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President's memorandum

Proposed additional financing to

Republic of Guinea for the

Family Farming, Resilience and Markets Project in Upper and Middle Guinea (AgriFARM)

Project ID: 2000001059

Note to Executive Board representatives

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Abbreviations and acronyms

ANPROCA	National Agricultural Research and Extension Service
BADEA	Arab Bank for Economic Development in Africa
CNOP-G	National Confederation of Farmers' Organizations of Guinea
IRAG	Agricultural Research Institute of Guinea
M&E	monitoring and evaluation
OPEC Fund	OPEC Fund for International Development
PMCU	project management and coordination unit

Financing summary

Initiating institution:	IFAD
Borrower/recipient:	Republic of Guinea
Executing agency:	Ministry of Agriculture and Livestock
Total project cost:	US\$121.04 million
Amount of original IFAD financing:	US\$30.9 million
Terms of original IFAD financing:	50 per cent in the form of a highly concessional loan and 50 per cent in the form of a grant under the Debt Sustainability Framework
Amount of additional IFAD loan:	US\$21.5 million
Amount of additional IFAD grant:	US\$7.95 million
Terms of additional IFAD financing:	73 per cent in the form of a highly concessional, interest-free loan with a service fee established on approval by the Executive Board; a repayment period of 40 years, and a grace period of 10 years. The loan principal will be repaid at a rate of 4.5 per cent of the total principal per annum for years 11 to 30 and 1 per cent for years 31 to 40 27 per cent in the form of a grant under the Debt Sustainability Framework
Amount of IFAD climate finance:	US\$15.18 million
Cofinanciers:	OPEC Fund for International Development (OPEC Fund) Arab Bank for Economic Development in Africa (BADEA)
Amount of cofinancing in the form of a loan:	OPEC Fund: US\$25 million BADEA: US\$15 million
Contribution of borrower/recipient:	US\$16.38 million
Contribution of beneficiaries:	US\$4.30 million

Recommendation for approval

The Executive Board is invited to approve the recommendation for the proposed additional financing contained in paragraph 57.

I. Background and project description

A. Background

1. The Family Farming, Resilience and Markets Project in Upper and Middle Guinea was designed during the 2016-2018 cycle of the performance-based allocation system. Approved by the Executive Board on 16 April 2018, the total project cost is US\$120.16 million. With a duration of six years, the project commenced on 7 September 2018. The financing plan approved by the Executive Board consisted of: an IFAD loan of US\$15.45 million; an IFAD grant of US\$15.45 million; cofinancing in the form of a loan from the OPEC Fund for International Development (OPEC Fund) of US\$25.0 million; cofinancing in the form of a loan from the Arab Bank for Economic Development in Africa (BADEA) of US\$15.0 million; a contribution from the Guinean Government of US\$14.1 million; a contribution from the beneficiaries of US\$4.26 million; a financing gap of US\$30.9 million, to be partially covered by resources allocated under the Eleventh Replenishment of IFAD's Resources (IFAD11) in the period 2019-2021. The project completion date and financing closing date are 30 September 2024 and 30 March 2025, respectively.
2. On 31 May 2021, the Government of Guinea sent IFAD a request for additional financing of around US\$29.45 million to partially cover the financing gap. The purpose of this memorandum is to secure Executive Board approval of financing in the form of a grant (27 per cent) and a loan (73 per cent).¹
3. The project goal, objectives and components, as well as its implementation and financing terms, will remain as originally established and be amended on integration of the cofinancing in the financing plan. Because of the cumulative delay in the project's initial years, due in part to the COVID-19 pandemic, it is also recommended that the completion and closure dates be deferred 24 months to 30 September 2026 and 30 March 2027, respectively.

B. Original project description

4. The project's general objective is to sustainably guarantee the food and nutrition security of rural households in Upper and Middle Guinea and strengthen their resilience to crises. It is aligned with the National Economic and Social Policy 2016-2020 and its offshoots for the agriculture sector and food and nutrition security (National Agricultural Development Plan and National Plan for Agricultural Investment and Food and Nutritional Security 2018-2025), regional policies² and the objectives of the IFAD country strategy note (country strategic opportunities programme 2020-2024).
5. Its development objective is to sustainably increase the incomes of 78,000 family farming households,³ their resilience to external shocks such as climate change, their food and nutrition security and their access to local, urban and regional markets in the 15 target prefectures of the natural regions of Upper and Middle Guinea. The expected outcomes in the project intervention area are: (i) a decline in the incidence of poverty, which will be lowered from 55.4 per cent to

¹ In the form of a highly concessional, interest-free loan with a service fee established on approval by the Executive Board; a repayment period of 40 years, and a grace period of 10 years. The loan principal will be repaid at a rate of 4.5 per cent of the total principal per annum for years 11 to 30 and 1 per cent for years 31 to 40.

² African Union Malabo Declaration on post-harvest losses.

³ After the project design and the review of the indicators conducted during the 2020 supervision mission, the target was revised upward due to the increase in the OPEC Fund envelope and consideration of the BADEA cofinancing.

47.9 per cent; (ii) a 30 per cent increase in agricultural production; and (iii) a 30 per cent increase in the volume of production marketed.

II. Rationale for additional financing

A. Rationale

6. Approved in September 2018, the project included a financing gap of US\$30.9 million. The total project cost and financing gap were considered in the definition and planning of all project components and activities. The additional financing of US\$29.45 million will make it possible to cover an essential part of the original financing gap to implement the activities included since the project design phase.

Table 1

Original and additional financing summary

(Thousands of United States dollars)

	<i>Original financing</i>	<i>Additional financing</i>	<i>Total</i>
IFAD loan	15 450	21 500	36 950
IFAD grant	15 450	7 952	23 402
Financing gap	30 900	-	-
OPEC Fund	25 000	-	25 000
BADEA	15 000	-	15 000
Beneficiaries	4 262	43	4 305
Borrower/recipient	14 102	2 280	16 382
Total	120 164	31 775	121 040

Special aspects relating to IFAD's corporate mainstreaming priorities

7. Concerning the trends linked with climate change, rising temperatures and lower rainfall are observed.
8. Concerning gender inequalities, much remains to be done to enable women to freely exercise their basic rights. Women constitute 49 per cent of the economically active population but receive only 27 per cent of the total income.
9. Concerning youth under the age of 25, who constitute 64 per cent of the total population, public investment and economic stimulus measures to benefit rural youth are not enough to prevent their migration in droves.
10. Malnutrition remains a problem throughout the country: 34 per cent of rural children under 5 suffer from stunting or chronic malnutrition, and 75 per cent, from iron deficiency. Limited diversification of their diet, which is based largely on rice, is the main problem.
11. The project's priority targets will be women and youth. Quotas will be applied in each project activity, with direct beneficiaries consisting of at least 40 per cent youth (under the age of 35) and 30 per cent women.
12. In line with IFAD11 mainstreaming commitments, the project has been validated as:
- Nutrition-sensitive;
 - Including climate finance.

B. Description of geographical area and target groups

13. **Geographic targeting.** The project targets 15 prefectures in the two natural regions of Upper and Middle Guinea,⁴ the regions where food insecurity is most

⁴ The prefectures of: Dabola, Dalaba, Dinguiraye, Gaoual, Kankan, Kérouané, Koumbia, Koundara, Kouroussa, Lélouma, Mali, Mamou, Mandiana, Siguiri and Tougué.

prevalent (67.5 per cent and 55.4 per cent, respectively⁵). Their selection was based on the following criteria: (i) the poverty index; (ii) the potential for grain production and market potential (especially for rice and maize); and (iii) the presence of well-organized economic actors.

14. **Beneficiaries.** The project will target 78,000 family farms, or some 525,000 people. The project is expected to have reached 15,000 households by mid-term in 2022. Vulnerable and extremely vulnerable households will comprise 15 per cent of the project's target group.

C. Components, outcomes and activities

15. The project will be implemented over a six-year period, which, if approved, could be extended for two years, and include three components: (i) strengthening family farming and building resilience to climate change; (ii) access to markets; and (iii) project management and coordination, monitoring and evaluation (M&E) and knowledge management.
16. Project implementation is speeding up. Due to delays at start-up, the project management and coordination unit (PMCU) could not commence activities until January 2020 and was rapidly affected by the consequences of the COVID-19 pandemic. However, the majority of its implementation partners were recruited to begin the social engineering works and conduct road, market and lowland management studies.

Component 1: Strengthening family farming and building resilience to climate change.

17. **Subcomponent 1.1:** Family farming will be strengthened by productive, climate-resilient upgrades to 40,000 ha of sub-watersheds and 6,000 ha of production areas.
18. **Subcomponent 1.2:** The project aims to have 30,000 family farmers, both women and men, adopt better agroecological practices that will enable them to increase their average rice and maize yields by 50 per cent.⁶ Agreements have been signed with the Agricultural Research Institute of Guinea (IRAG) and the National Agricultural Research and Extension Service (ANPROCA) to: (i) improve access to quality, climate-resilient seed through a rice and maize seed production system operated by unions and rural producers' networks that benefits from foundation seed provided by IRAG; and (ii) the scaling up of technologies and good cropping practices in 200 farmers' field schools facilitated by agricultural advisers from ANPROCA, 150 of the farmers' field schools geared to annual crops and the other 50 to agroforestry.
19. **Subcomponent 1.3:** Thanks to its regional technical cells in Middle and Upper Guinea and the support provided to the national technical cell for quality control and capitalization, the National Confederation of Farmers' Organizations of Guinea (CNOP-G) will support: (i) water and natural resource user associations; (ii) market service cooperatives, to support their professional development; and (iii) women and youth leadership.
20. **Subcomponent 1.4:** The goal is to ensure: (i) diversification of the diets of children under 5 and women; (ii) improvements in the care and feeding of young children; (iii) improvements in knowledge, behaviours and practices in household nutrition; and (iv) year-round availability of a variety of healthy nutritious food. The following activities will therefore be carried out with the help of NGOs: (i) a diagnostic study of dietary practices and the preparation of a nutrition education guide; (ii) support to stimulate supply and demand for highly nutritious local products to benefit 700 rural enterprises in production areas in and around

⁵ National Poverty Reduction Strategy, 2007.

⁶ That is, thanks to the project, attaining a yield of 1.75 tons/ha for rice and 1.85 tons/ha for maize.

markets; and (iii) the distribution of farm production kits to the most vulnerable women and youth to upgrade gardens and enclosed tracts of cultivated land (*tapades*).

Component 2: Access to markets.

21. Improving family farms' access to markets involves building economic infrastructure to open rehabilitated production areas to the outside world.
22. **Subcomponent 2.1:** The 22 collection markets and 4 quasi-wholesale markets for agricultural products identified by the multi-actor platforms and local authorities will be built and/or restored. The project will enable the restoration of 970 km of roads, 671 km of them rural tracks,⁷ and 299 km stretches of unpaved national and prefecture roads linking production areas to collection or quasi-wholesale markets.
23. **Subcomponent 2.2:** The individuals responsible for infrastructure management and maintenance will receive training to become co-signers of local public-private partnerships. The main social infrastructure activities will involve: (i) creating and supporting 26 multi-actor commercial platforms and 26 management systems for quasi-wholesale and collection markets; (ii) creating, supporting, and assisting 85 maintenance facilities for rural tracks; and (iii) access to information on produce prices from markets and through the media.
24. **Subcomponent 2.3:** The project will include support for 2,000 microenterprises focused on the market for agricultural production, transformation, inputs, collective marketing, collective storage and transport.

Component 3: Project management and coordination, M&E and knowledge management.

25. IFAD-supported coordination costs have risen by 3.5 per cent due to the recruitment of additional staff⁸ for the PMCU and because the expected financing from the Belgian Fund for Food Security has not been mobilized.

D. Costs, benefits and financing

26. Part of the project financing is climate financing. Based on the multilateral development banks' methodologies for climate mitigation finance tracking, the total estimated IFAD climate financing for the project under IFAD11 is US\$15,175,000.

Project costs

27. The total project cost, including the additional financing, is US\$121.04 million, including contingency costs, taxes and import duties.
28. The breakdown of project costs by component is as follows: (i) component 1 – US\$50.9 million (42 per cent); (ii) component 2 – US\$59.6 million (49 per cent); and (iii) component 3 – US\$10.5 million (9 per cent).

⁷ Designated as access roads in communes and agricultural production areas in Guinea's new road classification.

⁸ At the conclusion of the technical support mission for the 2019 launch and the first supervision mission in October 2020, it was recommended that PMCU staff be increased with the recruitment of an internal auditor, two engineers (civil and rural engineers), a procurement assistant, an audit assistant, an M&E assistant, a person in charge of the geographic information system, a person in charge of communication and knowledge management and a person in charge of infrastructure in each branch office.

Table 2

Additional financing: project cost by component and financier

(Thousands of United States dollars)

<i>Components</i>	<i>Additional IFAD loan</i>		<i>Additional IFAD grant</i>		<i>Additional financing</i>				<i>Total</i>	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Beneficiaries</i>		<i>Borrower/recipient</i>		<i>Amount</i>	<i>%</i>
					<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>		
1. Strengthening family farming and building resilience to climate change	11 931	73.0	4 413	27.0					16 343	51.4
2. Access to markets	4 725	53.7	1 747	19.9	43	0.49	2 280	25.9	8 795	27.7
3. Project management and coordination, M&E and knowledge management	4 844	73.0	1 792	27.0					6 636	20.9
Total	21 500	67.7	7 952	25.0	43	0.1	2 280	7.2	31 775	100.0

Table 3

Additional financing: project costs by expenditure category and financier

(Thousands of United States dollars)

<i>Expenditure category</i>	<i>Additional IFAD loan</i>		<i>Additional IFAD grant</i>		<i>Additional financing</i>				<i>Total</i>	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Beneficiaries</i>		<i>Borrower/recipient</i>		<i>Amount</i>	<i>%</i>
					<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>		
I. Investment expenses										
A. Works	3 010	50.6	1 113	18.7			1 831	30.7	5 954	18.7
B. Vehicles	155	62.9	57	23.3			34	13.9	246	0.8
C. Equipment and supplies	215	71.9	80	26.6			5	1.5	299	0.9
D. Training and workshops	1 476	60.7	546	22.4			410	16.9	2 432	7.7
E. Consultations	3 384	73.0	1 251	27.0					4 635	14.6
F. Goods, services and inputs	2 017	73.0	746	27.0					2 764	8.7
G. Grants and subsidies	6 889	72.7	2 548	26.9	43	0.45			9 479	29.8
Subtotal	17 146	66.4	6 342	24.6	43	0.17	2 280	8.8	25 810	81.2
II. Current expenses										
A. Salaries and benefits	3 104	73.0	1 148	27.0					4 252	13.4
B. Operating expenses	1 250	73.0	462	27.0					1 713	5.4
Subtotal	4 354	73.0	1 611	27.0	-	-	-	-	5 965	18.8
Total	21 500	67.7	7 952	25.0	43	0.1	2 280	7.2	31 775	100.0

Table 4

Project costs by component and project year (PY)

(Thousands of United States dollars)

Components	PY1 (2018)		PY2 (2019)		PY3 (2020)		PY4 (2021)		PY5 (2022)		PY6 (2023)		PY7 (2024)		PY8 (2025)		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1. Strengthening family farming and building resilience to climate change	-	-	211	0.4	2 946	5.8	8 893	17.4	22 664	44.5	9 815	19.3	4 429	8.7	2 018	4.0	50 977	42.1
2. Access to markets	50	0.1	1 227	2.1	21 812	36.6	10 410	17.5	13 932	23.4	6 650	11.2	4 123	6.9	1 349	2.3	59 553	49.2
3. Project management and coordination, M&E and knowledge management	513	4.9	442	4.2	1 801	17.1	1 415	13.5	1 734	16.5	1 550	14.7	1 559	14.8	1 495	14.2	10 510	8.7
Total	563	0.5	1 879	1.6	26 560	21.9	20 718	17.1	38 331	31.7	18 015	14.9	10 112	8.4	4 861	4.0	121 040	100.0

Financing and cofinancing strategy and plan

29. The breakdown of the original total project cost, estimated at US\$120.16 million, is as follows: (i) IFAD financing of US\$30.9 million (50 per cent in the form of a grant and 50 per cent in the form of a loan); (ii) a loan from the OPEC Fund and a loan from BADEA of US\$25 million and US\$15 million, respectively; (iii) a contribution from the Government of Guinea and beneficiaries of US\$ 14.1 million and US\$4.26 million, respectively; and (iv) a financing gap of US\$30.9 million.
30. The financing gap will be covered by: (i) additional IFAD financing under the performance-based allocation system 2019-2021 in the amount of US\$29.45 million (73 per cent in the form of a loan, 27 per cent in the form of a grant); (ii) supplementary financing from the Government of Guinea (responsibility for 115 km of rural tracks) in the amount of US\$2.3 million; and (iii) a supplementary contribution from the beneficiaries (financing of rural microenterprises), in the amount of US\$0.043 million.⁹

Disbursement

31. A separate designated account will be opened to receive the additional financing (grant and loan). The authorized allocation for this new account will be established in the letter to the borrower/recipient. No change in the original disbursement mechanism is foreseen at this stage. A switch to a disbursement modality based on the communication of financial information will be considered in the coming months, considering the project's technical capacity. Under the project design, the funds will be managed in accordance with national procedures, bearing in mind the project's financial resources and administrative management procedures. The subsequent flow of funds will depend on disbursement requests, following IFAD guidelines and procedures.

Summary of benefits and economic analysis¹⁰

32. The economic analysis shows that the original project is profitable: the economic internal rate of return is 17.2 per cent and the net present value is equivalent to US\$37.6 million, or 359.6 billion Guinean francs, for a total cost of US\$121.04 million. Considering the measures to mitigate greenhouse gas emissions, evaluated at the current price (US\$30 per tonne of carbon dioxide emitted),¹¹ the project's new economic internal rate of return will be 28.4 per cent. These are highly satisfactory results, given that certain benefits have not been taken into account, specifically those from nutrition education activities and the promotion of rural microenterprises. A sensitivity analysis that considered the risks identified in project activities confirms the economic robustness of the project.

Exit strategy and sustainability

33. Implementation of the activities is grounded in a social engineering approach that links each intervention to the beneficiaries through management committees and economically viable associations and to recognized competencies in the communes. The approach integrates the principle of territorial and economic continuity, bringing actors together around a local development dynamic. The management arrangements for commercial infrastructure will make it possible to: (i) maintain the infrastructure;¹² and (ii) guarantee the quality and viability of the services rendered, regardless of changing political and institutional situations. Finally, the

⁹ Supplementary contributions resulting from adjustments to the implementation stages of rural microenterprise business plans and the updating of inflationary parameters.

¹⁰ Appendix II contains the outcomes of the financial models examined and the economic analysis.

¹¹ See <https://markets.businessinsider.com/commodities/co2-european-emission-allowances>.

¹² Responsibility for the costs of major infrastructure maintenance lies, however, with the local authorities, as the owners of these infrastructure works.

rural track maintenance facilities will ensure functional maintenance of the tracks whatever the season.¹³

III. Risk management

A. Risks and mitigation measures

34. The project's overall risk, with the mitigation measures, is considered moderate.
35. The risks associated with the project stem from the following factors: (i) a resurgence of social and political unrest¹⁴ and public health problems (especially those related to the impact of the COVID-19 pandemic); (ii) limited implementation capacity; (iii) lack of experience among local service providers; and (iv) climate change.
36. The mitigation measures consist of: (i) mobilization of implementation partners consisting of farmers' organizations and domestic NGOs, as well as public entities (research institutes, institutions of higher education, and extension centres), to build social cohesion; (ii) strengthening of PMCU management capacity and technical competencies; (iii) mobilization of experienced implementation partners through targeted support; and (iv) the dissemination of techniques for reducing vulnerability to climate change.

B. Environment and social category

37. **Environmental impact.** The project aims to reduce the environmental impact of agriculture by promoting more efficient and sustainable practices at agricultural sites already under cultivation. No activity will be conducted in or in the immediate vicinity of an area protected by national regulations.
38. **Social impact.** The project activities will have a positive impact associated with: (i) sustainable growth of household income; (ii) job creation in sectors devoted to agricultural production and marketing; and (iii) the opening of communities to the outside world, creating new economic and social opportunities. The main social risk is women and youth access to land. The following prevention measures are included: (i) participatory land audits in rehabilitated areas, in collaboration with farmers' organizations (notably the CNOP-G); (ii) support for the creation of inclusive management structures to benefit women and youth; and (iii) support for the economic insertion of youth.
39. The project is classified in environmental and social category B.

C. Climate risk classification

40. By 2100, temperatures across the country are expected to have risen by 0.4° C to 3.3° C, and climate sensitivity will be on the order of 2.5° C. Furthermore, changes in the distribution and volume of precipitation could result in a 36.4 per cent drop in current normal rainfall by 2050, and 40.4 per cent by 2100, with serious repercussions for water resources (both surface and groundwater).
41. The project will promote more efficient use of surface water and, eventually, groundwater. Climate risks will be anticipated and the consequences of dramatic climate variations mitigated. The project's overall climate risk is considered moderate.

¹³ Responsibility for the costs of multi-year restoration lie, however, with the public authorities.

¹⁴ There was a coup d'état on 5 September 2021. The National Committee for Reconciliation and Development seized power and drafted a Transition Charter, released on 27 September 2021. As established in the Charter, a civilian Prime Minister was appointed, and nomination of the members of the future government was under way as of this writing. Secretaries-General are handling current administrative activities while awaiting the full complement of the government team. Moreover, as indicated in the project's risk matrix, the principle of outsourcing is grounded in implementation by non-governmental partners, producers' organizations and private-sector entities and enterprises. Project implementation is therefore not directly compromised.

IV. Implementation

A. Compliance with IFAD policies

42. The proposed additional financing is consistent with the relevant IFAD policies and strategies, in particular: the IFAD Strategic Framework 2016-2025; the Policy on Rural Enterprise; the Private Sector Engagement Strategy 2019-2024; the Inclusive Rural Finance Policy; the Policy on Gender Equality and Women's Empowerment; the IFAD Action Plan – Rural Youth; the IFAD Targeting Policy: Reaching the Rural Poor; and the Social, Environmental and Climate Assessment Procedures.
43. The changes in the project's original logical framework derive from harmonization with IFAD's new core indicators. The targets remain unchanged. The completion date is now 30 September 2026, subject to Executive Board approval.

B. Organizational framework

Management and coordination

44. Assisted by a national steering committee, the Ministry of Agriculture and Livestock is responsible for project implementation. Under the supervision of its national coordinator, the PMCU in Mamou is responsible for financial management, procurement, M&E, communication and knowledge management. Two branch offices have been opened in Middle (Labé) and Upper Guinea (Kankan), overseen by two deputy coordinators, who are also the focal points responsible for gender and youth issues.
45. Technical activities are handled by implementation partners with appropriate professional expertise, namely: IRAG, the National Soils Service, ANPROCA, the CNOP-G, national NGOs (AGUISSA and the Guinea House of Entrepreneurs), the Higher Institute of Agronomy and Veterinary Medicine of Faranah and microfinance institutes. Collaboration with centralized and decentralized technical services (agriculture, environment, trade and equipment) is anticipated for monitoring and quality control.

Financial management, procurement and governance

46. Project funds are managed according to national procedures and IFAD financial management and operating procedures. The administrative and financial procedures are described in the letter to the borrower/recipient and the financial management and administration manual.
47. Project disbursement will follow IFAD disbursement guidelines. The direct payment and designated account methods will be used, along with an expenditure accounting mechanism. A designated account for the IFAD loan and grant was opened at the Central Bank of Guinea, and a new account will be opened for the additional financing funds. IFAD's client portal will facilitate disbursement operations and the preparation of reports. The external auditors are competitively selected through a tender, subject to IFAD's no-objection, to verify the project accounts at the close of each budgetary period. This audit will extend to the additional financing, whose accounting will be separate from the other IFAD financing and cofinancing.
48. At the conclusion of the final supervision mission in October 2020, the quality of the project's financial management was considered rather unsatisfactory, due primarily to the weaknesses identified in internal procurement control.¹⁵ The issue of unallowable sums identified in this first supervision mission was resolved. Hence, after the last supervision mission, the quality of the project's financial management improved, as stated in the audit note for the 2020 budget period, rising from

¹⁵ During the supervision mission in October 2020, a sum of US\$348,574 was also considered potentially unallowable due to the failure to follow procurement procedures. On 30 September 2021, IFAD's final verifications allowed this sum to be included among the allowable expenses.

3 to 4 out of 6 over the previous period. Furthermore, during the 2021 period, all midterm financial reports due were submitted to IFAD on time, and coherent responses to Fund requests for information were provided. Also, to further strengthen its internal controls, the project is in the process of recruiting an internal auditor. The Financial Management Services Division is closely collaborating with the project team in the implementation of an agreed plan to improve financial management. The second supervision mission, scheduled for mid-November 2021, will evaluate subsequent improvements in financial management.

49. Procurement of project-related goods, works and services will follow national regulations and IFAD procurement guidelines. IFAD will issue a no-objection notice at each stage of the project procurement process to ensure that the funds are used for the purposes stipulated in the financing agreement, bearing in mind the principles of economy, efficacy and social equity.

C. M&E, learning, knowledge management and strategic communication

50. **M&E.** All project activities will be indicated in the annual workplans and budgets. The M&E system is based on: (i) the logical framework; (ii) the annual workplan and budget, as a planning tool; (iii) the project manual; and (iv) an information platform (geoportal) that includes the geographic information system and is used to record achievements. The M&E system is deployed locally by the implementation partners, who monitor activities and collect data, which are then consolidated by the PMCU.
51. The M&E system consists of: (i) continuous monitoring of activities; (ii) participatory self-evaluation by the beneficiaries and other stakeholders; (iii) joint supervision missions and implementation support by the Government of Guinea and IFAD; and (iv) periodic external evaluations.
52. **Strategic communication, learning and knowledge management.** The project stresses strategic communication, knowledge management and taking advantage of the lessons learned during project implementation. The project website will be the main instrument for sharing information on achievements and lessons learned. Annual reports, semi-annual bulletins, documentaries and other communication support will be issued to inform the public about project interventions and outcomes. Communication among actors will take place through thematic exchanges, learning activities, national and regional workshops, local radio and social media.

D. Proposed amendments to the financing agreement

53. The financing agreement will be amended and include the amount of the additional financing and the 24-month extension, and the new financing modalities and terms will likewise be indicated.

V. Legal instruments and authority

54. The amended financing agreement between the Republic of Guinea and IFAD will constitute the legal instrument under whose terms the proposed additional financing will be extended to the borrower/recipient. The signed financing agreement will be amended following approval of the additional financing.
55. The Republic of Guinea is empowered under its laws to receive financing from IFAD.
56. I am satisfied that the proposed additional financing will comply with the Agreement Establishing IFAD and the Policies and Criteria for IFAD Financing.

VI. Recommendation

57. I recommend that the Executive Board approve the proposed additional financing, adopting the following resolution:

RESOLVED: that the Fund shall provide a loan on highly concessional terms to the Republic of Guinea in an amount of twenty-one million five hundred thousand United States dollars (US\$21,500,000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

RESOLVED FURTHER: that the Fund shall provide a grant under the Debt Sustainability Framework to the Republic of Guinea in an amount of seven million nine hundred fifty thousand United States dollars (US\$7,950,000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

Gilbert F. Hougbo
President

Cadre logique mis à jour incorporant le financement additionnel

Hiérarchie des résultats	Indicateurs clés de vérification				Moyens de vérification			Hypothèses
	Nom	Référence	Mi-parcours	Fin	Source	Fréquence	Responsabilité	
Portée	1. Nombre de personnes recevant des services promus ou soutenus par le Projet (1)* ^{16,17,18} =	0	15 000	78 000	SSE du Projet	Annuelle	UGP & BSD	Équité dans l'utilisation des ressources et la répartition des bénéfices au niveau des ménages et des organisations Bonne capacité de mise en œuvre Une estimation de sept personnes/ménage dans les deux régions du projet
	1.a. Nombre de personnes recevant des services promus ou soutenus par le Projet* = (ménages)	0	15 000	78 000				
	1.b. Nombre de personnes touchés par des services promus ou soutenus par le Projet* = (membres de ménages, bénéficiaires indirect)	0	105 000	525 000				
Objectif global: Contribuer à améliorer de manière durable la sécurité alimentaire et la situation nutritionnelle et les capacités de résilience aux crises des ménages ruraux des régions de Haute et de Moyenne Guinée	2. Incidence de la pauvreté dans les deux régions d'intervention 3. Nombre des groupes alimentaires moyens consommés par la femme et l'enfant	55,4% ¹⁹ 1,7 ²⁰	/ 2,5	47,9% 4	Enquêtes SMART et MISC	Année 6	Gouvernement, IFAD	Stabilité socio-politique Cadre national réglementaire, stratégique et institutionnel favorable
Objectif de développement: Accroître durablement les revenus des exploitations agricoles familiales, leur résilience aux chocs extérieurs, dont les changements climatiques, ainsi que leur accès physique aux marchés locaux, urbains et régionaux, dans les 15 préfectures ciblées des régions de Haute et Moyenne Guinée	4. Nombre de producteurs/trices déclarant avoir augmenté leurs revenus d'au moins 30% (de la marge nette de leurs activités agricoles) =21	0	10 000	60 000	SSE du Projet Enquête annuelle sur les résultats (EAR)	Semestrielle Annuelle, à partir de l'année précédant la RMP	UGP & BSD UGP & BSD	Équité dans l'utilisation des ressources et la répartition des bénéfices au niveau des ménages et des organisations Bonne capacité de mise en œuvre
Effet 1: Les agriculteurs familiaux, femmes et jeunes inclus augmentent leurs productions et leurs capacités d'adaptation aux chocs externes, notamment climatiques, de manière durable	5. Pourcentage de personnes/ménages faisant état d'une augmentation de la production (1.2.4)* = 6. Pourcentage de personnes/ménages faisant état de l'adoption de technologies et de pratiques écologiquement viables et résilientes face au climat (3.2.2)* =	0% 0%	40% 40%	80% 80%	EAR	Annuelle, EAR à partir de l'année précédant la RMP	UGP, BSD & ANASA	Les variabilités climatiques ne sont pas extrêmes

¹⁶ (*) Indicateur de base du SMRO (Système de Mesure des Résultats Opérationnels)

¹⁷ Les personnes recevant des appuis du projet sont considérées comme ayant amélioré leur résilience au changement climatique car elle bénéficie d'au moins une des activités suivantes du Projet: i) mise en œuvre de pratiques agricoles permettant de réduire l'impact des aléas climatiques sur le système productif (stress hydrique, inondation); ii) aménagements (petite irrigation, etc.) permettant de sécuriser l'accès physique et en quantité du ménage à l'eau agricole; iii) infrastructures (marchés, pistes, stockage, etc.) conçues ou localisées en prenant en compte les risques climatiques.

¹⁸ De cet indicateur de portée sont déduits: (i) le nombre correspondant de ménages touchés (1a), estimé équivalent à l'indicateur 1 pour l'instant puisqu'il est qu'il est supposé qu'il n'y ait pas un taux significatif de ménages doublement bénéficiaires, notamment sur la composante 2; (ii) le nombre total correspondant de membres des ménages, avec une estimation de sept personnes/ménage dans les deux régions du projet, soit dans le cas présent 210 000 membres de ménages attendus à la RMP et 455 000 en fin de projet.

¹⁹ Source: Enquête Harmonisée sur les Conditions de Vie des Ménages (2018/2019)/Institut National de la Statistique (INS)/Décembre 2020

²⁰ Basé sur la Score de Diversité Alimentaire Femme et Enfant: Moyenne des MDD-W et MMD-C sur un nombre total de 6 (Minimum Dietary Diversity Score for women, MDD W, Minimum Dietary Diversity Score for children, MDD C): 1,7 groupes alimentaires consommés en moyenne en 2015 (SMART, REACH), et cible fixée pour 2024 (MISC, UNICEF).

²¹ (=) Indicateurs à désagréger par genre: homme adulte (HA), Femme adulte (FA) Jeune Homme (JH) et Jeune Femme (JF) avec un ciblage transversal d'au moins 30% de FA et 30% de Jeunes (70% JH + 30% JF); Tous les indicateurs faisant référence à des groupes/groupements devront également comptabiliser le nombre de leurs membres par sexe, et le nombre de groupes/groupements comptant des femmes dans leurs instances de direction.

Hiérarchie des résultats	Indicateurs clés de vérification				Moyens de vérification			Hypothèses
	Nom	Référence	Mi-parcours	Fin	Source	Fréquence	Responsabilité	
Produit 1.1: Des aménagements hydro-agricoles sont construits/remis en état et sont gérés ainsi que leur bassin versants de façon durable et adaptée aux changements climatiques.	7. Nombre d'hectares de terres agricoles bénéficiant d'infrastructures de maîtrise de l'eau construites ou remises en état (1.1.2)*	0	2 940	6 000	SSE du Projet, Enquête spécifique	Semestrielle	UGP, IRAG & ANPROCA	Bonne estimation de coûts des aménagements et sélection judicieuse des prestataires de mise en œuvre
	8. Nombre d'hectares de bassins versants aménagés de manière durable (3.1.4)*	0	15 000	40 000				
<u>Produit 1.2:</u> Des techniques culturales améliorées, d'agriculture intelligente face au climat (Climate Smart Agriculture), sont diffusées pour augmenter les rendements.	9. Nombre de personnes formées aux pratiques et/ou technologies de production intelligentes face au climat (1.1.4)*	0	12 400	30 000	EAR, SSE du Projet	Annuelle, EAR à partir de l'année précédant la RMP	UGP, BSD & BTGR	Capacités techniques et managériales des OPA et des prestataires des services
<u>Produit 1.3:</u> Les capacités des organisations de base à rendre des services sont développées et/ou renforcées.	10. Nombre d'associations à la base (organisations de producteurs ruraux appuyées et AUE) appuyées (2.1.3)*	0	35	75	EAR, enquête spécifique OP, SSE du Projet	Semestrielle	UGP & BSD	Intégration et participation effective des exploitations familiales dans les OPA
<u>Produit 1.4</u> Les capacités des ménages sont renforcées pour améliorer leur situation nutritionnelle	11. Nombre de personnes ayant bénéficié de séances d'éducation nutritionnelle, sensibilisation et de kits de production agricole, pour améliorer leur situation nutritionnelle (1.1.8)* =	0	30 000	65 000	SSE du Projet	Semestrielle	UGP & BSD	Absence de crise sanitaire aigües
Effet 2 Les producteurs/rices agricoles commercialisent mieux leurs excédents de productions agricoles	12. Nombre de personnes faisant état d'une amélioration de leur accès physique aux marchés ainsi qu'aux installations de transformation et de stockage (2.2.6)* = ²²	0	30 000	65 000	SSE du Projet, Enquête spécifique; EAR	EAR à partir de l'année précédant la RMP	UGP, BSD & ANASA	Absence de crise climatique majeure
	13. Pourcentage d'augmentation des volumes de produits agricoles commercialisés dans les zones du projet	0%	15%	30%				
<u>Produit 2.1:</u> Les infrastructures économiques connectent les zones de production aux marchés en toutes saisons	14. Nombre de kilomètres de routes construites, remises en état ou améliorées (2.1.5)*	0	350	970	SSE du Projet	Semestrielle	UGP & BSD	Bonne disponibilité et synergie entre les départements ministériels concernés
	15. Nombre d'installations de marché construites ou remises en état (2.1.6)*	0	13	26		Annuelle		
<u>Produit 2.2:</u>	16. Nombre d'entreprises rurales ayant investi dans le développement	0	500	2 000	SSE du Projet	Annuelle	UGP, BSD & BTGR	Capacités des institutions financières à intégrer le dispositif à coûts partagés

²² Sur la base des 65 000 bénéficiaires totaux de la composante 2

Hiérarchie des résultats	Indicateurs clés de vérification				Moyens de vérification			Hypothèses
	Nom	Référence	Mi-parcours	Fin	Source	Fréquence	Responsabilité	
Les acteurs ruraux individuels et en groupe) sont engagés dans des activités commerciales rémunératrices des filières agricoles et à haute valeur nutritive	des filières par des financements à cout partagés = Dont ayant investi dans des filières à haute valeur nutritive	0	150	700				

Résumé mis à jour de l'analyse économique et financière

Tableau A

Modèles de cash flow financiers

A)		PRODUCTION									
		Modèles de production									
		Riz de coteaux (1 ha)	Mais en tapade (1 ha)	Riz de plaine (pluvial) (1 ha)	Mais en champs extérieur (pluvial) (1 ha)	Riz de plaine (irrigué) (1 ha)	Mais de plaine (irrigué) (1 ha)	Riz de bas-fonds (amenagé) (1 ha)	Maraichage mixte (1 ha)	Plantation anacardier (1 ha)	
AN A L Y S E F I N A N C I E R E	AN1	489 524	633 150	91 389	311 968	1 270 327	900 545	1 482 937	1 317 620	-3 937 500	
	AN2	745 215	1 038 157	465 315	633 666	1 781 780	1 292 099	2 081 064	3 641 077	-742 500	
	AN3	1 011 321	1 456 740	856 162	971 776	2 317 017	1 701 414	2 706 453	6 120 603	-30 000	
	AN4	1 287 141	1 895 360	1 270 397	1 323 727	2 881 790	2 126 409	3 363 907	8 760 575	682 500	
	AN5	1 287 141	1 895 360	1 267 134	1 323 727	2 876 337	2 126 409	3 359 425	8 760 575	1 395 000	
	AN6	1 287 141	1 895 360	1 286 709	1 323 727	2 930 868	2 126 409	3 404 245	8 760 575	2 107 500	
	AN7	1 287 141	1 895 360	1 286 709	1 323 727	2 930 868	2 126 409	3 404 245	8 760 575	2 107 500	
	AN8	1 287 141	1 895 360	1 286 709	1 323 727	2 930 868	2 126 409	3 404 245	8 760 575	2 107 500	
	AN9	1 287 141	1 895 360	1 286 709	1 323 727	2 930 868	2 126 409	3 404 245	8 760 575	2 107 500	
	AN10	1 287 141	1 895 360	1 286 709	1 323 727	2 930 868	2 126 409	3 404 245	8 760 575	2 107 500	
	AN11										2 107 500
	AN12										2 107 500
	AN13										2 107 500
	AN14										2 107 500
	AN15										2 107 500
	AN16										2 107 500
	AN17										2 107 500
	AN18										2 107 500
	AN19										2 107 500
	AN20										2 107 500
Marge add. /an (GNF)		1 324 660	2 003 294	1 306 284	1 420 786	2 985 399	2 268 650	3 460 270	6 368 075	N/A	
TRI (financier)		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	24%	
VAN (@10%, GNF)		6 528 718	9 460 729	5 794 005	6 379 224	15 021 099	10 942 623	17 497 787	40 849 177	7 069 873	
VAN (@10%, USD)		725	1 051	644	709	1 669	1 216	1 944	4 539	786	
B/C		1,14	1,25	1,45	1,17	1,49	1,19	1,59	1,70	1,11	

Tableau B

Coûts du Projet et cibles du cadre logique

COÛTS DU PROJET ET INDICATEURS DU CADRE LOGIQUE		
COUT TOTAL DU PROJET (million USD)		121,0
Coût de base (million USD)		111,3
Bénéficiaires	546 000 personnes	78 000 ménages
Coût par bénéficiaire	222 USD par personne	1 552 USD par ménage
Composantes		
		Coût total (million USD)
A. Renforcement de l'agriculture familiale		51,0
B. Accès aux marchés		59,6
C. Coordination du programme et renforcement des acteurs		10,5
COÛTS DU PROJET ET INDICATEURS DU CADRE LOGIQUE		
COUT TOTAL DU PROJET (million USD)		121,0
Coût de base (million USD)		111,3
Bénéficiaires	546 000 personnes	78 000 ménages
Coût par bénéficiaire	222 USD par personne	1 552 USD par ménage
Composantes		
		Coût total (million USD)
A. Renforcement de l'agriculture familiale		51,0
B. Accès aux marchés		59,6
C. Coordination du programme et renforcement des acteurs		10,5

Tableau C
Hypothèses principales et prix virtuels

C)		PRINCIPALES HYPOTHESES & PRIX DE REFERENCE					
FINANCIERE	Produits a/	Unité	Prix (GNF)	Intrants	Unité	Prix (GNF)	
	Riz paddy	Kg	2 810	NPK (10-18-18)	Kg	2 700	
	Mais grains	Kg	2 725	Urée	Kg	2 700	
	Aubergine	Kg	3 250	Sulfate de potasse	Kg	2 700	
	Tomate	Kg	4 000	Herbicide	Litre	50 000	
	Piment	Kg	5 500	Insecticide liquide	Litre	70 000	
	Gombo	Kg	5 250	Fongicide	Kg	70 000	
	Noix anacarde	Kg	5 000	Riz, semences locales	Kg	3 000	
				Riz, semences améliorées	Kg	5 000	
				Sac recolte riz/legumes	U	3 000	
			Main-d'oeuvre	HJ	21750-24,900		
ECONOMIQUE	Taux de change officiel (OER)		9000	Coût d'opportunité du capital (fin)		10,0%	
	Taux de change de référence (SER)		9567	Coût d'opportunité du capital social		8,0%	
	Facteur de conversion standard		1,06	Facteur de conversion output		1,25	
	Labour Conversion factor		1,00	Facteur de conversion intrants		0,83	

Tableau D
Phasage et taux d'adoption des bénéficiaires

D)		BENEFICIAIRES, TAUX D'ADOPTION ET PHASING									
	Taux d'adoption	AN1	AN2	AN3	AN4	AN5	AN6	AN7	AN8	TOTAL	
Système pluviaux(Mais tapade et riz de coteaux,etc)											
Bénéf. Totaux		0	0	2223	5472	8577	12006	10290	3432	42000	
Bénéf. Adoptant	90%	0	0	2001	4925	7719	10805	9261	3089	37800	
Riziculture rigüée et maraichage											
Bénéf. Totaux		0	0	1000	2214	6746	2040	0	0	12000	
Bénéf. Adoptant	90%	0	0	900	1993	6071	1836	0	0	10800	
Plantations fruitiers											
Bénéf. Totaux		0	0	423	1043	1634	2287	1960	653	8000	
Bénéf. Adoptant	90%	0	0	381	939	1471	2058	1764	588	7200	
Kits											
Bénéf. Totaux		0	0	0	1000	3000	3000	2000	1000	10000	
Bénéf. Adoptant	80%	0	0	0	800	2400	2400	1600	800	8000	
Autres (MER, Pistes, nutrition)											
Bénéf. Totaux		0	0	683	2280	1136	846	790	265	6000	
Bénéf. Adoptant	90%	0	0	615	2052	1022	761	711	239	5400	
										Ménages totaux	78 000
										Ménages adoptant	69 200

Tableau E
Cash flow économique

E)		BENEFICES NETS ADDITIONNELS (BNA) ECONOMIQUES AGREGES EN MILLION GNF										COUTS ECO. (million GNF)	AVANTAGES ECO. NETS ADD (million GNF)
		Riz de coteaux	Mais de Tapade	Maraichage (Type 1)	Riz de plaine (irrigué)	Riz de bas-fonds (aménagement)	Mais de plaine (irrigué)	Maraichage (type 2)	Plantation d'anacardier	Pistes rurales	TOTAL BNA (million)		
A N A L Y S E	AN1	0	0	0	0	0	0	0	0	0	0	5 271	-5 271
	AN2	0	0	0	0	0	0	0	0	-8 122	-8 122	8 918	-17 040
	AN3	232	226	59	0	0	0	0	-1 332	-116 669	-117 535	61 501	-179 036
	AN4	910	934	292	760	0	442	40	-3 537	30 433	29 936	122 680	-92 744
	AN5	2 180	2 332	825	2 482	290	1 470	187	-5 777	48 023	51 034	244 498	-193 465
	AN6	4 234	4 678	1 801	7 872	1 077	4 684	785	-765	99 218	121 072	123 478	-2 406
	AN7	6 598	7 536	3 137	11 964	1 542	7 310	1 471	1 002	99 218	135 821	66 931	68 891
	AN8	8 495	10 046	4 500	14 932	1 970	9 314	2 008	2 769	99 218	148 126	36 028	112 098
	AN9	9 797	11 875	5 587	17 449	2 290	10 983	2 579	4 295	99 218	158 018	9 447	148 571
	AN10	10 503	12 868	6 182	18 103	2 332	11 395	2 714	5 227	99 218	162 133	9 447	152 686
	AN11	10 681	13 119	6 333	18 261	2 350	11 395	2 714	5 227	99 218	162 812	9 447	153 366
	AN12	10 681	13 119	6 333	18 314	2 352	11 395	2 714	5 227	99 218	162 862	9 447	153 415
	AN13	10 681	13 119	6 333	18 314	2 352	11 395	2 714	5 227	99 218	162 862	9 447	153 415
	AN14	10 681	13 119	6 333	18 314	2 352	11 395	2 714	5 227	99 218	162 862	9 447	153 415
	AN15	10 681	13 119	6 333	18 314	2 352	11 395	2 714	5 227	99 218	162 862	9 447	153 415
	AN16	10 681	13 119	6 333	18 314	2 352	11 395	2 714	5 227	99 218	162 862	9 447	153 415
	AN17	10 681	13 119	6 333	18 314	2 352	11 395	2 714	5 227	99 218	162 862	9 447	153 415
	AN18	10 681	13 119	6 333	18 314	2 352	11 395	2 714	5 227	99 218	162 862	9 447	153 415
	AN19	10 681	13 119	6 333	18 314	2 352	11 395	2 714	5 227	99 218	162 862	9 447	153 415
	AN20	10 681	13 119	6 333	18 314	2 352	11 395	2 714	5 227	99 218	162 862	9 447	153 415
		Hors bénéfices environnementaux					Avec bénéfices environnementaux						
		VAN@ 8 % (milliards GNF)					VAN@ 8 % (milliards GNF)					856,3	
		VAN@ 8 % (millions USD)					VAN@ 8 % (millions USD)					89,5	
		EIRR					EIRR					17,2%	28,4%