul style="list-style-type: none"> At least 20 service-providers with strengthened capacity in agricultural business promotion. At least 50% of women and youth <i>kafos</i> express satisfaction of the quality of services provided. 	<ul style="list-style-type: none"> National & Divisional statistics. GNAIP reports. RIMS reports. Project progress reports. Supervision and MTR reports. 	<ul style="list-style-type: none"> Adequate private sector capacity and interest in agricultural business promotion.
C: Project facilitation			
1 Effective and operational national M&E mechanisms in place to support proactive sectoral development.	<ul style="list-style-type: none"> Delivery and use of M&E at national and regional levels. National M&E system fully operational by PY2. 	<ul style="list-style-type: none"> GAIMS reports. Project progress reports. Supervision and MTR reports. 	<ul style="list-style-type: none"> Completion of structural reform of MoA management arrangements.
2 Knowledge products generated to inform sectoral policy and planning.	<ul style="list-style-type: none"> At least 15 knowledge products produced and disseminated. Strategies drafted on <i>National Rice Development and Agricultural Land and Water Management</i>. 	<ul style="list-style-type: none"> Knowledge products written, multi-media. Sectoral strategy papers. Project progress reports. Supervision and MTR reports. 	<ul style="list-style-type: none"> Development and retention of trained specialists within knowledge management cadre.

*RIMS indicators.