



Program Evaluation Final Report

Global Agriculture and Food Security Program (GAFSP)

13 June 2018



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Acronyms

Acronym	Explanation
ADB	Asian Development Bank
AfDB	African Development Bank
BFC	Blended Finance Committee
CAADP	Comprehensive Africa Agriculture Development Programme
CFP	Call for Proposals
CSO	Civil Society Organisation
DOTS	Development Outcome Tracking System
DFID	UK Department for International Development
DIME	Development Impact Evaluation Initiative
EQ	Evaluation Question
FIES	Food Insecurity Experience Scale
FAO	Food and Agriculture Organisation
GAFSP	Global Agriculture and Food Security Program
IDB	Inter-American Development Bank
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
M&E	Monitoring and Evaluation
ME&L	Monitoring, Evaluation and Learning
PAD	Project Appraisal Document
PD	Project Director
PO	Producer Organization
QA	Quality Assurance
SE	Supervising Entity
TA	Technical Assistance
TAC	Technical Advisory Committee
TTL	Task Team Leader
WB	World Bank
WFP	World Food Programme

Executive Summary

The Global Agriculture and Food Security Program (GAFSP) was launched in 2010 in response to the food price crisis to increase incomes and improve food and nutrition security through increased investment in agricultural development in low-income countries. GAFSP operates through two mechanisms, the Public Sector Window and the Private Sector Window.

The Public Sector Window provides competitive grants to recipient countries that enable them to implement activities included in their agriculture sector investment plans that they would otherwise not be able to carry out. The first awards were made in 2010 and have supported 49 projects in 31 countries through grant awards totalling USD1.2 billion. The Private Sector Window provides concessional finance and advisory services that enable investments to be made in agri-businesses, and in financial service providers targeting the agriculture sector, that would otherwise not be regarded as bankable. Since its first investment in 2012 it has approved 51 investment projects for USD241 million in 25 countries and 47 advisory services projects for USD12.6 million across 27 countries. The Public Sector Window also includes the pilot Missing Middle Initiative, which provides smaller grants than the average Public Sector Window Project and is focused on producer organizations (POs), civil society organizations (CSOs) and small and medium enterprises.

In March 2015, the GAFSP Steering Committee endorsed a proposal to continue the Program through regular funding cycles until 2030, thereby maintaining alignment with the Sustainable Development Goal (SDG) timeframe. In January 2016, the Steering Committee considered that the overall Program was at a suitable stage for an evaluation at the level of a 'mid-term' evaluation even though the Private Sector Window had only recently been the subject of a formative evaluation¹.

This independent Program Evaluation was commissioned to:

- Assess the development effectiveness of the whole Program (both Public and Private Sector Windows) to date;
- Assess the organizational/operational effectiveness of the whole Program to date; and
- Document lessons and experiences to help guide further refinements to GAFSP's operational model.

The Program Evaluation took place between August 2017 and March 2018. The Terms of Reference (Annex 1) specified several criteria and topics to be examined as follows:

- Development Effectiveness focusing on the following criteria:
 - Relevance
 - Efficiency
 - Results and Impact
 - Sustainability
- Operational Effectiveness focusing on the following topics:
 - Governance and Management
 - Administrative Efficiency
 - Application and Selection Process
 - Project-level Implementation
 - Monitoring and Evaluation

During the Inception Phase, these criteria and topics were developed into Evaluation Questions and Sub-Questions and an Evaluation Matrix (details in Annex 2).

The Evaluation Questions are:

1. How *relevant* is GAFSP as a program?
2. What *results* are being achieved?
3. How *sustainable* are GAFSP results?
4. How well is GAFSP *governed and managed*?

¹ Conducted during 2016 and reported in December 2016.

5. How well are GAFSP awards and investments *selected and implemented*?
6. How useful is GAFSP *monitoring and evaluation*?
7. How can GAFSP be *further improved*?

The Program Evaluation used several tools to investigate these questions, the most significant being key informant interviews and document review. Interviews were held in person and by Skype or telephone, and were conducted across a range of stakeholders including program and project management and advisors, project partners and others. Document review provided most of the basic information, enabling paper trails to be followed and timelines to be established. This served as a basis for the review of the principal program constituents – the awards and investments that make up the program portfolios. The lists of people met, and documents reviewed are provided in Annexes 4 and 5, respectively. Other tools used included portfolio review, governance and management analysis, country case studies, comparative analysis and options analysis.

Individual Program Evaluation team members covered discrete topics such as (i) the development effectiveness aspects of the Public Sector Window and the Private Sector Window respectively; (ii) program governance and management; (iii) awards and investment selection; and (iv) monitoring and evaluation. It was originally intended to synthesize the portfolio reviews of the two Windows to demonstrate overall program effectiveness and to use the country case studies to investigate the program approach in different contexts. However, the portfolio review and initial key informant interviews (for example, at the November 2017 Joint GAFSP Steering Committee/Private Sector Window Donor Committee) indicated that the two Windows are, to all intents and purposes, independent. This impression was subsequently confirmed through the organizational effectiveness findings and the country case studies.

From the findings, conclusions were drawn for each evaluation question (see final chapter of the report). A summary of the main conclusions and recommendations are presented below.

Conclusions

Overall Conclusion 1: Funding gaps are too large to be filled. GAFSP has invested USD1.4 billion and mobilized a further USD1.6 billion (mainly through the Private Sector Window blended finance model²). Despite this level of investment, our analysis identified a combined shortfall in agriculture sector investment plan finance of USD35.5 billion across 31 countries³, suggesting that GAFSP should continue to mobilize additional funds for public and private sector investments and to find the most strategic uses for scarce public resources.

Overall conclusion 2: Public Sector Window investments are in line with country investment plans. Investments are successfully delivered by the countries and supported by experienced SEs, and increasingly addressing key cross-cutting issues. GAFSP is delivering projects with comparable effectiveness to other similar trust funds.

Overall conclusion 3: The Private Sector Window catalyses new funding and is supporting businesses that could not access other sources of finance. The combination of concessional financial products, high commercial and blended finance standards, and advisory services is rare and has great potential. There is scope to improve the communication of development outcomes through IFC investment officers.

Overall conclusion 4: The Public Sector Window and the Private Sector Window operate almost entirely independently. Given that they work with different stakeholders, processes and timelines, and with completely differing business models (grants v/s returnable capital), potential for interaction between the two Windows is limited. Furthermore, the fact that separate trust funds were established for the two Windows limits the capacity of the Steering Committee and Coordination Unit to influence the Private Sector Window or to create synergies across the two. This conclusion supports findings from a previous evaluation of the Private Sector Window.

² According to the IFC, blended finance refers to a financing package comprised of concessional funding provided by development partners and commercial funding provided by IFC and co-investors. Blended finance solutions can provide financial support to a high-impact project that would not attract funding on strictly commercial terms because the risks are considered too high and the returns are either unproven or not commensurate with the level of risk.

³ Data was obtained from successful proposals; in fact there are currently 56 GAFSP-eligible countries, so the overall financing gap faced by GAFSP-eligible countries is expected to be much larger.

Overall conclusion 5: Governance performance is diminished by separate arrangements for the two Windows. Although the GAFSP Steering Committee has an effective balance between stakeholder inclusion and decision-making efficiency and represents a good practice example of inclusive multi-stakeholder governance, there are inconsistencies and ambiguities regarding the responsibilities of the Steering Committee and the Coordination Unit for the Private Sector Window. Some governance differences between the Public Sector Window and Private Sector Window are clearly motivated by different needs of the two Windows, but the establishment of separate trust funds and governance bodies makes it difficult to govern GAFSP as one coherent program.

Recommendations

Recommendation 1: GAFSP should continue. There is a strong demand for additional funding (Finding 26, Conclusion 2, Overall Conclusion 1), and both Windows are performing satisfactorily (Findings 1-12, specifically 7 & 8, Conclusions 5 & 6, Overall Conclusions 2 & 3). GAFSP should seek to obtain funding at or above the levels it has received to date. GAFSP should initiate a comprehensive evaluation and learning programme around the large body of projects that will close between 2018 and 2020 which would test the GAFSP theory of change and demonstrate the results of its two Windows in a compelling and transparent manner, developing momentum for a more significant fund replenishment from 2021⁴ (Finding 37).

Recommendation 2: Targeted portfolio development would bring better results (Conclusions 12 & 13, Finding 25). There was less need for this at the outset when it was assumed that GAFSP funds would be used to support a large proportion of the unfunded activities identified in recipients' sector investment plans. However, since funding gaps are too large to be filled by GAFSP (Overall Conclusion 1), it would be advisable either to consider countries where a higher proportion of the investment plan can be financed or to consider awards with particular characteristics, such as pre-identified potential for public-private sector linkages. This approach would support learning and replication. Further, it could promote in-country dialogue about how and where GAFSP resources can catalyse additional public or private sector investments.

Recommendation 3: GAFSP needs to build consensus on the development objectives of private sector investments (Findings 3 & 8) and to provide clearer guidance to IFC Investment Officers on the acceptable level of concessionality to enhance development benefits (Finding 5). This should include the type of farmers the investment will support (large farmers, smallholders, laborer etc.) and the nature of the enterprise – e.g. food or cash crop, domestic or export market. Increased use of advisory services can also increase the range of companies that can access the Private Sector Window. Advisory services that increase the bankability of Private Sector Window-supported businesses also increase prospects of sustainability, and those that support the clients of those businesses (often small farmers) are particularly appropriate for GAFSP.

Recommendation 4: Guidance about the GAFSP program and its objectives needs to be disseminated more widely. While the technical objectives of GAFSP are appropriate and being met (Conclusion 13, Findings 1 & 25), the original aspiration for synergies between activities funded through the two Windows did not materialise (Overall Conclusion 4, Conclusions 3 & 13, Finding 2). Until recently, the program-level theory of change had not been elaborated and information dissemination to country level has not been prioritized (Conclusion 16, Finding 35). Actively disseminating this information to eligible country level stakeholders, prior to calls for proposals, would promote the development of proposals that address both public and private sector needs and facilitate interaction between the windows.

Recommendation 5: GAFSP should consider improvements to its governance and management arrangements (Overall Conclusion 5, Conclusion 11, Findings 13, 14). A single charter approved by the Steering Committee that governs both windows would clarify the role of the various governance and management bodies. As part of this, the functions of the Steering Committee and Private Sector Window Donor Committee could be merged to provide a single GAFSP governing body. Voting rights would be agreed by this single Steering Committee and could be granted to donors regardless of which window they support. Representation for agribusiness associations on the extended Steering Committee would ensure balanced

⁴ Given the number of projects closing in 2019 and 2020, 2021 is the earliest possible time for an evaluation to present findings based on learning from these projects.

stakeholder representation across both windows (Findings 15 & 16). A technical advisory committee for the Private Sector Window would provide necessary expertise, as the Technical Advisory Committee (TAC) for the Public Sector Window does (Finding 17).

Alongside the charter, the World Bank Agricultural Practice should review its management hierarchy for GAFSP to consider options, within its existing management framework, to ensure that there is a consistent management line from the GAFSP Program Manager to all staff and consultants (Finding 19). Since the charter may also consider other SEs for the Private Sector Window, it should also require the IFC to develop an organizational separation between Program-level coordination and the IFC's role in GAFSP implementation to manage potential conflict of interest (Finding 20).

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1 Introduction

The Global Agriculture and Food Security Program (GAFSP) is a multilateral mechanism to assist in the implementation of pledges made at L'Aquila in July 2009 and reaffirmed by the Summit of the G20 in Pittsburgh in September 2009. Its focus is on the longer-term agenda to improve the income and food security of poor people in developing countries. GAFSP is intended to promote more and better country-led public and private sector investment by filling financing gaps in country and regional agriculture and food security strategies. It provides grants, loans, and equity investments through a multilateral approach targeted simultaneously to the greatest needs and the best capacities to use such funding.

As of September 2017, GAFSP had an overall investment portfolio of USD1.4 billion. The program's Public Sector Window constituted an investment portfolio of 54 grant awards with a combined value of USD1.2 billion in 31 countries. Of these, the Missing Middle Initiative projects and the projects supported by the awards made under the fourth Call for Proposals were still under preparation during the evaluation period⁵. The Private Sector Window had approved 51 investment projects for USD241 million in 25 countries and 47 advisory services projects for USD12.6 million across 27 countries.

GAFSP's initial Public Sector Window awards were made in 2010 while Private Sector Window investments were first made in 2012. In March 2015, the Steering Committee endorsed a proposal to continue the Program through regular funding cycles until 2030 thereby maintaining alignment with the SDG timeframe. Although the Private Sector Window is younger than the Public Sector Window and has only recently been the subject of a formative evaluation⁶, the Steering Committee considered the overall Program was at a suitable stage for an evaluation at the level of a 'mid-term' evaluation.

The Terms of Reference for the evaluation (Annex 1) specify the objectives of:

- Assessing the development effectiveness of the whole Program to date;
- Assessing the organizational/operational effectiveness of the whole Program to date; and
- Documenting lessons and experiences to help guide further refinements to GAFSP's operational model.

The Terms of Reference required that the evaluation would assess the program, analyzing and assessing progress to date against stated objectives, and be forward-looking, suggesting ways to enhance efficiency and effectiveness in the near future. The evaluation was also expected to identify lessons from the Program's governance structure, its strategic focus, as well as its funding and fund allocation processes, and to review and reference the reviews/evaluations already completed to date. Through these processes the evaluation intended to provide input into broader reflections among the Steering Committee and Private Sector Window Donor Committee members about the future direction of GAFSP.

The Evaluation Approach

The Inception Report set out the approach to the Program Evaluation and proposed methods. It was presented to the Joint Steering Committee and Donor Committee Meeting at its meeting in Rome in November 2017. The Inception Report contained an Evaluation Matrix (reproduced here in Annex 2) covering the following Evaluation Questions:

1. How *relevant* is GAFSP as a program?
2. What *results* are being achieved?
3. How *sustainable* are GAFSP results?
4. How well is GAFSP *governed and managed*?
5. How well are GAFSP awards and investments *selected and implemented*?

⁵ By the end of the evaluation period two of the five Missing Middle Initiative projects had commenced.

⁶ Conducted during 2016 and reported in December 2016

6. How useful is GAFSP M&E?
7. How can GAFSP be *further improved*?

The Program Evaluation team presented initial analysis and an updated work plan at the Steering Committee meeting in Rome, November 2017⁷. At that time, the Steering Committee requested an increase in the number of country visits from three to five and the inclusion of a West African country to strengthen the country-level data collection. The need to base the GAFSP reform process on a theory of change was also recognized and subsequently the Program Evaluation consortium was asked to support the GAFSP Reform Working Group in its two tasks of developing a forward-looking value proposition and theory of change for GAFSP and of undertaking an options analysis. To do this without compromising the independence of the Program Evaluation, two of the Program Evaluation team members completed their analyses by January 2018 and played no further part in the Program Evaluation. The remainder of the Program Evaluation team continued its work and only covered options for a level of funding similar to that which has been averaged to date.

This report is the final output of the Program Evaluation. It describes the evaluation approach and methods in more detail in Chapter 2, our findings against each evaluation question in Chapter 3 and our conclusions and recommendations in Chapter 4.

The Program Evaluation was conducted between July 2017 and March 2018. The timeline is shown in Annex 3. A core team of five evaluators was supported by a research assistant and a small team of specialists. Individual core team members provided between 38 and 58 days' input during this period. The core team comprised Tim Bene (Team Leader; Project Selection; Nepal and Cambodia missions); Lesley King (Deputy Team Leader; M&E); Markus Palenberg (Methods Lead; Governance & Management; Comparative Analysis); Anke Reichhuber (Public Sector Window Portfolio Review; Senegal mission); and Duncan Gromko (Private Sector Window Portfolio Review; Ethiopia and Kenya missions).

Most of the data collection was undertaken through semi-structured interviews with key stakeholders and document review. The lists of people consulted, and documents reviewed are provided in Annexes 4 and 5. Databases have been compiled from data provided by the Coordination Unit and Private Sector Window Secretariat, supplemented by our own data extraction from project documents. These databases will be returned to their respective sources.

⁷ A session on the future of GAFSP was held during the 2016 Joint GAFSP Steering Committee/Private Sector Window Donor Committee meeting. This initiated a process that intensified after the November 2017 Joint GAFSP Steering Committee/Private Sector Window Donor Committee meeting which set up a GAFSP Reform Working Group to develop operational and governance options to enable GAFSP to deliver on the SDG agenda.

2 Methodology

This section briefly discusses the instruments that were used to answer the Evaluation Questions. These were all described, along with approach papers, in the Inception Report. The updated approach papers are also provided in Annexes 6.1 to 6.5.

Interviews

A program evaluation has strategic objectives and therefore the knowledge and opinions of a wide variety of stakeholders provide some of the most important data. Interviews were held in person where possible (for instance at the November 2017 Rome Joint GAFSP Steering Committee/Private Sector Window Donor Committee; in Washington DC; and during the five country visits) and by Skype or telephone. Interviews contributed to answering all evaluation questions and were conducted across a range of stakeholders including project management and advisors, project partners and others. Team members coordinated information needs to avoid multiple interviews with the same participants. Annex 4 lists the people consulted during the evaluation.

Desk Review

Desk review permits knowledge and experience from relevant documents to be synthesized. It provides most of the basic information, it enables paper trails to be followed and timelines established, and above all it serves as a basis for the review of the principal program constituents – the awards and investments that make up the program portfolio. Most documents were supplied by the Coordination Unit and Private Sector Window Secretariat, while others were provided by key informants and more were obtained by Program Evaluation Team members' own research. Desk review informed analysis and contributed to responses to all evaluation questions. The list of documents consulted is presented in Annex 5.

Evaluation Review

A formative evaluation of the Private Sector Window was completed in December 2016. The Program Evaluation team reviewed this evaluation to be aware of issues previously raised in evaluation of the Private Sector Window. The findings of the previous evaluation can be summarized as follows:

- The Private Sector Window was found to be efficient in approving 10 investments per year and leveraging other sources of financing. However, only 55% of approved investment volume had been disbursed. The evaluation also noted that coordination between the Private and Public Sector Windows was weak.
- The additionality and the justification for the Private Sector Window's additionality in project documents was questioned by the evaluation.
- The evaluation was unable to assess the effectiveness of the Private Sector Window as targets for the window as well as results achieved to date were not available or only available at a low level.
- The evaluation found that advisory services provided by the Private Sector Window are not in high demand, nor important to the success of the Window.

Portfolio Review

This comprises a descriptive component (which was largely completed by the time of the Inception Report) and an analytical component that contributed significantly to the responses to the first three evaluation questions. Both Public Sector Window and Private Sector Window portfolios were analyzed. The Public Sector Window review covered all 39 projects awarded under the first three calls for proposals⁸ (those awarded under

⁸ Because some of the awards combined both investment and Technical Assistance (TA) projects, they resulted in the production of 34 Project Appraisal Documents (PADs) or equivalent, all of which were reviewed.

the fourth call are still being developed and the five Missing Middle Initiative projects had not started at the time of the review⁹). A more detailed review was conducted for those projects on the African continent, because the number of completed or ongoing projects was relatively large and the projects homogenous enough for the review to investigate some commonalities for that region. The Private Sector Window review covered 46 Investment Services investments, focusing on projects that had not been dropped or cancelled. Additionally, the Private Sector Window review covered 20 Advisory Services projects.

Country Case Studies

The fieldwork phase of the Program Evaluation focused on adding clarity to provisional answers to evaluation questions that were already emerging from the portfolio review and other instruments. Following the Joint GAFSP Steering Committee/Private Sector Window Donor Committee meeting in November 2017, the number of countries was increased and adjusted according to some expressed preferences – for instance to include a country from francophone West Africa. The country visits took place in December 2017 (Nepal) and January 2018 (Cambodia, Senegal, Kenya and Ethiopia). The purpose of the visits was to obtain information about a range of different topics from a variety of contexts. This information has been widely synthesized into the findings of the evaluation.

Governance and Management Analysis

This Governance and Management Analysis was used to answer Evaluation Question 4. It was conducted along established standards for global partnership programs, based on interviews and desk review of normative documents and meeting minutes. Thus the governance analysis tracked standard global program governance functions of i) setting strategic direction; ii) providing management oversight; iii) enabling stakeholder participation; iv) managing risks; v) managing potential conflicts of interest; and vi) ensuring proper audit and evaluation, while the Management Analysis covered typical management functions in global programs principally, including: i) ensuring program implementation; ii) ensuring regulatory compliance; iii) reviewing and reporting; and iv) keeping administration efficient.

Comparative Analysis

This analysis benchmarks project cycle speed of GAFSP Public Sector Window projects with those of comparable non-GAFSP Supervising Entity (SE) projects and was conducted to address a specific requirement of the Terms of Reference elaborated in Evaluation Sub-question 5d. Several SEs cooperated with the Program Evaluation by providing data and analyses and responding to follow-up requests.

Options Analysis

The options analysis, which responds to Evaluation Question 7, was conducted after the fieldwork was completed. It was based on a synthesis of team findings as discussed in an internal meeting and was deliberately performed in isolation from the sub-team that had begun working on GAFSP reform (as described in the Introduction, from which the rest of the team was ‘siloe’d’). It therefore refers to an ongoing reform process without being cognisant of the details and potential costs. The decision to consider only options for a modest amount of available funding was an outcome of the November 2017 Steering Committee meeting.

Stakeholder Consultation

Naturally, the interviews that form a major instrument, plus follow-up communication with the interviewees in many cases, constitute stakeholder consultation, but this tool was intended to go wider and reach out to people whom we would otherwise not be able to reach through a web survey and internet forum. The expectation had been that there would be some learning and preliminary recommendations about developing the programmatic aspects of GAFSP that it would be interesting to share through this tool. This activity was scheduled for early

⁹ By the end of the evaluation, two of the five Missing Middle Initiative projects had commenced.

2018 but after the fieldwork had confirmed Overall Conclusion 4, it was considered not essential and with the change to the evaluation team structure it was not undertaken.

3 Responses to Evaluation Questions

3.1 Evaluation Question 1: How relevant are GAFSP projects and investments?

Finding 1: The objectives of GAFSP projects and investments as embodied in the 5 pillars are very relevant to address national development challenges in agriculture and food security. They are directly linked to Sustainable Development Goals 1 and 2.

The comprehensive approach towards agriculture development postulated by the Framework Document and described by the five pillars (Table 1) is best practice and derives from guidance laid out in the World Development Report on Agriculture from 2008¹⁰. Each pillar is built on sub-components which are further split into different types of interventions. As a result, partners are offered a menu of activities and investments that can be funded by GAFSP. Increased agriculture productivity, stimulus to pre- and post-harvest interventions, emphasis on private sector growth, smallholders, women and families, preservation of the natural resource base, expansion of employment and decent work opportunities, knowledge and training, increased trade flows, and support for good governance and policy reform are all included and necessary for food security and poverty reduction.

Table 1. GAFSP 5 Pillars based on GAFSP Framework Document

Pillar	Subcomponents			
1. Raising agricultural productivity	1.1. Adoption of higher yielding technologies	1.2 Technology generation	1.3 Water management	1.4 Land rights
2. Linking farmers to markets	2.1 Reduce transfer and transaction costs	2.2 Other value addition	2.3 Supporting mobilization of rural finance	
3. Reducing risk and vulnerability	3.1 Managing price and weather risk	3.2 Strengthening food-related societal protection	3.3 Improving nutrition of vulnerable groups	
4. Improving non-farm rural livelihoods	4.1 Improving the investment climate	4.2 Promoting non-farm rural entrepreneurship		
5. Technical assistance, institution building, and capacity development	5.1 Capacity building for sector strategy, investments and implementation	5.2 Enhancing design, monitoring and evaluation.		

¹⁰ World Development Report 2008 <https://openknowledge.worldbank.org/handle/10986/5990> last accessed 14th March 2018

Finding 2: The comprehensive approach towards agriculture and food security is a key design feature of GAFSP which leaves enough flexibility for demand driven programs while providing entry points for the public and private sectors. The distinction between private and public goods, and the different roles of the two windows, are key aspects of the GAFSP design but these were often poorly coordinated during implementation.

Many of the activities, investments, and interventions contained within the five pillars were meant to be provided through public programs. Some items in agriculture clearly are delivered more efficiently and more sustainably over time by private agents working under a market system where policy and public goods have created incentives for widespread participation and investment.

As a prime example, input provision to small farms is highlighted by the Framework Document. It is proposed to support agro-dealer networks or private agricultural input distributors to improve input provision under GAFSP projects. According to the Framework Document, the Private Sector Window was designed with a view to support these types of investments via the financing of private sector activities and public-private partnerships in such areas. For public support to input supply and the development of productive infrastructure, smart subsidies and matching grants were highlighted as delivery mechanisms.

From a review of GAFSP Public Sector Window project appraisal documents, it appears that Public Sector Window projects have often found it difficult to fully align with this distinction between private and public goods. Some Public Sector Window projects did not clearly differentiate between the different roles of the public and private sector with regards to the menu of interventions described by the founders of GAFSP. In nine out of 32 projects with a component on Linking Farmers to Markets, the Program Evaluation portfolio review found that the project appraisal documents did not explain in a sufficient and convincing way how the private sector was involved in project preparation and implementation.

The detailed review of Public Sector Window project documents for sub-Saharan Africa found that in many cases, inputs (such as improved seeds and fertilizer) were financed and directly distributed to farmers by the project or a government input subsidy program. These activities were often justified as starter kits in the absence of a functioning input market and dealer network. However, only a few cases described the involvement of the private sector or public efforts to create incentives for the private sector to invest and reliably supply these items in the future. Similarly, some small-scale infrastructure and equipment for post-harvest management and processing were directly financed and supplied by projects without mentioning contributions by the private sector or matching grants from recipients. Public provision of private goods and services may negatively affect efficiency and sustainability of the investments.

Coordination between the Public Sector Window and Private Sector Window has been encouraged by the Steering Committee but is not explicitly required by GAFSP. During preparation or implementation, there are isolated instances of coordination between the two windows, but in general, coordination is weak. While the Private Sector Window is not the only actor to support private sector development, the lack of coordination between the two windows means that the full potential of the GAFSP is not realized. Lack of concrete collaboration between the windows can be attributed to several factors. First, there are structural barriers between the World Bank, other SEs and IFC. Second, there is a mismatch between the paces of project development in the different organizations. Third, the IFC and the Public Sector Window SEs are dependent on their clients, who may not prioritize collaboration between public and private sectors.

Finding 3: GAFSP projects reach poor farming communities and smallholders.

All GAFSP Public Sector Window projects reviewed by the Program Evaluation were found to target small scale farmers with the aim to improve their development. The five case studies carried out for this program evaluation confirmed that projects were indeed reaching smallholders and poor, food insecure communities. Studies and field work commissioned by ActionAid International in Malawi, Niger, Togo, Nepal, and Senegal have all found that GAFSP, via its Public Sector Window, is reaching small-scale food producers, with 13 projects directly supporting the capacity of producer organizations.

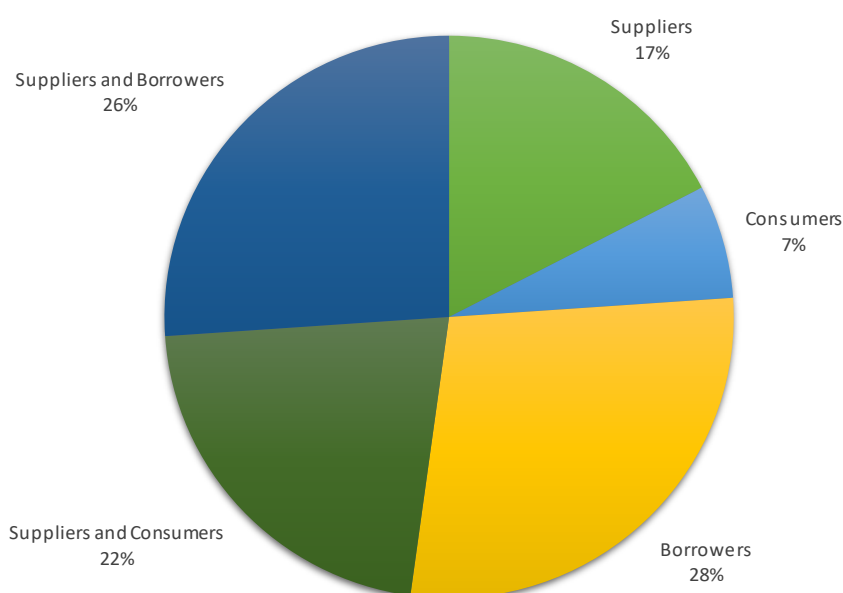
The Private Sector Window addresses the food security of smallholder farmers and consumers via intermediaries. The IFC is not set up as a commercial bank, able to lend directly to smallholder farmers, and

therefore relies on intermediaries in Investment Services projects. The Private Sector Window supports three types of intermediaries to address food security:

- Agribusinesses that purchase raw agricultural goods from smallholders, thereby providing a reliable market for their products (eight of 46 projects analyzed);
- Agribusinesses that produce food products that contribute to reducing food insecurity (three projects of 46); and
- Financial intermediaries that provide loans to agricultural SMEs or smallholders (13 projects of 46).

The remaining projects consist of intermediaries that contribute to food security improvement through a combination of multiple pathways: 10 projects where the enterprise purchases agricultural products from smallholders and produces a food product that addresses food security; and 12 projects where the enterprise purchases agricultural products from smallholders and provides credit to smallholders; and three projects where the enterprise addresses food security by providing services to consumers. Additionally, several projects have two pathways by which they address food security: 10 projects reach both suppliers and consumers and 12 projects reach both suppliers and borrowers as shown in Figure 1. Through these various types of partnerships, the Private Sector Window reaches farming communities and smallholders.

Figure 1: Private Sector Window clients' relationships with suppliers in Investment Services projects



Finding 4: GAFSP supports country-led public sector projects which add significant value to national agricultural investment plans.

The GAFSP Steering Committee has never required any thematic priorities for applicants. The main requirement for Public Sector Window projects is the proposed projects should be in line with national agriculture and food security strategies. GAFSP projects (at least from the public sector) were meant to be country-led. The portfolio review conducted for this evaluation reveals that 95% of public sector project documents explain the country's agriculture development strategy and it is evident how the GAFSP project contributes to it. Furthermore, an analysis¹¹ of agriculture country strategies and investment plans and the World Bank's country planning documents in five focus countries (Bangladesh, Ethiopia, Nicaragua, Rwanda, and Tajikistan) found that the priorities of projects supported by GAFSP were well in line with those of the countries. Four of the five countries visited by this program evaluation (Ethiopia, Kenya, Senegal and Nepal)

¹¹ IEG partnership review of the GAFSP, background paper for Growing the Rural Non-Farm Economy to Reduce Poverty – An Evaluation of the Contribution of the World Bank Group (2004 – 2014).

confirm strong ownership of GAFSP public sector projects by the ministries responsible for their management and implementation.

However, interviews with government officials and project managers confirm that compliance with National Agriculture Strategies and contributions to National Agricultural Investment Plans have become standard requirements in official approval processes to demonstrate country ownership for other donor funding and are not a unique feature of GAFSP projects.

GAFSP projects are also meant to fill (or substantially contribute to) national and regional agricultural investment plans. The portfolio review finds that in 64% of project documents the financial gap is clearly explained in terms of quality and size and it is clear how the project was designed to help fill it. Nevertheless, the gaps are very large and it would not be possible for GAFSP to substantially fill them (Section 3.5.5).

Finding 5: The approach of the Private Sector Window is distinct and value adding in the agricultural development arena.

The combination of services supported by the GAFSP Private Sector Window brings significant value to the agricultural development space. Under the Private Sector Window, IFC clients can receive both advisory services and investment services in blended finance structures. Amongst other objectives, advisory services allow the IFC to support the development of projects that are not immediately “bankable.” Blended finance and the concessional terms enable the IFC to invest in projects that are either riskier or have relatively low profitability or uncertain cash flows in the near or medium term and cannot be financed on purely commercial terms. For these reasons, the Private Sector Window can truly be additional and catalytic in the projects that it supports. There are other financial institutions and development partners that provide investment services with similarities to the Private Sector Window, but the combination of concessional financial products, high commercial and governance standards, and advisory services is extremely rare.

Coordination between the Private Sector Window provision of investment services and advisory services is improving. Advisory services are now being offered to prospective investment services clients enabling the IFC to develop new investments. They can make companies that are further away from meeting the requirements and projects more profitable, decreasing IFC’s lending risk. By building enterprises’ business management capacities, advisory services can increase companies’ bankability, allowing them to access other financing opportunities in the future. Additionally, advisory services allow the IFC to increase its impact beyond the immediate scope of the investment services project, particularly by working with smallholder producers in the agribusinesses’ supply chains. The methods used by the advisory services are commercially-oriented and the Public Sector Window could learn from these in order to more pro-actively support private sector development.

Financial and non-financial additionality allow the IFC to expand the number of companies that it can invest in. The Private Sector Window brings several types of financial additionality to private sector investment: risk absorption, pricing discounts, provision of long-term financing, and local currency financing.¹² Amongst these, *risk absorption* is the most significant, with 39 out of 46 investment services projects benefiting from a risk mechanism. Risk absorption can take the form of an equity investment, a subordinated loan, or a guarantee. Perception of risk is often a key barrier to the IFC (or other investors) making an investment into agribusinesses and small farmers in developing countries. Therefore, the reduction of this risk is key to enabling the IFC and other co-investors to support a company.

The IFC typically invests in companies that are large and creditworthy enough to meet IFC’s high standards, but not so large as to be able to easily access international capital markets or other sources of financing. Many of the IDA-only countries have a small number of agribusinesses or even agri-focused financial intermediaries that the IFC could invest in. The concessional resources provided by the GAFSP increase the IFC’s risk appetite and support more companies and financial intermediaries to become bankable, growing the total

¹² Additionality is defined by the IFC as: “...the benefit or value addition we bring that a client would not otherwise have. In other words, our additionality is a subset of our role that is unique to IFC and that cannot be filled by the client or any commercial financier.” Additionality, or IFC’s added value, can be either non-financial (e.g. technical assistance provided to the client) or financial, such as the types discussed in this paragraph. The resources provided by the GAFSP are critical in increasing the additionality of Private Sector Window investments.

number of potential investment targets. In turn, this means that more companies and financial institutions – as well as their suppliers, customers, and borrowers – can benefit from Private Sector Window financing. Expanding the number of bankable companies also allows the IFC to place a higher emphasis on meeting development objectives, such as those of the GAFSP, via their investments.

The additionality of GAFSP resources is reflected in the profile of agribusinesses supported by the Private Sector Window. The weighted average of credit ratings for the Private Sector Window Agribusiness Group (i.e. excluding Private Sector Window projects in the Financial Intermediaries Group) is 11. In comparison, The IFC agribusiness portfolio as a whole has a credit rating of 8. This difference demonstrates that GAFSP is allowing the Private Sector Window to invest in riskier companies than the IFC is normally able to invest in.

The Private Sector Window also contributes non-financial additionality to projects in the form of support in meeting the IFC's environmental and social standards, improved business management and capacity building, and outreach to agribusinesses' suppliers. All but one of the 46 investment services projects evaluated received this type of support, 25 of which were supported by GAFSP advisory services resources.

As noted by a previous evaluation of the Private Sector Window, the justifications provided in project approval documents for the level of concessionality are typically weak. Given that public resources are being used to support private enterprises and shareholders, it is important that concessionality is minimized in Private Sector Window projects. Overly generous financial concessionality would be a subsidy for the private sector. Additionally, there is concern that concessional resources could "crowd out" the private sector by providing better terms than private investors can offer. For both of these reasons, it is important that the IFC communicates a justification for the level of concessionality (e.g. the interest rate in a loan) provided in Private Sector Window projects. A more detailed explanation of the justification for the level and type of concessionality should be possible and could better communicate the value add of the Private Sector Window in the project. The IFC is already aware of this recommendation as made in a previous evaluation. The evaluation team notes that confidentiality issues make it impossible for the IFC to fully report on some aspects of their agreements with companies.

Finding 6: Civil Society Organization (CSO) involvement in proposal preparation has not always resulted in greater involvement at later stages.

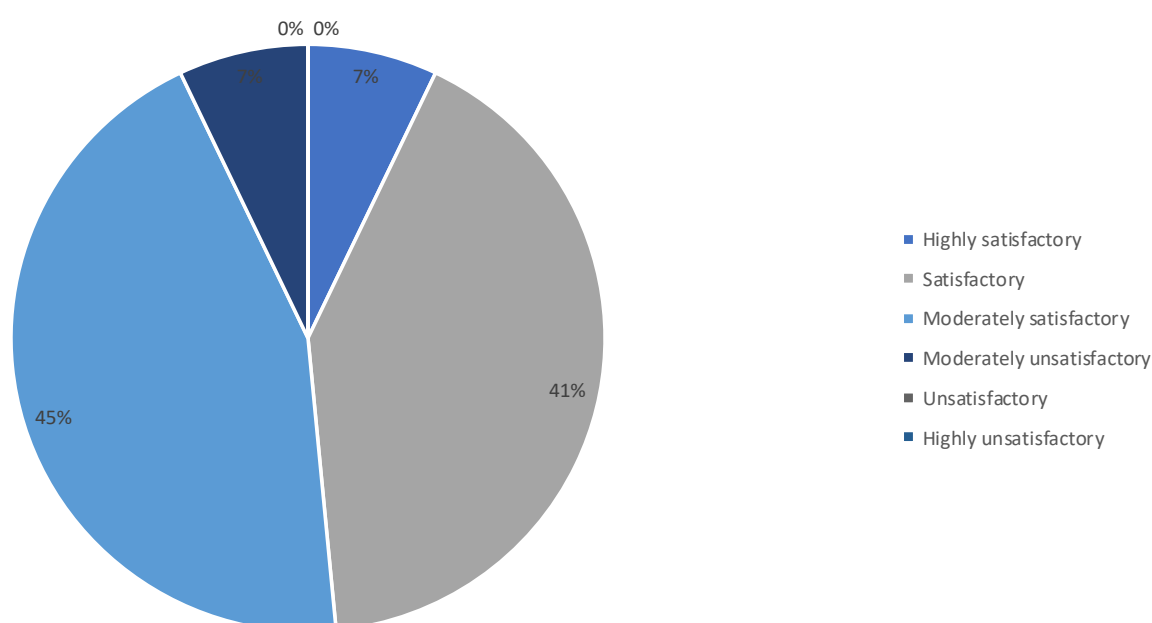
GAFSP ensures that CSO networks are included on the Steering Committee and can promote greater participation in individual projects. It has gone to great lengths to ensure that CSOs participate in proposal preparation for all Public Sector Window grants. The country visits found that CSO involvement has been variable, which was expected since some of the countries do not have favorable environments for CSOs. However, even where CSOs are able to flourish, their participation as representatives of target groups (as opposed to as service providers or as project beneficiaries in their own right) has not been as strong as might be expected. Their involvement in proposal preparation does not always continue into PAD (or equivalent) preparation, and rarely beyond. In Kenya, the National Farmers' Association reported that it has been well involved in the design and implementation of the project and that it ensures relevance of the project's investments by conveying farmers' needs to the project authorities. On the other hand, in Nepal, where CSOs sit on the project Steering Committee, project stakeholders did not express any particular views or enthusiasm about this and struggled to mention any benefits. One of the CSOs also had difficulty listing benefits from this arrangement. In Cambodia, the CSO responsible for participating in the Missing Middle Initiative bid expressed frustration at the process, particularly noting poor communication with the SE and that the final proposal (which was unsuccessful) contained very little of the content the CSO had prepared.

3.2 Evaluation Question 2: What results are being achieved?

Finding 7: Overall, the GAFSP Public Sector Window portfolio performs well.

The large majority of GAFSP projects perform well or moderately well as shown in Figure 2. The Program Evaluation portfolio review finds that most projects¹³ report outcome or progress ratings of moderately satisfactory or better (according to the SE's own ratings). An outcome rating of satisfactory means that a project has achieved its Project Development Objectives while a progress rating of satisfactory means that a project is well on its way to achieving them.

Figure 2. Performance ratings of Public Sector Window projects (Program Evaluation portfolio review based on progress and completion reports, SE self-reporting June 2017, outcome and progress rating combined (n=27))



The positive performance of the GAFSP Public Sector Window portfolio is confirmed by the Coordination Unit. The Coordination Unit commissioned a review of its portfolio beginning in FY15 with the same two evaluators completing the task each year using a consistent system of rating. In FY17, 24 out of 33 projects (73%) reviewed were rated as satisfactory or moderately satisfactory. This is in line, for example, with the overall performance of World Bank-supported projects reported by IEG¹⁴.

By June 2017 GAFSP had reached 8.6 million direct beneficiaries¹⁵. It is too early to assess impacts of the GAFSP portfolio. However, early results demonstrate good outcomes. According to the six-monthly Implementation Update on GAFSP Public Sector Window projects by the GAFSP Coordination Unit from June 2017, on average, a 22% income gain is reported for GAFSP projects that have conducted experimental impact evaluations. Unfortunately, this result is based on a very small sample and income change results from other closed investment projects (Ethiopia, Haiti IDB, Togo IFAD and Togo WB) are still pending.

Progress reported on select indicators shows that by June 2017 the GAFSP Public Sector Window portfolio had already reached its targets for *smallholders receiving productivity enhancement support* (879,563 farmers) and the *number of producer based organizations supported* (1,352 associations). In terms of *rural roads*

¹³ Out of 54 Public Sector Window projects, 27 projects had reported on progress or outcome. The rest of the portfolio was at a too early stage in the project lifecycle.

¹⁴ IEG, Results and Performance of the World Bank Group (RAP) 2016.

¹⁵ GAFSP Public Sector Window 6 monthly Implementation Update June 2017.

constructed or rehabilitated (1,343 kilometres) and the number of people receiving improved nutrition services and products (524,128 people), progress has only reached 50% of targets.

The fieldwork conducted for the five country case studies as part of this program evaluation confirmed the overall positive impression of GAFSP-supported projects, which are likely to deliver positive outcomes for the rural poor, improve incomes, food security and increase access to finance. A detailed portfolio review of African GAFSP Public Sector Window projects indicates that farmers will mostly benefit from large investments in irrigation, the promotion of modern, climate smart technologies, and better linkages to markets.

The Food Insecurity Experience Scale (FIES) was introduced into the GAFSP M&E framework in 2017 and no results data are available yet. Work to estimate FIES outcomes for the GAFSP portfolio is on-going in conjunction with Voices of the Hungry (FAO). Work is also ongoing to calculate aggregated value weighted yield measurements from existing project results.

Finding 8: The Private Sector Window is successfully increasing investment and addressing the resource gap in the agricultural sector. The lack of information on progress on Private Sector Window project implementation is a hindrance to understanding the effectiveness of the window.

The Private Sector Window leverages significant amounts of additional capital, with approximately USD250 million in Private Sector Window investment catalysing a total of USD1.6 billion in investment, a leverage ratio of more than 6:1. The Private Sector Window can achieve such large volumes of lending by partnering with the IFC, which has extensive experience investing in agribusinesses and financial institutions in the agricultural sector. While a large sum, this volume of investment is not sufficient to addressing the global financing gap in agriculture¹⁶. Debt is by far the preferred financing mechanism used by the Private Sector Window, having been used in 31 projects. Guarantees (10 projects) and equity (five projects) are also important instruments.

By working with local financial intermediaries, the Private Sector Window is also able to improve access to finance for smallholder farmers. Twenty-five of the 46 Investment Services projects analyzed included on-lending activities for farmers, primarily via local banks or agribusinesses that purchase raw goods from farmers. Borrowing from IFC clients is reportedly a positive experience for many farmers and small businesses, as it improves their credit history and helps them to access other sources of financing in the future. For instance, ACLEDA Bank, supported by the Private Sector Window, has proven the bankability of its clients; once creditworthiness is established, ACLEDA's competitors often come in and "steal" their clients by offering larger loans. While not a positive outcome for ACLEDA, this example shows how access to finance can increase for end beneficiaries of the Private Sector Window.

It is difficult to evaluate the development effectiveness of the Private Sector Window to date. Many Private Sector Window projects were only recently approved and have not begun to collect results data or are not far enough into implementation to evaluate their progress; 18 of the 46 investment service projects analyzed have reported results and impact evaluations have not been completed. The evaluation team is not able to complete a full analysis of the development effectiveness of the window with the information available.

If investment service projects' development targets are met, the Private Sector Window will reach an additional 1.9 million farmers, create more than 11,000 jobs, produce 5.6 MT of food products, increase food availability for 400,000 people, and provide loans to 79,000 farmers. These results would show a significant contribution to the objectives of the GAFSP, if achieved.

Certain projects make a large contribution to addressing food security and nutrition, with 24 projects improving the nutrition situation. This result is primarily achieved through the primary production or processing of a good that is important for food security and/or nutrition. Some projects without an obvious contribution to nutrition, such as the Risk-Sharing Facility for coffee production in Ethiopia, add a nutrition element via advisory services.

However, a significant proportion of projects only contribute to food security by increasing farmer incomes. Eleven projects in the Private Sector Window portfolio support the production or processing of commodities

¹⁶ As shown in section 3.5.5 the gap for the 31 countries in which Public Sector Window projects have been awarded is US\$35.5 billion.

with little or no nutritional benefit (e.g. coffee); a further 12 projects do not identify the commodity that they support. Thirteen projects entirely or nearly entirely serve export markets. These projects will improve farmer incomes and therefore improve food access, but do not actively contribute to increasing the availability of food or its nutritional content in the country of the project.

Projects where data has been collected show promising signs of development effectiveness. From a review of the 45 Investment Services projects, several objectives were showing promising progress towards completion: farmers reached compared to the target was at 84%; jobs created 102%; jobs created for females 105%; and loans outstanding to smallholders 88%. However, volume of product had only reached 9%, and food availability 65%. These indicators require longer lead-times and many projects have not yet reached maturity.

Finding 9: Most projects make serious contributions to GAFSP cross-cutting issues such as gender, climate change and nutrition.

GAFSP is supporting three cross-cutting issues, in response to recipient priorities, that it aims to address - namely gender, climate change and nutrition. GAFSP has produced issue papers on these topics that apply to the whole Program.

Thirty-eight Private Sector Window investment services projects contribute to at least one cross-cutting issues; with four projects meeting all three cross-cutting issues. Anecdotally there is potential for some Private Sector Window projects to further integrate cross-cutting issues, particularly gender and climate change and for technical assistance to explicitly support companies in relation to cross-cutting issues to enhance development benefits. One project in Kenya, for example, is extremely dependent on rainfall for its financial viability, but did not do any vulnerability analysis of how climate change will impact future rainfall – and the expected cash flow from the investment.

Twenty-one out of 32 projects in the Public Sector Window contain nutrition-sensitive and nutrition-specific activities. Twenty-two out of 32 projects integrate gender.¹⁷ The proportion of women benefitting from GAFSP-supported projects varies. The highest proportion of female beneficiaries was found in Nepal (93%) and the lowest in Bangladesh (20%). In the case of Bangladesh, the lack of a gender strategy was noted by the Program Evaluation team as an omission to be remedied in future support to the country. Of the nine projects that set gender disaggregated targets and had reported on their achievements against these targets, only two had failed to meet or exceed the target.

Twenty-six out of 32 projects include activities promoting climate resilience at farm level. However, coverage of different aspects of climate sensitivity varied. For example, whilst 19 projects had undertaken climate change analysis as part of project design and 26 had included farm-level resilience measures, no projects had focused on enhancing the quality or use of agri-climate data and only two projects documented measures to reduce GHG emissions.

The country case studies confirmed strong interest by the client countries to promote these agendas. Specific focus on gender, nutrition and climate change were not considered an additional burden but welcome. Stakeholders observed that gender development and climate change adaptation are regarded as mainstream and routinely addressed in agriculture projects by development partners. The serious efforts of GAFSP projects to make progress on these fronts were noted.

¹⁷ There were defined as projects which had used gender analysis in project design, set gender disaggregated targets and included specific actions targeted to enhance gender equality.

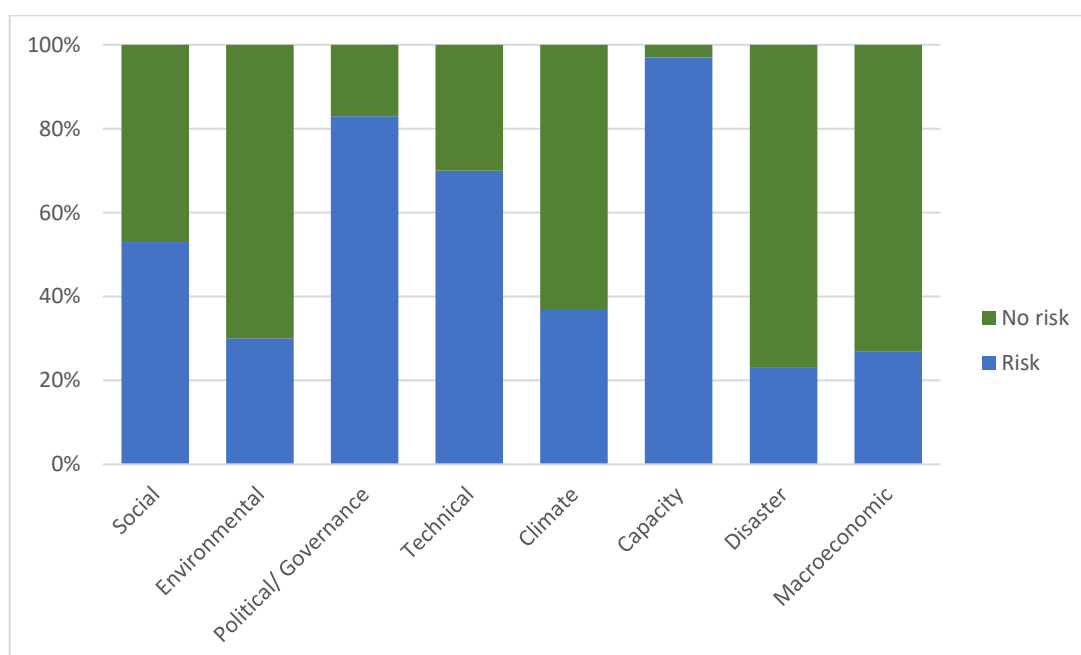
3.3 Evaluation Question 3: How sustainable are GAFSP results?

Finding 10: To maximize the likelihood of projects continuing to deliver their intended benefits beyond the actual implementation period, GAFSP Public Sector Window projects would benefit from better risk identification and management.

GAFSP-supported projects face similar risks to development outcomes as other development projects in IDA countries. There are 34 Public Sector Window projects of which we had access to project documents (for World Bank, project appraisal documents (PADs) or equivalent for other implementing agencies) for 32. Of the 32 projects, 25 provided a risk rating in their appraisal document. Of these 25, 23 were rated as moderate to high risks to the project. Figure 3 lists typical risks highlighted by these project documents (some projects report on types of risks, some on overall risk; this includes some TA). The most frequently highlighted risks concerned capacity constraints or political and governance issues.

To maximize the likelihood of projects continuing to deliver their intended benefits throughout their economic lifetime, projects need to have a clear understanding as to the risks that might affect them. The Program Evaluation portfolio review indicates that out of the 32 reviewed project appraisal documents (all Public Sector Window projects where the documents were available) seven did not include a comprehensive risk assessment (six AfDB projects and one IFAD project). Progress reports do not have to report on risks.

Figure 3. Risks highlighted within the Public Sector Window portfolio (% of PADs reporting on types of risks)



Finding 11: The focus on systemic capacity development efforts as well as strong country ownership bodes well for the sustainability of GAFSP-supported projects.

Many aspects and events may impact the ability of a public sector project to sustain a flow of benefits over time. Two factors have been identified as robust estimators of project sustainability¹⁸: (i) quality of project preparation and design; and (ii) country ownership and institutional capacity.

Quality at entry requires due attention to economic and financial aspects as well as technical aspects of the proposed investments (market demand, return on investment, provision of finances, obtaining revenues).

¹⁸ ADB (2010) Special Evaluation Study on Post-Project Sustainability of ADB Projects; Ostrom, E., C. Gibson, S. Shivakumar, K. Anderson, 2001. Aid, Incentives, and Sustainability. Swedish International Development Cooperation Agency.

Project preparation needs to assess whether the proposed technologies are appropriate and make a realistic assessment of the ongoing financial viability of the project including maintenance procedures. The program evaluation portfolio review found that project economic analyses are always included in the Project Appraisal Documents following the SEs' own procedures. However, it seems that less attention was paid to the financial and economic aspects of the small-scale subprojects which are often included in GAFSP projects. The field visits undertaken for the Senegal and Cambodia case studies interviewed several beneficiaries. Of those interviewed, few had knowledge about their costs and returns of productive infrastructure or income generating activities. Activities had been identified by the project and were not driven by community demand¹⁹. Project management lacked reliable analytical studies about the profitability of the supported value chains. The fact that many inherently private goods or investments were procured by the public sector (see section 5.1.1) poses the question whether they will be financially sustainable in the future.

In Senegal, beneficiaries highlighted that the employed technology (late maturing rice varieties) was not appropriate, and the maintenance of equipment and physical infrastructure (drip irrigation) might pose problems. In Niger, GAFSP supported activities aimed at developing the trading and processing of agricultural products to generate value addition in the food sector. ActionAid²⁰ reports that the Public Sector Window project supported the purchase of small processing²¹ equipment for women's groups. These attempts at creating income generating activities and developing food processing have mostly failed to bring benefits to the women's groups due to the poor quality of parts and the resulting disruptions, the high operational costs, the existence of better quality mills elsewhere in the villages, and the lack of support to the women in case of breakdown.

GAFSP projects are supporting capacity at all levels to ensure sustainability. Institutional capacity and ownership are important for the ability and willingness of client government/agencies to implement and manage operations of the projects on an ongoing basis throughout the technical life of the project. The portfolio review finds that according to 31 out of 32 Public Sector Window project documents, systemic capacity development efforts²² are undertaken by projects. However, the case studies undertaken for this program evaluation indicate that substantial risks remain. Issues related to a difficult policy environment (Kenya), major reorganization of government services (Nepal) or capacity constraints at local level (Senegal) were raised by stakeholders.

GAFSP financing and co-financing in Sub-Saharan Africa did not induce proportionally more resources invested in "soft" areas such as improving governance or regulatory frameworks as compared to similar projects which did not benefit from GAFSP resources. The portfolio analysis of 32 Public Sector projects for which the documentation was available finds that 13 projects were stand-alone GAFSP grants and 16 projects were GAFSP grants with co-financing from other sources. As GAFSP eligible recipient countries are IDA countries the source of co-financing was mostly also grants. Focus of most of investments, at least in Africa, were investments in irrigation, the promotion of modern, climate smart technologies, and better linkages to markets through investments in infrastructure (see Finding 7). Within the Public Sector Window GAFSP exclusively funds "traditional" investment project finance and technical assistance. Limitations are that neither instrument fully allows support to a government program of expenditure, building institutional capacity, and tying financing to achievement of results²³. Many of the rural development challenges countries face cannot be addressed solely through the proper technical implementation of a program. For example, improving service delivery (such as better-maintained rural roads, effective agricultural extension services) may require both policy actions (such as a decentralization law) and some discrete investment activity (such as contracting works for road maintenance). However, in many cases, these are not sufficient for the achievement of results. Rural roads may remain unmaintained, despite the existence of contracts. Farmers may not receive the proper

¹⁹ In Nepal, on the other hand, the farmers'/women's groups had to participate in a competitive award process involving concept notes and proposals, so they have a good understanding of the costs, and to a lesser extent returns, of their sub-projects.

²⁰ Action Aid International: Is GAFSP reaching small-scale food producers in Niger?

²¹ Including 60 oil presses, 41 groundnut huskers, 60 mills, 28 cereal huskers, 30 grinders, 41 roasting machines and 29 flour mills.

²² meaning, that those efforts are not specifically linked to support the delivery of individual project components, but rather would support the sustainability and scalability of completed interventions.

²³ 2011a. *A New Instrument to Advance Development Effectiveness: Program-for-Results Financing*. Operations Policy and Country Services. Board Report. Report No. 66193. Washington, DC: World Bank.

training they require. In Cambodia, on the other hand, the GAFSP funds are being used to strengthen an infrastructure project by undertaking a number of essential studies (feasibility studies, soil mapping) that otherwise would not have been done.

Finding 12: The commercial nature of IFC support gives the outcomes achieved by the Private Sector Window a high degree of financial sustainability.

IFC clients use the investment to grow their business and make it financially sustainable. On average, agribusinesses supported by the Private Sector Window expect to increase their annual sales by 258% over five years. This average is pulled upwards by a few companies that will increase their revenues by greater than 1,000%, but even without these outliers, companies anticipate consistent growth of 140% in revenues over five years.

Project sustainability can be ensured with or without the IFC post-Private Sector Window support. In some cases, Private Sector Window clients reported that they plan to seek their next round of large-scale financing from the IFC. Having gone through the IFC's due diligence process and gained an understanding of their standards, these companies see continuing to work with the IFC as the most attractive option. This will allow the IFC to ensure that Private Sector Window projects continue to have their impact. In other cases, businesses that have benefited from the Private Sector Window have gone onto other sources of financing. For instance, under a risk-sharing facility in Ethiopia, coffee cooperatives that originally received financing via an IFC bank client now are financed from other local commercial banks. Through the project with the Private Sector Window, coffee cooperatives proved their credit-worthiness and made themselves attractive investment opportunities to private banks. While the project closing early could be mistakenly perceived as negative, in this case it demonstrates that the Private Sector Window created an environment where the activities could be financed sustainably from the commercial market.

Roughly 30% of Agribusiness Group projects within the Private Sector Window (i.e. excluding projects in the Financial Institutions Group) have an internal credit rating of 13 or worse, suggesting potential financial distress issues and therefore long-term sustainability challenges for these companies. The long-term viability of results in these projects is uncertain. In some cases, the reasons for financial distress are outside the control of the client, the Private Sector Window or the IFC. Africa Juice, an Ethiopian business, was damaged by riots in the country. It is important to note that difficulties in certain projects demonstrates that the Private Sector Window is being used to support innovative, risky companies and some challenges should be expected. The Private Sector Window's ability to assume additional risk better allows it to contribute to GAFSP objectives. Six percent of companies within IFC's agribusiness portfolio have similarly low credit ratings.

The IFC's performance standards improve the environmental and social sustainability in Private Sector Window projects. The process of meeting environmental and social standards is a main factor in the long period required to approve Private Sector Window projects. However, these standards are critical for improving the sustainability of companies' operations. In addition to the development impact supported by the Private Sector Window, the Window improves its clients' environmental and social practices.

The Private Sector Window also adds value to the IFC by allowing them to test new services or explore new geographies. IFC's Agricultural Leadership Program, for example, is supported by the GAFSP. The program trains entrepreneurs on business management, which helps them to become more bankable and allows the IFC to do more business. Additionally, the IFC has been able to expand its operations in countries where it has few activities. For example, a Private Sector Window project in Ethiopia where GAFSP absorbed the IFC's risk allowed the IFC to gain important learnings about a country with a challenging investment climate.

3.4 Evaluation Question 4: How well is GAFSP governed and managed?

Evaluation Question 4a: How clear and consistent are the roles and responsibilities of GAFSP governance and management bodies

Finding 13: Rules and procedures of GAFSP governance with respect to the Public Sector Window are clear and consistent though there are inconsistencies and ambiguities regarding Private Sector Window governance.

The GAFSP governance documents²⁴ lay out procedures for Steering Committee composition and decision-making and describe responsibilities of the Steering Committee, the TAC and the Trustee clearly and unambiguously. The Framework Document summarizes eligibility criteria, governance and accountability, and procedures and reporting for each window in useful tables.

Descriptions of Steering Committee responsibilities with regard to the Private Sector Window differ in the GAFSP Governance Document and the Private Sector Window Charter (Table 2). We consider the GAFSP Governance Document the authoritative document because the Steering Committee does not appear to have approved the Private Sector Window Charter.^{25,26}

Table 2. Descriptions of Steering Committee Private Sector Window responsibilities. Source: GAFSP Governance Document, Private Sector Window Charter.²⁷

GAFSP Governance Document	Private Sector Window Charter
(i) receiving the IFC's annual investment plan with respect to the Recipient Countries (the "IFC Plan") and determining whether to endorse the IFC Plan;	(a) endorsing the Annual Plan for the PSW ²⁸ presented by IFC;
(ii) approving additional eligible SEs and developing procedures for the approval of projects; and	(b) reviewing and commenting on periodic progress reports presented by IFC; and
(iii) approving any other responsibilities of the Steering Committee with respect to the governance of the Private Sector Window, including but not limited to, actions intended to maximize ownership of agricultural development and food security plans in Recipient Countries.	(c) providing comments to the membership of a Consultative Board for the Private Sector Window.

In interviews with Steering Committee members and SE staff, we heard differing interpretations and uncertainty regarding what "endorsement" of the annual plan by the Steering Committee meant, after it had been approved

²⁴ "Global Agriculture and Food Security Program (GAFSP) Governance Document"; "Annex A to the Administration Agreement, Global Agriculture and Food Security Program, Private Sector Window: Charter" (IFC, 2012).

²⁵ The GAFSP Phase 1 Review notes that the Private Sector Window Charter had been approved (Meridian Institute, "Global Agriculture and Food Security Program Phase 1 Review" (Meridian Institute, 2014), 19.) but we have not been able to verify this in Steering Committee meeting minutes or in interviews with the former Steering Committee chair.

²⁶ Between the GAFSP Framework Document and the Governance Document, we refer to the latter. Both are meant to be consistent with each other and in the case of any (unintended) conflicts between the two, the specific provision in the Governance Document supersedes the specific provision in the Framework Document.

²⁷ "Global Agriculture and Food Security Program (GAFSP) Governance Document," 7; "Annex A to the Administration Agreement, Global Agriculture and Food Security Program, Private Sector Window: Charter," 5.

²⁸ PSW is the abbreviation for Private Sector Window used by the Private Sector Window Charter.

by IFC and the Donor Committee. The Charter does not appear to have been updated after it was decided to not establish the originally envisaged Consultative Board for the Private Sector Window.

Finding 14: On the management level, roles and responsibilities are described clearly and in detail but there is ambiguity regarding Private Sector Window responsibilities

Roles, responsibilities and procedures of the Coordination Unit and SEs are described clearly and in detail in the program's Framework and Governance Documents. Management responsibilities of the Private Sector Window Secretariat are also described clearly and in detail in the Private Sector Window Charter.

Descriptions are consistent regarding responsibilities for the Public Sector Window, but there is some ambiguity concerning roles and responsibilities for the Private Sector Window that mostly reflects how that window has evolved after the Framework and Governance Documents were written, as explained further below. The role of the Private Sector Window Secretariat is somewhat ambiguous and in-between a secretariat serving the interests of IFC as a GAFSP SE (which is how the Governance Document characterizes IFC²⁹) and a coordination unit serving program interests. From our own observations, the Private Sector Window Secretariat was the go-to place for Private Sector Window information and has largely driven Private Sector Window strategy development in the past, whereas the Coordination Unit had a strong overall Public Sector Window focus. Management titles mirror this, with the head of the Public Sector Window (and Deputy Program Manager) in the Coordination Unit, and the head of the Private Sector Window located in the Private Sector Window Secretariat.

Overall, documents and most interviewed staff portrayed the Steering Committee and the Coordination Unit as GAFSP's central program-level governance and management bodies, but it remained unclear how they can fulfil program-wide responsibilities in practice. This is because the authority of the Steering Committee over GAFSP Private Sector Window operations appears to be limited and because the Coordination Unit has no management authority over the Private Sector Window Secretariat, as explained in the following sections.

Evaluation question 4b: How effectively, efficiently, inclusively and transparently do GAFSP governance and management bodies operate?

Finding 15: The GAFSP Steering Committee is an effective multi-stakeholder governing body with several generally positive characteristics

The Steering Committee has been an active, stable and professional governance body. The Steering Committee has met twelve times in its first seven years. Of the 27 original members at year-end 2010, all have remained in the Steering Committee. Additional donors joining, and the Steering Committee's principle of balancing each voting donor member with a representative of recipient regions, has brought membership to 33 in 2017.

Institutional members have usually sent one or more representatives to meetings. In the donor group, only one donor has missed more than a single meeting. SEs have consistently been represented in all Steering Committee meetings, as have CSOs from year-end 2010 onwards. Representatives of the World Bank (IBRD) in its functions of Trustee and host of the Coordination Unit have consistently attended Steering Committee meetings. Recipient regions have attended meetings consistently. Since 2014, changes in regional representatives were more frequent.

Like other boards with institutional (rather than individual) members, the Steering Committee has seen considerable participant fluctuations. On average, about half of the participants of one meeting had also attended the meeting before, and very few individuals have attended most meetings. This represents a challenge with respect to the institutional memory of the Steering Committee. The Coordination Unit (and the Private Sector Window Secretariat) appear to have successfully mitigated this risk through detailed meeting minutes, background documents and facilitation during the meeting itself. Interviewees also highlighted the

²⁹ "Global Agriculture and Food Security Program (GAFSP) Governance Document," 12.

importance of continuity in prominent Steering Committee positions such as, for example, that of the chair and of regional representatives.

In our qualitative analysis of the minutes of the first 11 Steering Committee meetings, the subjects covered seem appropriate for GAFSP governance. Along standard governance functions,³⁰ the Steering Committee has focused on strategic direction setting, stakeholder participation and evaluation, which represent critical Steering Committee functions; no other governance body covers these. Other functions are shared with or delegated to participating institutions. We have found little active conflict management by the Steering Committee but link this to the Steering Committee's success in establishing consensus between its multiple stakeholders.

The Steering Committee has successfully included and given voice to different GAFSP stakeholder groups. A remarkable feature of the Steering Committee is the balance of power between donors and recipients, reflected in equal votes for each side. Another strength is the successful inclusion of civil society in program governance. Interviewees formerly and currently involved with GAFSP saw these features as important assets of GAFSP. The World Bank participates in its role of Trustee and host of the Coordination Unit. Clearly, stakeholder inclusion in program governance has been a priority for GAFSP.

Constant adherence to its rules and procedures have allowed the Steering Committee to take important decisions effectively and efficiently. GAFSP stakeholders interviewed about the early days of the program perceived that those explicit and mutually agreed rules and procedures were crucial to managing the different interests and priorities of GAFSP stakeholders, and thereby to preserving the strategic coherence of the program.

While provisions for formal voting exist, Steering Committee decisions are almost exclusively based on consensus³¹ involving all Steering Committee members, i.e. including non-voting members. In our view, this has contributed to considerable ownership of past Steering Committee decisions. Between Steering Committee meetings, decisions are taken pragmatically on a no objection basis. If consensus cannot be reached, decisions are usually deferred until further elaboration in Steering Committee working groups rather than forcing a vote.

The Steering Committee has made effective use of external technical expertise. Individual Steering Committee members are selected to represent their institutions and not for their specific technical expertise as would be the case in a board of independent experts. The Steering Committee has however been effective in sourcing in missing expertise through the TAC, from participating organizations, and by commissioning additional consultancy and evaluation work.

The TAC has played a central role in effective Public Sector Window fund allocation (see 3.5.2). We found this a procedure that avoided otherwise difficult allocation discussions between interested SEs, and donors with regional and thematic priorities.

Finding 16: The Donor Committee operated effectively and efficiently within its largely consultative mandate.

Since its first meeting in June 2012, the Donor Committee has met 10 times.³² Six of those meetings were held as joint meetings with the Steering Committee, which we consider a useful arrangement as it fosters information exchange between the two bodies, and the associated program windows. The Donor Committee presently has six institutional donor members that have been represented by one or more representatives from the second meeting onwards.³³ From our qualitative analysis of Donor Committee meeting minutes, the Donor Committee appears to have operated effectively and efficiently within its largely consultative mandate.

³⁰ World Bank IEG and OECD DAC, "Sourcebook for Evaluating Global and Regional Partnership Programs," 2007, 72.

³¹ The GAFSP Governance Document defines consensus as "a procedure for adopting a decision when no participant in the decision-making process blocks a proposed decision".

³² The analysis of meeting minutes was conducted prior to the Joint GAFSP Steering Committee/Private Sector Window Donor Committee meeting in November 2017.

³³ The first meeting was attended by Canada, the Netherlands and the United States.

Finding 17: There are important differences between the Public Sector Window and the Private Sector Window governance structures.

There are significant differences between how the two principal GAFSP windows are governed, as summarized in Table 3. Interviewees explained these differences in two complementary ways: through different characteristics and requirements of projects in the two windows, and through genesis and evolution of GAFSP.

Table 3. Governance Comparison, Public Sector Window and Private Sector Window

	Public Sector Window	Private Sector Window
Strategy (for window)	Steering Committee	Donor Committee/IFC
Project-level decision-making and fund allocation	Steering Committee	IFC
Independent advisory body	TAC	Consultative Board (not established)
Window-level management	Coordination Unit	Private Sector Window Secretariat (IFC)
SE-internal management	SE Secretariats or Focal Points	Private Sector Window Secretariat (IFC)
SEs	ADB, AfDB, FAO, World Bank, IDB, IFAD, WFP	IFC

Several differences in Public Sector Window and Private Sector Window governance are clearly motivated by different characteristics of the two windows. Interviewed GAFSP program and SE staff highlighted that Private Sector Window and Public Sector Window operations required different governance mechanisms because of differences in project characteristics, principally:

- That the Public Sector Window sources projects through Calls for Proposals while the Private Sector Window investments arise through IFC's blended finance operations;
- That Private Sector Window project dossiers contain highly sensitive information and breaches of confidentiality can lead to strategic and operational risk for project partners and to liabilities and reputation risks for IFC, which is not the case for the Public Sector Window; and
- That the type of expertise needed to assess Public Sector Window and Private Sector Window proposals differs.

Other differences in Public Sector Window and Private Sector Window governance represent design choices that make it difficult to govern GAFSP as one coherent program across the two windows. Observed differences in Private Sector Window and Public Sector Window governance go beyond what is motivated by differing project characteristics. From document analysis and interviews, we found that they can be traced back to how GAFSP was set up and evolved in its first years. Because of the ongoing food price crisis there was urgency to get GAFSP off the ground. The Public Sector Window approach was fully fleshed out in the GAFSP Framework and Governance Documents, but the Private Sector Window approach was still being conceptualized and hence specifics of Private Sector Window operations were purposely left open. Further elaboration and implementation was delegated to IFC.³⁴ This approach likely influenced important governance design decisions:

³⁴ "Framework Document for a Global Agricultural and Food Security Program (GAFSP)," 33–34.

First, Trust Funds for the Public Sector Window and the Private Sector Window were set up separately. A Financial Intermediary Fund was established at the World Bank as originally envisaged, but separate single-donor trust funds were established for Private Sector Window donors at IFC. One important consequence of this setup is that Private Sector Window trust funds are now limited to funding IFC operations and cannot serve other Private Sector Window SEs. Another consequence is that financial reporting and oversight was separated for the two windows.

Second, the Steering Committee – GAFSP’s central governance body – was designed primarily with the Public Sector Window in mind and has little control over Private Sector Window operations. Compared to a list of 20 Steering Committee responsibilities for the Public Sector Window, the GAFSP Governance Document only lists three rather inconsequential Steering Committee responsibilities for the Private Sector Window.³⁵

Third, a separate Private Sector Window governance mechanism with a different set of principles and less overall authority – the Donor Committee – was established. The Donor Committee only convenes Private Sector Window donors and lacks the Steering Committee’s multi-stakeholder representation. As the Steering Committee has little influence over Private Sector Window operations, this leaves important GAFSP stakeholders without adequate voice in Private Sector Window governance. Recipient countries and regions, CSOs, and SEs other than IFC have not played a significant role in Private Sector Window governance.

Therefore, while the Steering Committee has full authority over Public Sector Window operations, neither the Donor Committee nor the Steering Committee has a comparable level of authority over Private Sector Window operations which affects the influence GAFSP stakeholders have over such operations.

Finding 18: Hosted coordination units are a cost-effective choice for GAFSP. The World Bank manages conflict of interest between its roles as host of the Coordination Unit and GAFSP SE well.

The Coordination Unit and the Private Sector Window Secretariat are teams in the Agricultural Global Practice of the World Bank and the Blended Finance Department of IFC,³⁶ respectively. They are integrated into the structure and staffed with employees of those institutions. This is typically the most economical solution for global program coordination units. However, integrated units must carefully manage conflicts of interest between the program and the host institution.

For the World Bank, there is a clear separation of roles and responsibilities: the Coordination Unit serves GAFSP and supports the Steering Committee while the World Bank in its role as GAFSP SE for the Public Sector Window is supported by a small GAFSP Secretariat. Interviewed staff was clearly aware of the need to position and manage the Coordination Unit as a unit serving the program, and of the reputational risk if this would be perceived otherwise by program stakeholders.

For the Private Sector Window, the IFC does not yet organizationally separate these two roles.³⁷ To date, this has not been required because there is only a single Private Sector Window SE entrusted with establishing Private Sector Window operations. An organizational separation between program-level coordination and representing IFC towards GAFSP would however be needed if Private Sector Window projects are to be implemented by other SEs as well, and IFC were to assume a coordinating role for that window.

Finding 19: The Coordination Unit lacks a Coordination Unit-internal management hierarchy

The only notable issue within the Coordination Unit is related to the absence of a formal internal management hierarchy. All Coordination Unit staff members are directly mapped to the Manager of the World Bank’s Agriculture Global Practice who is not part of the Coordination Unit. This means that the GAFSP Program Manager and other senior Coordination Unit staff have limited formal authority over recruitment, performance appraisal and expenses of Coordination Unit staff. From interviews with GAFSP Stakeholders, review of

³⁵ “Global Agriculture and Food Security Program (GAFSP) Governance Document,” 7.

³⁶ The Private Sector Window Secretariat moved from IFC’s Manufacturing Practice to the Blended Finance Department in 2017.

³⁷ IFC does carefully separate the blended finance unit (managing concessional financing) from IFC’s commercial finance core business, but this does not shield the Private Sector Window Secretariat from IFC’s (legitimate) corporate interests.

materials including the Sourcebook for Evaluating Global and Regional Partnership Programs³⁸ and experience from previous evaluations this setup may affect their ability to effectively and efficiently manage the Coordination Unit.

Finding 20: Ambiguity regarding the Coordination Unit's Private Sector Window responsibilities reduced the Coordination Unit's ability for program coordination and leaves the Private Sector Window with little oversight by the Steering Committee.

The division of roles and responsibilities between the Coordination Unit and the Private Sector Window Secretariat is not entirely clear (Finding 14). This reduces the ability of the Coordination Unit to serve the entire program and has led to difficulties in exchanging information across windows in the past. According to our interviews, communication has improved over recent years.

Because the Private Sector Window primarily responds to the Donor Committee there is a risk that potential window-level responsibilities of the Private Sector Window (that could become relevant if additional Private Sector Window SEs would be added to GAFSP and IFC would take up a coordination role) would remain without adequate multi-stakeholder oversight. Presently, such responsibilities include e.g. Private Sector Window strategy and evaluation but could be extended to coordination between Private Sector Window SEs should more be added under the responsibility of the IFC.

3.5 Evaluation Question 5: How well are GAFSP-supported projects selected and implemented?

Evaluation question 5a: How are project selection guidelines and criteria developed? Do they adequately reflect GAFSP's objective and approach?

Finding 21: The guidelines and criteria used to prepare and assess Public Sector Window proposals reflect GAFSP's objectives and approach and were modified appropriately when necessary.

Paragraph 53 of the GAFSP Framework Document lists eligibility criteria for Public Sector Window applications. There were three selection criteria³⁹ included in the first Call for Proposals Guidelines:

- Country Need: based on indicators associated with Millennium Development Goal 1 and on existing ODA levels for agriculture.⁴⁰
- Country Policy Environment: Using IFAD's Rural Sector Performance Assessments in addition to information provided in proposals to determine policy environments more conducive to achieving good returns.
- Country Readiness: Based on the extent to which the Comprehensive Africa Agriculture Development Programme (CAADP) process (or an equivalent in non-African countries) has been completed, resulting in a peer-reviewed investment plan.

A fourth selection criterion of '*Proposal Readiness*' was not explicitly described in the Guidelines – although it was implicit in the format for proposals which was clearly set out in an Annex. The format included a section to describe the consultation process – and it is noted that the Steering Committee had agreed that the involvement of smallholder farmer organizations in proposal development should be considered.

Guidelines for the subsequent three Calls for Proposals became successively more detailed, but the only major adjustments to the criteria were the merging of the Country Policy Environment criterion into Country

³⁸ The sourcebook highlights the need to evaluate typical issues of programs located in host organizations (p. 81), for example whether there is a "two masters" problem (of conflicting accountabilities to the program's governing body and to the host organization's management) or a risk of organizational capture (leading to a reduced ability to view the program objectively). Sourcebook for Evaluating Global and Regional Partnership Programs in World Bank 2006.

³⁹ The Guidelines refer to these as 'Country Selection Criteria' but this is open to misinterpretation. They are the criteria used to score and rank proposals, not to determine eligibility of countries.

⁴⁰ NB: The Framework Document (para 79) refers to the relative magnitudes of need, in relation to the financing gaps, but the wider need in terms of development goals has been applied from the outset.

Readiness and the formal inclusion of the Proposal Readiness criterion. Thus, from the second Call for Proposals onwards the three criteria used for proposal selection have been Country Need, Country Readiness and Proposal Readiness.

These criteria meet the GAFSP objectives of ‘country-owned and led’ – through the Country Policy Environment and Country Readiness criteria – and of ‘filling financing gaps’ – through the Country Readiness criterion. The approach of addressing food security through public sector investment in any of the five pillars is covered by the Readiness criterion. It can be argued that there was no need (in terms of criteria to meet GAFSP’s objectives and approach) for the Country Needs criterion. The Framework Document specified that IDA-only countries not in non-accrual status would be eligible. This criterion, which is applied at the proposal scoring stage, does not address proposal quality and creates an unlevel playing field in which lower quality proposals may be ranked above better ones because their applicant countries are regarded as needier.

Finding 22: Private Sector Window criteria and selection are different, and are appropriate.

GAFSP’s Framework Document lists four selection criteria for Private Sector Window investments:

- i. Business activities are broadly consistent with the Government’s agricultural and food security strategy and investment plan;
- ii. Companies have adequate financial strength, profitability, management and operational capabilities and debt service capacity;
- iii. Minority investors can eventually exit equity investments (equity capital criteria); and
- iv. Financing permits expansion of activities linked to strengthening smallholder-based supply chains, agribusiness, food and beverage production and processing, and linked infrastructure and supply chains.

Of these, ii and iii are virtually guaranteed by IFC’s standard operating procedures, while i and iv, need to be ensured through the investment selection process.

An interview with the former Head of the Private Sector Window revealed that the Private Sector Window originally sought projects by issuing calls for proposals but after two calls had resulted in more than 100 applications and only one investment, the method was abandoned. The Private Sector Window now uses a process of internal awareness raising among IFC investment officers who identify opportunities that might be suitable for blended financing through GAFSP from their normal investment sourcing activities. Investment officers work with the Private Sector Window Secretariat and other colleagues (including sometimes Advisory Services) to track and develop these potential investments. When they consider that the investment can go ahead they submit a paper to IFC’s Blended Finance Committee (BFC). The overarching criteria for BFC approval are that the concessional element is essential, and the investment would not be able to go ahead without it; clarity that the concessional element overcomes an identified constraint and will not need further concessional finance; and assurances of transparency and avoidance of market distortion. The Board Papers also include several development indicators, often including indicators about the number of smallholders to be reached via the project. Together with the BFC criteria these ensure that the approved investments are in line with GAFSP requirements.

Evaluation question 5b: How efficient and transparent is project selection? Does it ensure that the most relevant and effective awards and investments are selected?

Finding 23: Public Sector Window project rankings by the TAC and selection by the Steering Committee were efficient and transparent.

The TAC membership selection process has been straightforward and transparent. The initial interim TAC, with seven members, was formed quickly because of the urgency to make a fast initial selection of

projects⁴¹. Subsequently the TAC has been constituted following an agreed process of nomination by voting members of the Steering Committee, with a rotation system ensuring a build-up of experience along with a maintenance of transparency.

Scoring protocols and criteria weightings have been improved between calls. The TAC ranks the proposals for each call according to a protocol annexed to their Terms of Reference. After the ranking for each call has been completed, it provides feedback on the process to the Steering Committee. A particular issue that it raised concerned the strong influence of the Country Need score in determining the rankings. Working groups explored this and other issues and made recommendations to refine the scoring protocol that were accepted by the Steering Committee. These included significant changes to the Country Needs criterion scoring and process; merging of the Country Policy with Country Readiness criterion (and greater discretion for assessing the policy environment); and strengthened specifications for the content of proposals and the documentation to be provided with them to improve the assessments of proposal readiness. These modifications reduced undue weighting to individual criteria and increased the scope for variation in scores, thus providing more distinct rankings. It is perfectly valid to make these adjustments between calls, as there is no loss of transparency.

The Steering Committee makes its decisions based on the TAC rankings and recommendations, the funding available and its own deliberations. In addition to ranking, the TAC is required to provide two potential award sizes to cater for uncertain fund availability. This is either done by scaling down or by removing components and the maximum amount recommended is not always 100% of amount requested. While the Steering Committee normally accepts the rankings of the TAC, it uses its discretion to determine the number of projects to be funded. Thus, it does not always accept the recommendations of funding amount, sometimes reducing award size to enable the number of awards to be increased. For instance, the fourth Call for Proposals resulted in seven awards of between 50% to 100% of the amounts proposed by the TAC. It is reasonable that the Steering Committee makes such choices, but the implications of large cuts on projects needs to be considered, not only in terms of efficiency and effectiveness, but also of GAFSP's reputation. As pointed out by one stakeholder developing a project that had received 47% of the requested amount, GAFSP required a participatory approach to proposal development that raised expectations at local levels, so it is difficult to scale back geographically. The Steering Committee has already decided that for future Calls, countries should include two financing scenarios in their proposal with an assessment of the effect of using the lower one.

Finding 24: Financial and non-financial additionality allow the IFC to expand the universe of companies that it can invest in.

The IFC typically invests in companies that are large and creditworthy enough to meet IFC's high standards, but not so large as to be able to easily access international capital markets or other sources of financing. Many of the IDA-only countries have only a small number of agribusinesses that the IFC could invest in. The additionality provided by the GAFSP supports companies to become bankable, growing the total number of potential investment targets and enables the IFC to place a higher emphasis on meeting development objectives, such as those of the GAFSP, via their investments. Investments are processed on a case-by-case basis and there is no specific selection process from a pool of potential investments.

⁴¹ One of the essential features of GAFSP expressed in the Pittsburgh G20 Declaration and the Framework Document was to ensure immediate availability of additional funds – due to the urgency of the financial and food price crises. Since GAFSP was initially proposed at the 2009 G8 meeting, the Steering Committee desired to have its first projects selected in time for the June 25-26, 2010 G8 meeting.

Evaluation question 5c: To what degree is the resulting portfolio in line with the program's objectives and approach?

Finding 25: The Public Sector Window and Private Sector Window portfolios reflect GAFSP's objectives and approach to the extent that they are comprised of appropriate awards and investments.

The TAC considers projects on an individual basis and discussions with TAC members confirm that they have not considered the overall portfolio, or the portfolio arising from the recommendations of a call, in preparing their rankings. The Steering Committee also has not done so in making its decisions, although it has discussed, but not agreed upon, the possibility of thematic calls for proposals. The Public Sector Window portfolio is therefore comprised of projects that have been selected on an individual basis. Each project meets GAFSP's objectives as discussed above. Our analysis indicates that most projects cover several of the five technical pillars and that each of the pillars is addressed in at least 60% of the projects (Table 4). The portfolio, while not having been deliberately strategically balanced, meets the objectives of a country-led and owned portfolio that contributes to the countries' agricultural sector investment plans.

The Private Sector Window project selection process meets requirements of fitting within country sectoral priorities through the activities specified in the Framework Document. Our analysis indicates that as with the Public Sector Window, most of the investments cover more than one of the five pillars and that each of them is addressed in at least 54% of the investments (Table 4). There are several private sector projects dealing with non-food commodities or involved mainly in producing food for export. While these have economic benefits for the country, they might not always benefit smallholders and they do not improve overall food availability in the country therefore their alignment with GAFSP's objectives is less clear.

Table 4. Frequency of components covered by Public Sector Window and Private Sector Window projects and investments

Component	Public Sector Window # of projects/ proportion of projects	Private Sector Window # of projects/ proportion of projects
Productivity	37 (93%)	36 (78%)
Farmers to Market	32 (80%)	34 (74%)
Non-Farm Rural Livelihoods	24 (60%)	27 (59%)
Reducing Risk	29 (73%)	25 (54%)
Technical Assistance	40 (100%)	46 (100%)

The portfolios are not coordinated geographically or thematically beyond the basic eligibility criteria⁴², and given that neither portfolio has been developed with specific strategic intentions it is not surprising that there is no relationship between them. This does not mean that it would not be desirable for there to be closer linkage, but simply that in the way the program was designed and has developed it is not realistic to expect it.

Finding 26: The challenge remains great because GAFSP has not yet succeeded in making the anticipated major reductions in the financing gaps of investment plans

Although this is not a reflection on the selection process, an objective of the GAFSP, as originally framed, has been to fill the development partner financing gaps in country-led programs. Whereas it did succeed in providing an additional \$1.4 billion (from both windows), the combined financing gap of the 31 countries supported by the Public Sector Window (at the time of their first successful proposals) was USD35.5 billion.

⁴² Across the whole portfolio there have been three examples where linkages were achieved.

Given that these countries only represent about half of the total number of eligible countries, the total gap is much higher, and clearly beyond the scope of any program.

Evaluation question 5d: How efficient is GAFSP project cycle management by SEs? Can it be compared with non-GAFSP projects (Public Sector Window only, as specified in the Terms of Reference)?

Finding 27: GAFSP has been quick in selecting Public Sector Window projects following calls for proposals and on average projects took 25.7 months from Steering Committee approval to first disbursement

Keeping in mind that project selection involves an independent expert committee (the TAC) and consensus-based decision-making of a multi-stakeholder governance body (the Steering Committee), the fact that GAFSP projects are normally approved between 0.2 and 3.1 months after calls were closed represents an important achievement⁴³.

We analyzed the time stamps of the first 39 Public Sector Window projects⁴⁴ along the GAFSP project cycle steps of Steering Committee approval, SE approval, project effectiveness and first disbursement.

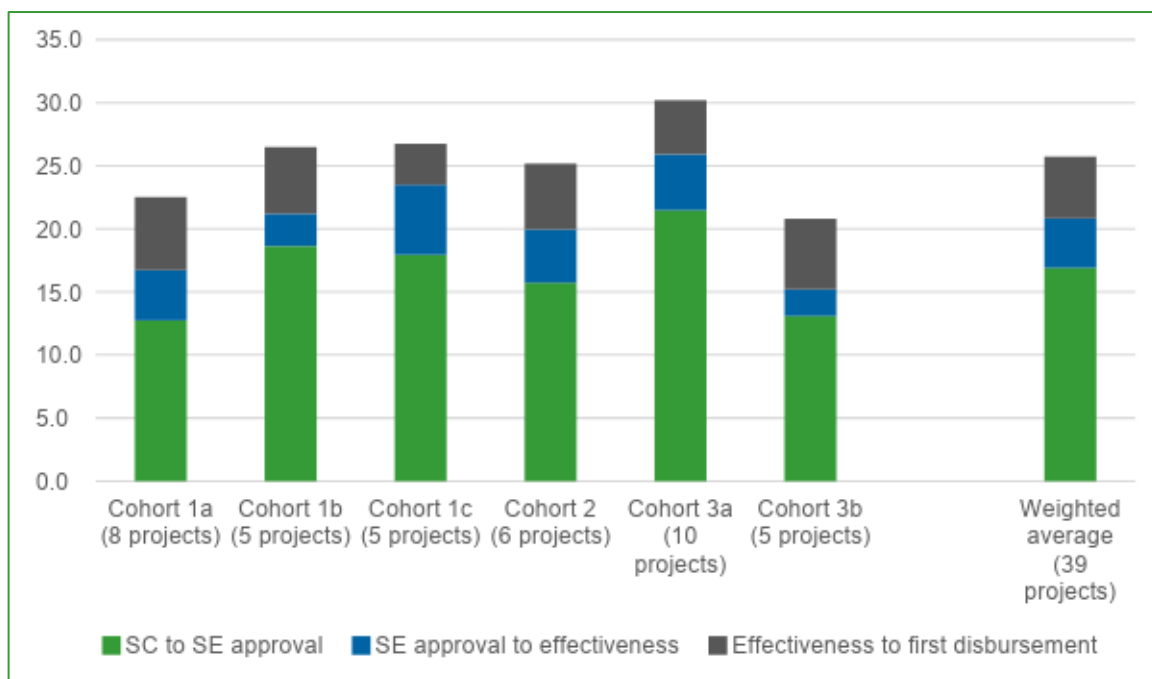
Total elapsed times from Steering Committee approval to first disbursement averaged 25.7 months (Figure 5). The average increases slightly to 26.4 months if six technical assistance projects contained in the sample are excluded, reflecting their shorter average elapsed time of 22.2 months.

Elapsed time from Steering Committee to SE approval varied more, also in relative terms, than from SE approval to first disbursement.

⁴³ There have been 7 cohorts; only cohorts 1c and 3b required longer, because of the need to update scoring criteria and await fund availability.

⁴⁴ In accordance with the ToR for this evaluation, Private Sector Window projects were not assessed. The project sample covers all GAFSP Public Sector Window projects originating from the first three calls for proposals (38 in total). Missing Middle projects and Public Sector Window projects from the fourth call for proposals launched September 12, 2016 are not included because of not having completed initial project cycle steps.

Figure 4. Average elapsed times for Public Sector Window projects from Steering Committee approval to first disbursement (n=39 projects).



Variations in project cycle speed between individual projects are significant. The median for all 39 projects is 22 months (four months less than the average), and medians for individual cohorts range from 20 to 33 months. This points to both fast and slow outlier projects.

From this analysis alone, no systematic conclusions on underlying project cycle performance can be drawn because of small project numbers and the fact that elapsed times are also influenced by external factors unrelated to SE performance.

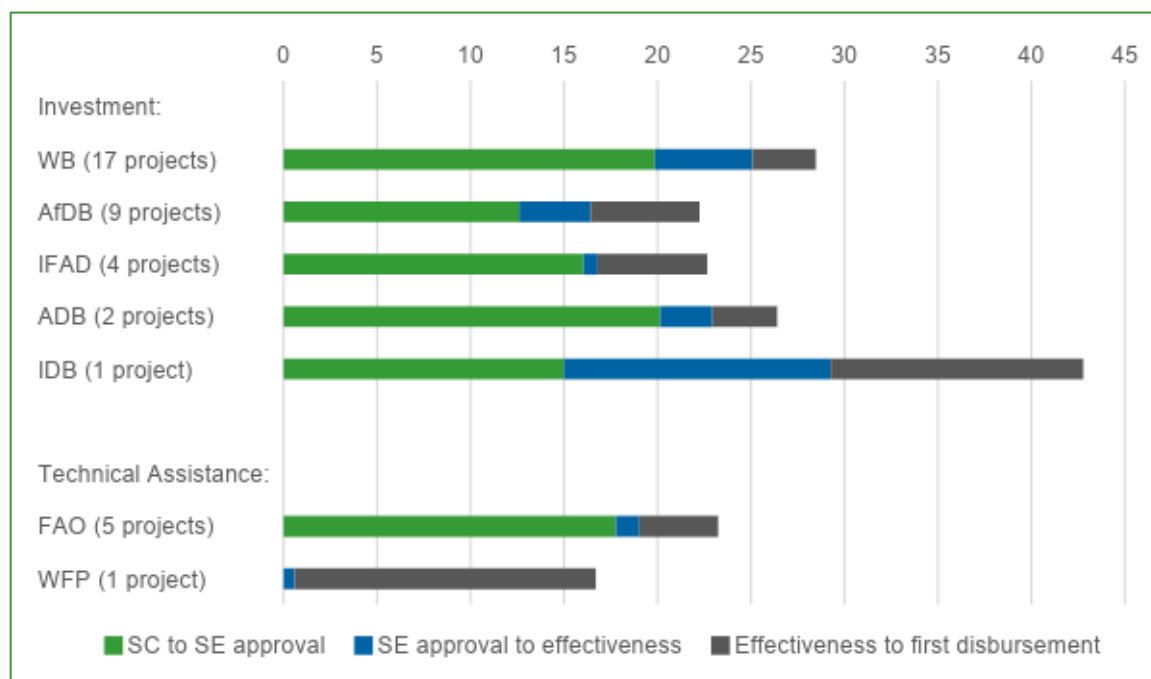
Finding 28: Average times from Steering Committee approval to first disbursement vary significantly by SE and GAFSP projects supervised by AfDB appear systematically faster than those supervised by the World Bank

Figure 6 highlights the variance of project cycle speed between SEs. The number of projects for IFAD, ADB and IADB are too low to allow conclusions regarding the typical speed of GAFSP projects through their project cycles or regarding their supervision performance. Also, because technical assistance projects are low in number, follow different project cycles and are influenced by their accompanying investment project, we do not consider analysis of TA project speeds meaningful.

The AfDB appears to have processed GAFSP projects systematically faster than the World Bank. This project cycle phase required on average 19.9 months for World Bank supervised projects, compared to 12.6 months for AfDB. However, the opposite is true from SE approval to first disbursement when World Bank supervised GAFSP projects required 8.6 months on average, compared to 9.7 months for AfDB. Overall, World Bank supervised GAFSP projects required 28.5 months from Steering Committee approval to first disbursement, compared to 22.3 months for AfDB. This difference does not appear to be driven by outliers as medians reflect similar differences.⁴⁵

⁴⁵ The medians from Steering Committee to SE approval are 18.0 months (WB) versus 11.2 months (AfDB), 7.7 months (WB) versus 9.2 months (AfDB) from SE approval to first disbursement, and 25.6 months (WB) versus 21.0 months (AfDB) for the whole cycle (medians are not additive).

Figure 5. Average elapsed times for Public Sector Window projects by SE from Steering Committee approval to first disbursement (n=39 projects).



Finding 29: There is no evidence that GAFSP projects are – overall – processed systematically faster than non-GAFSP projects

The World Bank, IFAD and ADB have analyzed how comparable non-GAFSP Public Sector Window projects travel through their respective project cycles. Based on these analyses, the total processing time for GAFSP projects does not appear to be shorter than that of comparable non-GAFSP SE projects. This also reflects qualitative feedback obtained from Public Sector Window SEs that, essentially, GAFSP and non-GAFSP investment projects were processed in the same or similar ways and that, a priori, no major speed differences should be expected.

This finding implies that earlier estimates pointing to significantly faster processing of GAFSP versus non-GAFSP projects need to be revised. An assessment conducted in 2013 found that GAFSP projects, on average, required 20 months from Steering Committee approval to first disbursement and contrasted this with an average of 28.8-30 months for non-GAFSP projects, estimated across SEs. While we could reproduce the 20-months estimate, it reflected only the 12 fastest projects in the first call. Estimates made for the other 13 projects (that had not reached disbursement stage when the assessment was conducted) were overly optimistic. With actual values, average time from Steering Committee approval to first disbursement for the 25 projects considered in 2013 equals 25.4 months instead.

We also conclude that while overall times do not differ significantly, processing of projects from SE approval to first disbursement *does* appear to be systematically faster for GAFSP projects. As pointed out in earlier analyses⁴⁶ possible explanations are a more intense proposal preparation phase and competitive selection resulting in better quality projects, or the selection process which takes account of country readiness. As pointed out above, post-SE-approval time-savings seem however compensated by slower pre-SE-approval processes.

⁴⁶ "Global Agriculture and Food Security Program: Project Implementation Update," 17.

Finding 30: There is insufficient data for comprehensive GAFSP wide benchmarking

Several SEs provided benchmarks based on estimates that did not allow meaningful benchmarking because not all project cycle steps were covered and/or because some estimated values appeared unrealistically low. Another difficulty in our analysis was that for GAFSP projects, no information was available on project concept timing (or other suitable project steps) that would allow direct comparison of GAFSP and non-GAFSP projects.

3.6 Evaluation Question 6: How useful is GAFSP monitoring and evaluation (M&E)?

Evaluation question 6a: Are GAFSP monitoring and evaluation instruments and processes comprehensive, relevant, effective and efficient and balanced?

Finding 31: There are comprehensive M&E instruments within GAFSP with strong attention to detail on reporting at project level that is expected to contribute to the program level M&E.

At the project level, GAFSP follows the principle that responsibility for M&E is given to the SEs. They are expected to use their existing tools, formats and processes for M&E for projects and to submit reports directly to the Coordination Unit (Public Sector Window) or Private Sector Window Secretariat (Private Sector Window). This is entirely sensible and reduces transaction costs for SEs and GAFSP.

Public Sector Window projects. At the project level there is a project logframe (or equivalent) with measurable indicators, counterfactuals and baselines based on GAFSPs core indicators (pre-2017 projects). SEs report semi-annually against these and provide a rating of satisfaction and in addition GAFSP commissions its own annual review of projects (through document review and phone or in-person interviews) that provides a consistent GAFSP rating that allows projects in the portfolio to be compared. These ratings have been discussed in Section 3.2.

Impact evaluations of 30% of projects are carried out by DIME and other evaluators using in-depth experimental or quasi-experimental methods. As part of this evaluation we have reviewed the baseline impact evaluation documents and a summary review of preliminary results but no impact evaluations had been completed at the time of this evaluation being undertaken. From the materials shared and interviews, these impact evaluations appear to have value in sharing lessons with the projects and the Coordination Unit regarding what works and why. Their value to the projects is a separate question for another evaluation.

Finally, ActionAid has been carrying out case studies of GAFSP projects chosen in agreement with the other two CSOs on the GAFSP Steering Committee and focused on issues relevant to the CSOs, e.g. gender and climate resilience. There is an emphasis in these case studies on viewpoints from farmers and producers. These reports are shared with the Steering Committee with recommendations for better practice.

Private Sector Window projects. At the project level, projects self-report against Development Outcome Tracking System (DOTS) once a year. Indicators are defined by DOTS and indicator baselines and targets are set before approval for funding. An external auditor conducts a review of the Private Sector Window database and ratings and provides a statement in the IFC report. DOTS is being replaced soon with Anticipated Impact Monitoring and Measurement which is intended to measure project impact and markets impact. Impact evaluations and poverty assessments are being conducted on 16 – 20 projects, which is estimated to account for 30% of the portfolio under current funding. As part of this evaluation we have been able to review the baseline impact evaluation documents for two investments and a summary review of preliminary results but no impact evaluations have been completed as yet. From the materials shared and interviews, these impact evaluations appear to have value in sharing lessons with the projects and the Private Sector Window Secretariat regarding the baseline conditions these projects are operating in. Their value to the projects is a separate question for another evaluation.

Finding 32: The introduction of 3 tiers of indicators has simplified the program's M&E significantly but the process by which indicators were chosen means some are less useful to evaluate the success of the program or its projects.

The GAFSP monitoring and evaluation framework has undergone significant overhaul since its first version was released in 2011 and adopted in 2013. It was designed purely with the Public Sector Window in mind (which had a few projects operational) since the Private Sector Window was not yet operational. The M&E framework was left relatively open to cope with the wide variety of projects expected to arise from the objective of country ownership through support to investment plans. However, it should have been possible to elaborate on the high-level goals (and indicators) to support project design and collective reporting.

Since 2011 the Private Sector Window has become fully operational, the Public Sector Window has matured, and the Missing Middle Initiative is being piloted. A revision of the M&E framework was undertaken in 2015 with a focus on setting ex-ante higher level goals, narrowing the set of outcome indicators and defining a set of operational performance indicators for GAFSP. This resulted in the development of three tiers of indicators which were approved by the Steering Committee in April 2016. An updated M&E plan which largely focused on the revised M&E indicators was therefore presented in 2017 to harmonize M&E functions across the two windows as far as possible and to draw upon lessons learned from the experience with M&E for GAFSP to date.

The three tiers of indicators appear capable of measuring the collective impact of the projects, but they do not measure the efforts of the program - most likely due to the lack of a coherent theory of change of the program. If the programmatic approach is expected to add greater value than the sum of the portfolio of projects the M&E plan is not capable of capturing that. Currently the Tier 3 indicators mostly focus on the activity of the Coordination Unit and the Private Sector Window Secretariat.

Finding 33: GAFSP is promoting use of M&E methods that are otherwise rarely used in IFC investments (impact evaluations and poverty scorecards).

IFC has adopted the Poverty Scorecard method for GAFSP projects and is applying this to 16 projects. Selecting projects considers regional representation, firms' ability to cooperate (there is no financial support for companies to be involved in impact evaluations). As part of this evaluation we have been able to review the baseline impact evaluation documents for 2 investments and a summary review of preliminary results, but no impact evaluations have been completed yet. This is the first time IFC has carried out impact evaluations of a blended finance investment and that is proving to be challenging but interesting to both IFC and other actors. For example, the firm selected to carry out the impact evaluations is very experienced in impact evaluation but has never carried this out in the private sector. Therefore, there is significant scope for learning – for both the project implementers and IFC – which can be applied to future investments.

Evaluation question 6b: To what degree does GAFSP M&E inform decisions, build knowledge and contribute to learning?

Finding 34: When the M&E Plan was updated it focused entirely on what information was recorded by Projects and Program but not on how this information was used and by whom. The main audience for M&E material appears to be the Steering Committee. The feedback loops of GAFSP's M&E may not be making the most of opportunities to learn and use M&E material.

The updated M&E plan pays little attention to how M&E material is to be used and when. For this Program Evaluation we created an M&E map to attempt to understand what material was being generated, by whom, for which audience and when. From this mapping exercise, there are multiple feedback loops in the GAFSP M&E system. The Private Sector Window has fewer than the Public Sector Window, perhaps due to the need for confidentiality at the project level, but it does generate lessons that could be shared in a way that influences the way this window does business – for instance by strengthening the way lessons from ongoing projects are distilled back to GAFSP investment officers who are responsible for sourcing new Private Sector Window projects.

Similarly, for the Public Sector Window - GAFSP works on the assumption that if Task Team Leaders (TTLs) attend knowledge forums, learning is passed back to Project Directors and implementing partners. From

interviews with stakeholders at the project level this assumption appears to be weak with few examples of learning being incorporated into delivery of projects. There is another assumption that lesson learning from the program is internalised by SEs who will subsequently support the preparation of new applications for funding with Government partners. Whether lessons are being internalised is not being monitored or facilitated by GAFSP.

From interviews with the Coordination Unit and the Private Sector Window Secretariat there are far more outlets for the M&E material than is discussed in the M&E plan. There is good understanding within the Coordination Unit team of the value of this material in making decisions and there is some ambition to better present this M&E material to support Steering Committee decisions.

Finding 35: The lessons learning element of GAFSPs M&E framework is unclear. The program assumes that SEs will conduct learning/sharing between their supported projects but has not monitored nor supported this. The communications strategy focuses on promotion of the program not on supporting lessons learning.

There is an assumption by the Coordination Unit that project-level lessons learning will be facilitated by SEs in the same way that M&E is devolved to SEs. There is no monitoring of this by the Coordination Unit and they are minimally aware of what activities are undertaken *within* SEs to support these lessons learning. Similarly, GAFSP assumes that lessons learning takes place *between* SEs which is also not monitored. From our country-level case studies it seems that there is limited interaction between GAFSP projects or between SEs, meaning lessons are not being shared.

At the program level, the main emphasis placed on sharing of lessons between GAFSP projects has been the Knowledge Forum which has been held in 2014, 2015 and 2017. It is considered by the Coordination Unit a vital event in GAFSP's M&E feedback loops to ensure learning is distilled to project level. Given its apparent importance to the program it seems surprising that there is so little facilitated interaction between projects by GAFSP.

There are few resources available in the public eye highlighting the lessons learned by projects or the program. Documents available on the website, including the Annual Reports, predominantly cover positive stories of change with limited reflection on what did and didn't go well, and why. Others working on issues of agriculture and food security are largely excluded from any learning generated by GAFSP (though a new GAFSP website is being developed which may address some of this).

Best practice in M&E has seen the acronym extended to ME&L – monitoring, evaluation and *learning* in the realisation that increased emphasis on learning will make for stronger projects and proposals. A revised communication strategy is being developed though it is not clear yet whether this will include a reference to lessons learning from the M&E. The previous communication strategy was purely promotional in nature.

Finding 36: There lacks guidance sheets that explain how to measure each indicator. This is leading to increased transaction costs of the Coordination Unit and TTLs as (both face-to-face and remote) support has to be provided

The updated M&E plan has included new indicators. The Tier 1 indicators mostly apply standardised methods to measure change though the M&E Framework document does not provide guidance. It is understood that guidance notes are to be prepared and released in 2018. In place of these, Coordination Unit staff currently provide a support-desk function for SE M&E staff.

3.7 Evaluation Question 7: How can GAFSP be further improved?

Evaluation question 7a: How can GAFSP's operational and development performance be further strengthened in the short term? How sustainable is the program?

Evaluation question 7b: What modifications to objectives, approach and design would be advisable in the longer term? And what is an appropriate life-span for GAFSP as a program?

Approach

The scope for analysis of future options was discussed and left open at the November 2017 Joint GAFSP Steering Committee/Private Sector Window Donor Committee meeting. With the split of the evaluation team into the Program Evaluation team and the Reform Team (see Section 2 Methodology), there was a greater focus on question 7b since the Reform Working Groups were looking specifically at GAFSP's operational performance.

Following guidance from the Steering Committee Chair, the Program Evaluation team developed options for volume of Public Sector Window funding of approximately USD200m per year – roughly equivalent to the level that has been achieved to date. This would be enough to justify Calls for Proposals every 1.5-2 years. In all these options we envisage continuation of the Private Sector Window with slight modifications depending on the option.

The Vision Paper for GAFSP presented at the 2015 Joint GAFSP Steering Committee/Private Sector Window Donor Committee meeting and subsequent discussion about the future of GAFSP has been based on the premise that GAFSP should continue until 2030, in line with the SDG timeframe, and then close. Our terms of reference asked us to consider whether this was a realistic timespan, too long or too short. We consider that as being a minimum timeframe, given a typical project cycle from call to project completion of 7-8 years. Therefore, we considered two options each with options of ending in 2030 or continuing longer following a review, and a sunset option. The options were:

- **Option 1:** Undertake planned reforms and continue operating until 1a) 2030; or 1b) for longer pending review in 2026;
- **Option 2:** Evidence collection, learning and communication for enhanced fundraising and replenishment from 2020/21, with continuation until 2a) 2030; or 2b) beyond 2030 pending review in 2026; and
- **Option 3:** Sunset for the Public Sector Window Financial Intermediary Fund

Option 1a: Undertake planned reforms and continue operating until 2030

In this option, GAFSP would continue the reforms currently under way⁴⁷ and address the recommendations of this Program Evaluation. The expectation is that the reform process attracts funds from existing and new donors given their renewed confidence of the value addition of GAFSP compared to bilateral funding of SEs.

Following the reform process, a Public Sector Window Call for Proposals could be held in 2019, with three further up to 2024. Each call would each yield about 6-10 projects funded at USD30-\$50 million each. Projects would close between 2026 and 2031, which would represent a learning and consolidation phase for the program. The Coordination Unit would begin to wind down between 2031 and the anticipated closure of the last Public Sector Window projects in 2034.

The Private Sector Window continues, initially through the IFC and, if the principles of reform agreed at the November 2017 Joint GAFSP Steering Committee/Private Sector Window Donor Committee meeting are

⁴⁷ In their meeting in April 2018 in Washington DC, the Steering Committee and the Donor Committee adopted a GAFSP theory of change and agreed on a future operational scenario.

adopted, through additional SEs. The SEs would determine how to incorporate reflows appropriately into their ongoing operations post-GAFSP.

Table 5. SWOT Analysis of Option 1a

Strengths	Weaknesses
Approx. USD1.2 billion additional finance invested to address gaps in agricultural financing Demonstrated contribution to SDG 2 with impacts on hunger, food security, nutrition and resilience. Agreement on GAFSP objectives from a wider set of donors leads to greater harmonization of development funds. Continued strengthening of CAADP/Agriculture strategy development that is inclusive of PrSW GAFSP knowledge products are synthesized and communicated.	Level of investment remains very low in comparison with demand. If reform process does not yield the level of donations required from donors, program of too low value to continue and will sunset anyway.
Opportunities	Threats
Builds on existing successful governance structure. Reform may improve coherence between the two windows. Reform may increase appetite for more strategic portfolio development.	GAFSP perceived as a small fund: potential reputational risk. Reform process proves too onerous and costly to be cost-effective.

Option 1b: Undertake planned reforms and continue operating beyond 2030 pending a review in 2026

This option progresses as Option 1a, but with a review in 2026, by which time many Public Sector Window projects from the first two calls for proposals under this option (expected in 2019 and 2020/21) will be between mid-term and closing. This will indicate program performance under the reforms. If the review is positive, we assume it will recommend continuation in line with the forthcoming post-2030 Development Goals timeframe. For the analysis we assume it will result in a 10-year extension mobilizing USD2 billion and that thereafter there would be a further review. If the review does not recommend continuation then the program will continue as per Option 1a, with the Public Sector Window consolidation phase and Coordination Unit wind-down, and with the Private Sector Window SE(s) incorporating reflows appropriately into their ongoing operations.

Option 2a: Evidence collection, learning and communication for enhanced fundraising and replenishment from 2020/21, with continuation until 2030.

The Program Evaluation has found that GAFSP is relevant and is performing well. It has also found that it is too early to present clear evidence of results. While a small number of projects have finished, impact evaluations are not yet available. Some donors have expressed that they cannot see a clear benefit in investing in the agriculture sector through GAFSP as opposed to through other channels.

Under Option 2, GAFSP would undertake the reforms that are currently under consideration – including adopting a theory of change and associated monitoring framework and possible governance reforms to improve programmatic effectiveness across the public and private sector window portfolios – and address the recommendations of the Program Evaluation.

For the Public Sector Window, the period up to the end of 2020, during which most Public Sector Window projects will complete their activities, will, *in addition to a call for proposals following the 2019 replenishment*, be occupied by an intense data collection, analysis and learning phase commissioned by the Coordination Unit, culminating with a targeted communication campaign to donors. This would not be an independent evaluation, but an internal exercise facilitated as needed by external assistance. The data collection includes

collation of all the results data from most of the 15 projects that will finish by June 2020 (and those already finished), which will be collected by the projects themselves for their final reports. Additional quantitative and qualitative data will be collected from project stakeholders (national level government officials, TTLs and their equivalents in other SEs, and development partners in each country) to determine what makes GAFSP special and thereby provide evidence for GAFSP's value statement. Lessons can also be learned about how GAFSP could be improved. The Impact Evaluation Program findings contribute to this.

The objective of this intense learning is to achieve a significantly higher Public Sector Window fund replenishment level equivalent to about USD300 million per annum over the period from 2022 to 2026. The first Call for Proposals, based on the low replenishment level would take place in 2019, as in Option 1a. The next call would be in late 2021, and calls could take place annually thereafter up to 2024. These calls would be at the higher replenishment level of USD300 million and would each support 6-10 projects valued at \$30 - \$50 million.

Projects would close between 2026 and 2031, which would represent a learning and consolidation phase for the program. The Coordination Unit would begin to wind down between 2031 and the anticipated closure of the last Public Sector Window projects in 2034.

The Private Sector Window continues, initially through the IFC and, if the principles of reform agreed at the November 2017 Joint GAFSP Steering Committee/Private Sector Window Donor Committee meeting are adopted, through additional SEs. The SEs would determine how to incorporate reflows appropriately into their ongoing operations post-GAFSP.

Table 6. SWOT Analysis of Option 2a

Strengths	Weaknesses
Fund more active with more frequent calls Approximately USD1.5 billion additional finance invested Very good documentation and learning from GAFSP 1 Demonstrated contribution to SDG 2 with impacts on hunger, food security, nutrition and resilience. Agreement on GAFSP objectives from a wider set of donors leads to greater harmonization of development funds. Continued strengthening of CAADP/Agriculture strategy development that is inclusive of PrSW GAFSP serves to support other agricultural investment funds/programs through sharing of lessons learned	Actual additional financing is not significantly higher than in Option 1a, still well below identified financing needs. Cost of reform reduces available finance for data collection, analysis and learning when needed at the outset.
Opportunities	Threats
Builds on existing successful governance structure Reform may improve coherence between the two windows Reform may increase appetite for more strategic portfolio development	Might result in sunset if GAFSP added-value not proven.

Option 2b: Evidence collection, learning and communication for enhanced fundraising and replenishment from 2020/21, with continuation beyond 2030 pending a review in 2026

This option progresses as Option 2a, but with a review in 2026, by which time enough Public Sector Window projects will be beyond mid-term to determine program performance under the reforms. If the review is positive, we assume it will recommend continuation in line with the forthcoming post-2030 Development Goals timeframe. For the analysis we assume it will result in a 10-year extension mobilizing USD3 billion and that thereafter there would be a further review. If the review does not recommend continuation then the program

will continue as per Option 2a, with the Public Sector Window consolidation phase and Coordination Unit wind-down, and with the Private Sector Window SE(s) incorporating reflows appropriately into their ongoing operations.

Option 3: The sunset option

In this option the program would take the decision to sunset. There would be no further Public Sector Window Call for Proposals and the reform process would be halted. Most projects will reach their completion by 2020, but the cohort from the fourth call will continue until approximately 2024 (dates not yet known), with closure up to approximately 2027. The Impact Evaluation program continues as planned and a review determines whether it should be extended or replaced by a different results monitoring program. There would be an initial upscaling of effort by the Coordination Unit to respond to issues raised by SEs and project implementers. As projects close, the Coordination Unit scales back and the frequency and duration of Steering Committee meetings is reduced, with most decisions being taken remotely. Detailed project performance data is collated and synthesized by the Coordination Unit using data from project final reports and SE completion reports. Findings from the DIME/Impact evaluations, and any SE-funded evaluations are synthesized and reported and communicated widely according to an updated communications strategy. The Private Sector Window continues under the Donor Committee and is dissociated from the Steering Committee because of its less frequent meetings.

Table 7. SWOT Analysis of Option 3.

Strengths	Weaknesses
Continuation of finance for PrSW investments. Donors with concerns re GAFSP focus can take their funds elsewhere/directly to SEs.	Does not provide additional financing for agriculture. Loss of multi-stakeholder inclusive governance reduces harmonization of aid. Weakening of support for CAADP and other agricultural strategy development/refinement.
Opportunities	Threats
Provides scope for learning and communicating the achievements of the first 3 calls.	GAFSP might be perceived by some as having been unsuccessful.

Finding 37: Option 2b is the most compelling for the examined circumstances.

Because of the huge demand for additional finance to address SDG2, we do not consider the sunset option to be appropriate at the potential funding level of \$200m per annum envisaged by this exercise. Although it provides the opportunity to demonstrate results and learn lessons, the value of the learning would be diminished if it could not be used in a continuation phase.

Option 1a is promising though less ambitious than Option 2a. It has the advantage of more certainty and the low volume of funding, together with the GAFSP reform process, opens the possibility that the Steering Committee chooses to be more strategic, which would give an opportunity for learning (non-strategic GAFSP 1 vs more strategic GAFSP 2).

Although Option 2a eventually mobilizes more funds than Option 1a, the benefit is limited because of the relatively short duration of the higher funding. There is also a risk that the value of GAFSP is not adequately demonstrated and this would result in sunset, with a lower amount of total funding provided than Option 1a. We consider that this outweighs the potential benefit, and therefore recommend Option 1a for the shorter time horizon to 2030.

If a longer time horizon is considered, the advantage of Option 2 steadily improves. Thus, Option 2b, with a total of USD4.5 billion of additional Public Sector Window fund mobilization is preferred over Option 1b with

mobilization of USD3.2 billion, despite the risk that the initial phase might not demonstrate added value of GAFSP.

Overall, Option 2b represents an opportunity to transition from a situation of low funding to one of generous funding by undertaking a detailed study of the results and value add of GAFSP 1 at a time when sufficient data is available. Had there been a period of generous funding from the outset this learning (which is likely to result in improved ME&L for the new phase) might not have taken place. In addition, a generous funding level of USD300m per year for the entire duration of this option's timeframe would mobilize USD4.8 billion which is not much higher than Option 2b. Put another way, Option 2b makes it possible to catch up. It is our recommended option.

4 Conclusions and Recommendations

This chapter first discusses conclusions that answer the main evaluation questions and then draws overall conclusions for the program. Recommendations are then provided, in the knowledge that a reform process is underway and in keeping with the preference stated by the Steering Committee for a small number of significant recommendations rather than many ‘housekeeping’ ones.

4.1 Conclusions to Evaluation Questions

4.1.1 Evaluation Question 1: How relevant is GAFSP as a program?

Conclusion 1. GAFSP has successfully invested USD1.4 billion of additional financing into portfolios of projects and investments that contribute to the agricultural sector and food security development objectives of recipient countries and to agribusiness.

The Public Sector Window portfolio performs well in reaching poor farming communities and smallholders, while the Private Sector Window portfolio has successfully increased investment in the agriculture sector. The flexible, demand driven approach has resulted in both portfolios adequately addressing the five pillars listed in the Framework Document that address national development challenges in agriculture and food security. They both also respect and address the cross-cutting themes of gender, climate change and nutrition. The approach of the Private Sector Window is distinct from other international support for agriculture and food security and adds value in the agricultural development arena.

Conclusion 2. GAFSP has mobilized additional finance that has been efficiently used to develop public sector projects and private sector investments which have addressed national challenges and opened opportunity for greater investment. However, the original objective to fill or significantly contribute to investment gaps in agricultural financing was overly ambitious due to the enormity of the gaps.

Project proposals reasonably well express the size of financing gaps, and most of them are unrealistically large. The Public Sector Window contributes additional financing that enables valuable progress to be made in each country’s sector investment plan, but it should not be expected to make large reductions to the gaps. The Private Sector Window has mobilized USD1.6 billion of funds that we consider to be additional because the investments would not have been made without the GAFSP contribution. With the combined gap of the 31 countries that have been awarded Public Sector Window projects being USD35.5 billion, this is a valuable, but still relatively insufficient, contribution.

Conclusion 3. The expectation that the public and private sector investments would be synergistic did not materialize and the two GAFSP windows operate independently. Therefore, there is effectively not one overall GAFSP program, but two separate programs. Each program is relevant in its own context.

The reasons for this can be traced to the different governance mechanisms that developed for the two windows, the different approaches to project selection, and ultimately to the fact that GAFSP was set up to respond to a crisis and therefore began Public Sector Window operations without establishing a theory of change to facilitate development of the two-window approach. Given this situation, we consider that the expectation of linkages was unrealistic and that both windows have performed successfully in their own right. In future, if closer linkages are required, the objectives need to be carefully specified and both windows would need to adapt their procedures accordingly.

Conclusion 4. The main distinction between GAFSP Public Sector Window projects and other projects supported by the same SEs, according to SE and government stakeholders interviewed, is that GAFSP provides grants (and was competitive) while the others use loans.

In country visits the Program Evaluation team asked government and SE stakeholders what they thought was most distinctive about GAFSP compared to other projects they had been involved with. We were anticipating answers relating to being more strongly government owned, fitting in with agriculture development plans, contributing to the financing gap, and having close involvement with CSOs from preparation through to implementation. Even with probing, these answers were not readily forthcoming. Instead stakeholders considered that the opportunity to undertake their projects using grants instead of loans as an important feature. This enabled them more flexibility and gave them confidence to undertake a wider range of preparatory studies than they would feel comfortable with using loans. The fact that GAFSP awards were competitive was also raised. Stakeholders had a sense of satisfaction because they had won, although in one case where a first application had been unsuccessful (in 2010), there was still discontent about that.

4.1.2 Evaluation Question 2: What results are being achieved?

Conclusion 5. The Public Sector Window projects are performing well against their project development objectives with the majority of GAFSP projects considered successful.

According to SE project progress ratings that have been validated by the Coordination Unit, 48% of projects are rated satisfactory or better, 44% are moderately satisfactory and only 7% moderately unsatisfactory. Where experimental impact assessments have been carried out an average income gain of 22% was reported for participating beneficiaries, but these are only available for a small number of projects. Outcome level data on food insecurity and yield improvements is not available but case studies conducted for this evaluation confirmed the potential of GAFSP investments to result in positive outcomes for the rural poor, including improving incomes, yields and food security.

Conclusion 6. The Private Sector Window is increasing investment and addressing the gap in the agricultural sector however it is difficult to assess effectiveness of the Private Sector Window projects since many have only recently been approved and have not begun to collect outcome-level data.

Only 18 out of 46 approved Private Sector Window projects have reported development results. Those projects have reached 84% of the farmers planned, lent funds to 88% of the targeted smallholders and created more jobs than expected. External impact evaluations are not available to assess the impacts on incomes or food security, but 24 of the 46 projects invested in companies producing or processing nutritious food products and, in some cases, additional advisory services have aimed to promote food security amongst farmers engaged in export cash crop production. However, this is not universal, with 13 of the 46 projects serving export markets.

Conclusion 7. Both the Private Sector Window and Public Sector Window projects are making serious contributions to cross cutting issues of gender, climate change and nutrition. Gender and climate change are now considered mainstream issues that are routinely addressed in agriculture projects.

Thirty-eight Private Sector Window investment services projects contribute to at least one cross-cutting issue with four projects contributing to all three, namely gender, climate and nutrition. Eleven Public Sector Window projects contribute to all three issues and 30 out of 32 projects contribute to at least one cross-cutting issue. The focus on cross-cutting issues has intensified during the lifetime of GAFSP and client countries targeted for the case studies welcomed the focus on these issues which they considered mainstream. Whilst the progress on cross-cutting issues is significant, there is still room to improve the quality of analysis during project preparation and the influence of this analysis on project design. There is also scope to ensure all projects, rather than just the majority of projects, collect gender disaggregated data and also consider including a more specific focus on measuring the effectiveness of different strategies to addressing cross-cutting issues in impact assessment or learning activities.

4.1.3 Evaluation Question 3: How sustainable are GAFSP results?

Conclusion 8. GAFSP's focus on strong country ownership and capacity development in the Public Sector Window promotes sustainability. However, risks to sustainability are not systematically monitored.

The quality of project design and implementation means that not all GAFSP Public Sector Window activities can be considered sustainable. The use of public funds to purchase private goods without due attention to the profitability of value chains, the quality of equipment or associated services suggests limited sustainability. Risks to sustainability exist in many countries but, like most operational issues, are monitored in accordance to SE policies rather than centrally. This reduces the prospect to systematically learn and apply lessons to reduce risk across the Public Sector Window portfolio.

Conclusion 9. The Private Sector Window investments contribute to the growth and profitability of existing businesses and are compliant with robust ESG standards. GAFSP has also enabled IFC to move into new markets for the long-term.

The Private Sector Window has mostly invested in profitable businesses with anticipated growth in revenues of over 100% over the first five years of investment and has spent time to ensure that all business models are consistent with environmental and social safeguarding standards. Some of the businesses have also gone on to receive conventional IFC loans or accessed finance from commercial banks. As well as supported businesses being sustainable, GAFSP has also allowed IFC to expand its operations by helping it learn about new and challenging markets, such as Ethiopia.

4.1.4 Evaluation Question 4: How well is GAFSP governed and managed?

Conclusion 10. GAFSP has established an inclusive multi-stakeholder Steering Committee that has found an effective balance between stakeholder inclusion and governance efficiency.

The Steering Committee can be considered a good practice model for inclusive multi-stakeholder governance. It has been an active, stable and professional governance body that has successfully included and given voice to different GAFSP stakeholder groups. While provision for voting exists, Steering Committee decisions reflect consensus among all Steering Committee members. The Steering Committee has also made effective use of external technical expertise, for example through the TAC.

Conclusion 11. GAFSP has not extended its inclusive governance model to the Private Sector Window, and the Steering Committee and the Coordination Unit struggle with unclear responsibilities regarding that program window.

While important differences in terms of governance and management requirements between the Public Sector Window and the Private Sector Window reflect different requirements of projects and investments in these windows, current arrangements also reflect several additional design choices such as a separate IFC Private Sector Window trust fund and separate Private Sector Window governance and management arrangements. These design choices and unclear Steering Committee and Coordination Unit responsibilities vis-à-vis the Private Sector Window make it difficult to govern and manage GAFSP as one coherent program across the two windows.

4.1.5 Evaluation Question 5: How well are GAFSP awards and investments selected and implemented?

Conclusion 12. The TAC process has been successful in efficiently and transparently ranking proposals and in successively updating the selection process and guidelines for future calls. However there has not been a regular and systematic assessment (for instance between each call for proposals) of the continued relevance of the selection criteria, which have not changed substantially since the outset.

The Public Sector Window award selection process has been very good. The TAC has been well-constituted and performed well. A strong point has been its involvement, through feedback to the Coordination Unit and Steering Committee, and Working Group participation, in updating the guidelines following each call which has led to improved proposal specifications for the next one, making it possible to improve the scoring. The selection criteria themselves and the timing when they should be applied (for instance Country Need could be a pre-qualification) have not been adjusted since the end of the first call. Country Readiness, which places a significant burden on applicants, could be revisited as agricultural sector planning has become an established feature and new projects are routinely designed to fit within it.

Conclusion 13. The Public Sector Window and Private Sector Window portfolios are in line with GAFSP's objectives and approaches and provide good coverage of the five technical pillars.

Although all projects and investments have been selected individually, the overall portfolios are satisfactory. The geographic spread reasonably reflects that of the eligible countries. In both portfolios the pillars of non-farm rural livelihoods and risk reduction are less frequently addressed than those of increasing agricultural productivity, linking farmers to markets and capacity development. The relationship between the non-food and export-oriented Private Sector Window investments and GAFSP's objectives (for example in relation to benefits for smallholders) could be more clearly defined.

Conclusion 14. The GAFSP Steering Committee was quick in approving its first round of Public Sector Window projects, consistent with the urgency of the time, but on average GAFSP Public Sector Window projects are not processed quicker towards fund disbursement than non-GAFSP projects of the same SEs.

GAFSP managed to approve first Public Sector Window projects within months of closing calls for proposals. On average, GAFSP projects then took 25.7 months from Steering Committee approval to first disbursement, without significant trends over time. In contrast to earlier analyses, there is no evidence that GAFSP projects are systematically faster than non-GAFSP projects supervised by the same SEs.

4.1.6 Evaluation Question 6: How useful is GAFSP M&E?

Conclusion 15. There are comprehensive M&E instruments within GAFSP to capture results and the revised M&E plan is useful for capturing collective impact of projects. However, there is limited value in the indicators being used to measure the effectiveness of the programmatic approach.

The M&E is *relevant* in that the three tiers of indicators appear capable of measuring the collective impact of the projects. However, if the programmatic approach is expected to mean the sum should be greater than its parts, the M&E plan is not sufficiently capable of capturing that. It appears to be balanced, with minimal increased effort for SEs beyond their usual project M&E.

It is highly likely that there are gaps in the indicators due to the lack of coherent theory of change. The monitoring, reporting and evaluation *processes* (e.g. what information is reported by whom, to whom and how) are relatively comprehensive having been updated in recent years, but their focus should be improved as the M&E plan is updated.

Conclusion 16. Whilst the M&E is effective at capturing results and lessons in implementing projects there are limited efforts at sharing this material in a manner that influences the design and delivery of other GAFSP projects. Most knowledge of lessons learned is held at the management and governance levels of GAFSP and of limited use to implementers or external GAFSP audiences.

There is not a communications strategy for sharing lesson learning. There is an assumption that lessons learned and discussed in Steering Committee meetings will be transmitted down SE hierarchies to national level stakeholders, but there is no follow-up or guidance about this.

4.1.7 Evaluation Question 7: Forward looking Option

Conclusion 17. Of the options examined for the base level of anticipated funding, the one whereby a period of evidence collection and learning enables evidence of GAFSP performance and value added to motivate more generous funding represents a good solution over a longer term.

This option provides an opportunity to build on clear learning from the projects that will close in 2019 and 2020 giving tangible evidence about what works and what doesn't. This evidence base coupled with implementation of other recommendations from this evaluation should provide a platform for significant replenishment.

4.2 Overall Conclusions

Overall Conclusion 1: Funding gaps are too large to be filled.

GAFSP has invested USD1.4 billion and mobilized a further USD1.6 billion (mainly through the Private Sector Window blended finance model). Despite this level of investment, our analysis identified a combined shortfall in agriculture sector investment plan finance of USD35.5 billion across 31 countries⁴⁸, suggesting that GAFSP should continue to mobilize additional funds for public and private sector investments and to find the most strategic uses for scarce public resources.

Overall conclusion 2: Public Sector Window investments are in line with country investment plans.

Investments are successfully delivered by the countries and supported by experienced SEs, and increasingly addressing key cross-cutting issues. GAFSP is delivering projects with comparable effectiveness to others – for instance to other World Bank projects as reported by its Independent Evaluation Group (IEG) in 2016.⁴⁹

Overall conclusion 3: Private Sector Window catalyses new funding and is supporting businesses that could not access other sources of finance.

The combination of concessional financial products, high commercial and blended finance standards, and advisory services is rare and has great potential. There is scope to improve the communication of development outcomes through IFC investment officers.

Overall conclusion 4: The Public Sector Window and the Private Sector Window operate almost entirely independently.

Given that they work with different stakeholders, processes and timelines, and with completely differing business models (grants v/s returnable capital), potential for interaction between the two Windows is limited. Furthermore, the fact that separate trust funds were established for the two Windows limits the capacity of the Steering Committee and Coordination Unit to influence the Private Sector Window or to create synergies across the two. This conclusion supports findings from a previous evaluation of the Private Sector Window.

⁴⁸ Data was obtained from successful proposals, in fact there are currently 56 GAFSP-eligible countries, so the overall financing gap faced by GAFSP-eligible countries is expected to be much larger.

⁴⁹ IEG, Results and Performance of the World Bank Group (RAP) 2016.

Overall conclusion 5: Governance performance is diminished by separate arrangements for the two Windows.

Although the GAFSP Steering Committee has an effective balance between stakeholder inclusion and decision-making efficiency and represents a good practice example of inclusive multi-stakeholder governance, there are inconsistencies and ambiguities regarding the responsibilities of the Steering Committee and the Coordination Unit for the Private Sector Window. Some governance differences between the Public Sector Window and Private Sector Window are clearly motivated by different needs of the two windows, but the establishment of separate trust funds and governance bodies makes it difficult to govern GAFSP as one coherent program.

4.3 Recommendations

Recommendation 1: GAFSP should continue.

There is a strong demand for additional funding (Finding 26, Conclusion 2, Overall Conclusion 1), and both windows are performing satisfactorily (Findings 1-12, specifically 7 & 8, Conclusions 5 & 6, Overall Conclusions 2 & 3). GAFSP should seek to obtain funding at or above the levels it has received to date. GAFSP should initiate a comprehensive evaluation and learning programme around the large body of projects that will close between 2018 and 2020 which would test the GAFSP theory of change and demonstrate the results of its two windows in a compelling and transparent manner, developing momentum for a more significant fund replenishment from 2021 (Finding 37).

Recommendation 2: Targeted portfolio development would bring better results (Conclusions 12 & 13, Finding 25).

There was less need for this at the outset when it was assumed that GAFSP funds would be used to support a large proportion of the un-funded activities identified in recipients' sector investment plans. However, since funding gaps are too large to be filled by GAFSP (Overall Conclusion 1), it would be advisable either to consider countries where a higher proportion of the investment plan can be financed or to consider awards with particular characteristics such as pre-identified potential for public-private sector linkages. This approach would support learning and replication. Further, it could promote in-country dialogue about how and where GAFSP resources can catalyse additional public or private sector investments.

Recommendation 3: GAFSP needs to build consensus on the development objectives of private sector investments (Findings 3 & 8).

Clearer guidance could be provided to IFC Investment Officers on the acceptable level of concessionality to enhance development benefits (Finding 5). This should include the type of farmers the investment will support (large farmers, smallholders, laborer etc.) and the nature of the enterprise – e.g. food or cash crop, domestic or export market. Increased use of advisory services can also increase the range of companies that can access the Private Sector Window. Advisory services that increase the bankability of Private Sector Window supported businesses also increase prospects of sustainability, and those that support the clients of those businesses (often small farmers) are particularly appropriate for GAFSP.

Recommendation 4: Guidance about the GAFSP program and its objectives needs to be disseminated more widely.

While the technical objectives of GAFSP are appropriate and being met (Conclusion 13, Findings 1 & 25), the original aspiration for synergies between activities funded through the two windows did not materialise (Overall Conclusion 4, Conclusions 3 & 13, Finding 2). Until recently, the program-level theory of change had not been elaborated and information dissemination to country level has not been prioritized (Conclusion 16, Finding 35). Pro-actively disseminating this information to eligible country level stakeholders, prior to calls for proposals, would promote the development of proposals that address both public and private sector needs and facilitate interaction between the windows.

Recommendation 5: GAFSP should consider improvements to its governance and management arrangements (Overall Conclusion 5, Conclusion 11, Findings 13, 14).

A single charter approved by the Steering Committee that governs both windows would clarify the role of the various governance and management bodies. As part of this, the functions of the Steering Committee and Private Sector Window Donor Committee could be merged to provide a single GAFSP governing body. Voting rights would be agreed by this single Steering Committee and could be granted to donors regardless of which window they support. Representation for agribusiness associations on the extended Steering Committee would ensure balanced stakeholder representation across both windows (Findings 15 & 16). A technical advisory committee for the Private Sector Window would provide necessary expertise, as the Technical Advisory Committee for the Public Sector Window does (Finding 17).

Alongside the Charter, the World Bank Agricultural Practice should review its management hierarchy for GAFSP to consider options, within its existing management framework, to ensure that there is a consistent management line from the GAFSP Program Manager to all staff and consultants (Finding 19). Since the Charter may also consider other SEs for the Private Sector Window, it may be necessary to require the IFC to develop an organizational separation between Window-level coordination and the IFC's role in GAFSP implementation to manage potential conflict of interest (Finding 20).

5 Annexes

1. Terms of Reference
2. Evaluation Matrix
3. Workplan
4. People Consulted
5. Documents Consulted
6. Project Cycle Benchmarking

