Early Warning System

WB-P170604

Sierra Leone Smallholder Commercialization and Agribusiness Development Project Additional Financing

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Quick Facts

Countries	Sierra Leone
Financial Institutions	World Bank (WB)
Status	Proposed
Bank Risk Rating	B
Voting Date	2019-07-24
Borrower	Government of Sierra Leone
Sectors	Agriculture and Forestry
Investment Type(s)	Grant
Investment Amount (USD)	$ 30.00 million
Project Cost (USD)	$ 30.00 million

Project Description

According to bank documents, the project development objective is to promote smallholder commercialization by fostering productive business linkages between smallholder farmers and selected agribusiness firms and other commodity off-takers in Sierra Leone.

The Project has four components:(1) Support to agribusiness-farmer linkages and SMEs along selected agricultural value chains (US$ 19 million); (2) Market Access Improvement (US$26 million); (3) Capacity Building for Government and Other Institutions relevant for agribusiness development (US$ 6 million); and (4) Project Coordination, Monitoring and Evaluation (US$ 4 million).

A. Support to agribusiness-farmer linkages and SMEs along selected agricultural value chains (US$20 million). The component will continue to have two sub-components.
    i. Sub-Component A. 1. Promotion of outgrower model for value chain financing to selected agribusinesses linked to outgrower schemes. The project will continue to build resilience in smallholder agriculture by promoting climate smart agricultural practices to enhance adaptation to climate change and thereby help to manage agricultural risks and crowd-in the financial sector into agriculture. Moreover, agribusinesses and farmers receiving project support will be encouraged to invest in energy-efficient systems.
    ii. Sub-Component A.2. Support for farmers' aggregation: Facilitates the inclusion of smallholders, who produce for the market, in a structured linkage with off-takers. Sub-component A.2. finances two main interventions: (i) Agricultural Services Matching Grant (ASMG) scheme, which supports postharvest management, farmer aggregation and market linkages with off-takers, and (ii) Agricultural Loan Scheme (ALS) intended to support the productivity aspect with a line of credit to enable farmers to acquire yield enhancing inputs (including the adoption of crop varieties that are resilient to climate shocks) and services. As part of the restructuring of the parent project the ASMG will be up-scaled from US$2.0 million to US$3.0 million to enhance the project's interventions in providing marketing linkages for Smallholders through off-taker arrangements. The ASMG activities now combines the activities to support the provisioning of aggregation structures under Sub-Component B2 of the parent project to allow for the consolidation of similar activities and improve efficiency in delivery.

B. Market Access Improvement (US$40.34 million). The objective of this component is to link high agricultural production areas to markets. This component will support the rehabilitation, spot improvements and maintenance of 500-600 km of feeder roads using performance-based contracts. This sub-component also include construction of river crossing structures. Specific focus will be on those rural roads that link markets to production areas with high volumes of perishable crops and produce. The engineering designs for 523.2 km feeder roads (comprising 279.2 km with traditional contract model and 244 km based on Outputs and Performance Based Contract (OPRC) model) alone presented a higher cost than the appraisal estimates of the parent project.

C. Capacity Building support for state and non-state institutions and producer organizations (US$ 5 million). This component will support capacity building among state and quasi-state institutions responsible for providing public sector services, including the policy environment for the promotion of agribusiness development in the country. Such support will be provided to the following institutions: Ministry of Agriculture, Forestry and Food Security (MAFFS), Ministry of Trade and Industry (Cooperative and Trade Facilitation Departments); Sierra Leone Agricultural Research Institute (SLARI); Sierra Leone Chamber for Agribusiness Development (SLeCAD); Sierra Leone Investment and Export Promotion Agency (SLIEPA) and micro-finance institutions. The project will selectively support activities and services that are relevant to developing the smallholder farming sector in Sierra Leone as highlighted in the parent project.

D. Project coordination, monitoring and evaluation (US$5.93 million). The project will be implemented under the existing PCU while the fiduciary capacity of the unified Project Implementation Unit under MAF will be built. In addition to the activities planned under this component in the parent project, a new activity, a third sub-component (D.3), focusing on

Investment Description

- World Bank (WB)

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Bank Documents

- Project Information Document-Integrated Safeguards Data Sheet - Sierra Leone Smallholder Commerciali [Original Source]
- Sierra Leone - Smallholder Commercialization and Agribusiness Development Project : Additional Finan [Original Source]
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