Public Disclosure Authorized

Private Sector Rehabilitation & Agribusiness Development (P127209)

AFRICA | Guinea-Bissau | Finance, Competitiveness and Innovation Global Practice |
IBRD/IDA | Investment Project Financing | FY 2014 | Seq No: 11 | ARCHIVED on 15-Jan-2020 | ISR40228 |

Implementing Agencies: Republic of Guinea-Bissau, Ministry of Economy and Finance

Key Dates

Key Project Dates

Bank Approval Date: 22-May-2014
Effectiveness Date: 08-Sep-2014
Planned Mid Term Review Date: 29-Sep-2017
Actual Mid-Term Review Date: 29-Sep-2017
Original Closing Date: 31-Dec-2019
Revised Closing Date: 31-Dec-2019

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The project development objective (PDO) is to support inclusive development of the cashew agribusiness sector and to promote entrepreneurship in other sectors of the economy.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

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Components

Name
Promoting the Development of Agribusiness:(Cost $5.40 M)
Developing Entrepreneurship:(Cost $1.80 M)
Project Coordination:(Cost $1.00 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	Moderately Satisfactory	Satisfactory
Overall Implementation Progress (IP)	Moderately Satisfactory	Satisfactory
Overall Risk Rating	Substantial	Substantial

Implementation Status and Key Decisions

The Private Sector Rehabilitation & Agribusiness Development was approved on May 22, 2014. The Financing Agreement was signed on June 12, 2014. The project became effective on September 8, 2014. Disbursements achieved 100%, an increase of 8 percentage points since October 2019.

Component 1 - Agribusiness: The PRSPDA provided through a linkages program between cashew producers and processors higher and more stable returns to cashew production. This helped achieve one of the major objectives of the project of improving the bargaining power of producers. In the combination of three years, the price for producers supported under the linkages were 21% higher than other farmers in the region. Impacts are higher when considering the indirect effects through improved skills, seeds and materials.

The support to the development of cashew processing partially broadly achieved the original target in terms of employment creation (243 jobs for a target of 250). Following a set of important reviews of experiences in Guinea-Bissau, the project has focused these activities in supporting efficiently the sustainability of a small number of cashew processing plants. This implies a low number of plants initially, but companies and employment that are more sustainable beyond the duration of the project and that can grow beyond its existence. In fact, the capacity supported in the project are investing to grow soon in number of plants and jobs.

Main achievements in this component included:

(i) implementation of Rural Extension Program (PER) that directly supported 986 cashew farmers among other activities in the rehabilitation and renovation of 5,673 ha of cashew orchards. The program has developed nurseries with over 20,000 plants that have been transplanted to farmers' planting areas. The implementation strategy included the intersection of other crops including upland rice, maize, and watermelon. Preparation of cashew productive sector development strategies beyond the Rural Extension Program implemented by the PRSPDA.

(ii) Support with seeds, production materials and fertilizers for 1,810 hectares of rice production from those (1,615 producers) who also produce cashews in the Oio, Biombo and Cacheu regions.

(iii) Rehabilitation of 4 cashew warehouses and 4 drying areas.

(iv) National survey of 4,000 cashew producers.

(v) FUNPI accounting for the years 2011 to 2014. Audit of FUNPI for the years 2011 to 2014. Effective elimination of FUNPI after PRSPDA audit. FUNPI had been assessed for having a very negative impact on poverty.

(vi) Increased cashew processing in Guinea-Bissau from 200 tons in 2014 to 5,800 tons in 2019 (six factories). Expected to approach 10,000 tonnes of transformation in 2020 with new investments underway.

(vii) Cashew producer-processor linkages program with various outcomes, including linkages with cashew processing for the purchase of over 1,600 tonnes of cashew nuts through producer cooperatives over a three-year period.

(viii) Support in identifying quality gaps and recommendations for improvements at 14 cashew processing plants by the African Cashew Alliance (ACA). Additional business plans and preparation of cashew processing promotion.

(ix) Held in Guinea-Bissau the 10th Africa Cashew Alliance Conference. Participation of public and private sector actors in various sector conferences in multiple countries (Cote D'Ivoire, Singapore, Tanzania, Burkina Faso). Visit to exchange experiences with Mozambique on cashew sector development strategies.

(x) Completion of flagship study of experiences in Guinea-Bissau with cashew processing plants.

(xi) Double the number of cashew exporters to 70 to 75 exporters in the last three years of the PRSPDA. Support to the Ministry of Economy and Finance in launching cashew campaigns, including providing useful information for the decision to suspend FUNPI from 2015, and explanatory notes on the risks of the 2017, 2018 and 2019 campaigns.

Component 2 - Developing Entrepreneurship:
The business plan competition has been a major success, with grants disbursed and continuous mentoring to support business development. A proportion of 78% of the firms supported with capital infusion under the business plan competition are operating, which compares with 28% in a comparable control group.

Main achievements in this component included:

(i) Implementation of the business plan competition which received 4,559 applications, a quarter of which were female. 600 applications received two-day training. After this phase the 224 best proposals were identified for an intensive two week training session on business plan preparation. The training ended with the presentation of business plans to a jury of local and international professionals and entrepreneurs. The top 50 business plans, 25 women-led and 25 men-led, were chosen for an investment of FCFA 4 million in their business, with an additional FCFA 1 million if the companies achieved certain goals. These businesses also received weekly monitoring from tutors for 18 months.

(ii) Support in setting up the Business Environment Improvement Committee and preparation of action plan.

(iii) Legal support and the design of import simplification reducing the number of procedures from 26 to 9, which culminated in Order No. 147/2017 approved by the Minister of Economy and Finance and implemented by Customs.

(iv) Interconnection of information systems between DGCI, DGA, DGCC, DGT, CFE and single cashew export window.

(v) Legal support in the preparation of the decree to simplify business formalization procedures and study other business environment reforms. Decree No. 3/2016 for the simplification of business start-up procedures, including the elimination of the minimum capital requirement for business start-up, was promulgated.

(vi) Legal support for the introduction of entrepreneur status, which resulted in Ministerial Order No. 53 / GMEF / 2018. Outreach in the implementation of the entrepreneur status with the support to register over 600 entrepreneurs in CFE.

(vii) Official Portuguese translation of the OHADA Uniform Acts, which has been recognized by the Government of Guinea-Bissau and OHADA.

(viii) Reorganization of the single window for cashew exports and introduction of computer systems.

(ix) Presentation of strategy for implementing behavioral initiatives to improve agents' performance in the area of import and export at Customs.

(x) Facilitating World Bank comments on the Public Private Partnership Act (PPP) and Labor Law. Due diligence to the Environmental and Social Impact Study of Farim phosphate mines.

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	--	High	High
Macroeconomic	--	High	High
Sector Strategies and Policies	--	Substantial	Substantial
Technical Design of Project or Program	--	Substantial	Substantial
Institutional Capacity for Implementation and Sustainability	--	Substantial	Substantial
Fiduciary	--	Substantial	Substantial
Environment and Social	--	Moderate	Moderate
Stakeholders	--	Substantial	Substantial
Other	--	--	--
Overall	--	Substantial	Substantial

Results

PDO Indicators by Objectives / Outcomes

Support inclusive development of the cashew agribusiness sector and to promote entrepreneurship

▸Farm-gate price of cashew farmers supported by project relative to price of similar farmers identified at the beginning of project (control group) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	33.00	21.00	10.00
Date	22-May-2014	02-Oct-2019	31-Dec-2019	31-Dec-2019
Comments:	Weighted average of the three years. Weighted by the quantities sold in each year. This version is lower as it corrects for higher adjusted prices outside the program. Rate in the 2019 campaign was 14% higher for those in the linkages program than the average for those selling to be exported (FCFA 400/Kg versus FCFA 351/Kg). Rate in the 2018 campaign was 37% higher for those in the linkages program than the average for those selling to be exported (FCFA 650/Kg versus FCFA 474/Kg). Rate in the 2017 campaign was 2% below for those in the linkages program than the average for those selling to be exported (FCFA 737/Kg versus FCFA 750/Kg).			

▸Number of jobs created by the cashew agro-processing units directly supported by the project (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	173.00	243.00	250.00
Date	22-May-2014	02-Oct-2019	31-Dec-2019	31-Dec-2019
Comments:	Number of jobs are measured as an average of full-time equivalent number of workers in a given year. This only includes the processing plants with intensive involvement from the project. It excludes other processing plants that received some support from the project in quality assessments and recommendations for improvements.			

◢Number of female jobs created by the cashew agro-processing units directly supported by the project (Number, Custom Breakdown)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	110.00	205.00	165.00
Date	22-May-2014	02-Oct-2019	31-Oct-2019	31-Dec-2019

▸Percentage of firms (supported by BPC) in operation relative to control group (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	40.00	50.00	30.00
Date	22-May-2014	02-Oct-2019	31-Dec-2019	31-Dec-2019
Comments:	39 out of 50 (78%) companies supported in operation after 12 months against only 14 out of 50 (28%) in the control group. 78%-28%=50pp			

Intermediate Results Indicators by Components

Promoting the Development of Agribusiness

▸Number of smalholder cashew farmers receiving extension services and price information system (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1,578.00	1,847.00	400.00
Date	22-May-2014	02-Oct-2019	31-Dec-2019	31-Dec-2019
Comments:	986 farmers in extension services. 861 farmers used the price information system in the first year of operation.			

▸Area of rice production (ha) cultivated with improved seed and adequate dosage of fertilizer (Hectare(Ha), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1,650.00	1,810.00	1,500.00
Date	22-May-2014	02-Oct-2019	31-Dec-2019	31-Dec-2019
Comments:	2016 and 2017 - 1500 ha 2018 - 310 ha			

▸Number of cashew communal storage facilities installed (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	4.00	4.00	4.00
Date	22-May-2014	02-Oct-2019	31-Dec-2019	31-Dec-2019

▸Number of cashew nuts community processing plants installed with direct project support (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	3.00	4.00	4.00
Date	22-May-2014	02-Oct-2019	31-Dec-2019	31-Dec-2019
Comments:	Includes production facility for cashew kernel production in linkages with producer organizations, as well as two other community level processing units of cashew by-products such as juices, and other food. It also includes the Center for Cashew Promotion (CPC) which was supported by the project and aggregates, processes and sells cashew kernel and other products. It doesn't include 12 other factories that were supported by the project but in low intensity interventions.			

Developing Entrepreneurship

▸Number of entrepreneurs receiving in-kind grants following business plan competition (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	50.00	50.00	50.00
Date	22-May-2014	02-Oct-2019	31-Dec-2019	31-Dec-2019

◢Number of female entrepreneurs receiving in-kind grants following business plan competition (Number, Custom Breakdown)

	Baseline	Actual (Previous)	Actual (Current)	End Target

Value	0.00	25.00	25.00	25.00
Date	22-May-2014	02-Oct-2019	31-Dec-2019	31-Dec-2019

▸Number of customs-related procedures it takes to clear goods (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	35.00	28.00	9.00	28.00
Date	22-May-2014	02-Oct-2019	31-Dec-2019	31-Dec-2019
Comments:	Post-evaluation of number of import/export procedures			

▸OHADA entreprenant status for MSMEs created (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes	Yes	Yes
Date	22-May-2014	02-Oct-2019	31-Dec-2019	31-Dec-2019
Comments:	608 entrepreneurs registered at CFE according to this status in 2019.			

Data on Financial Performance

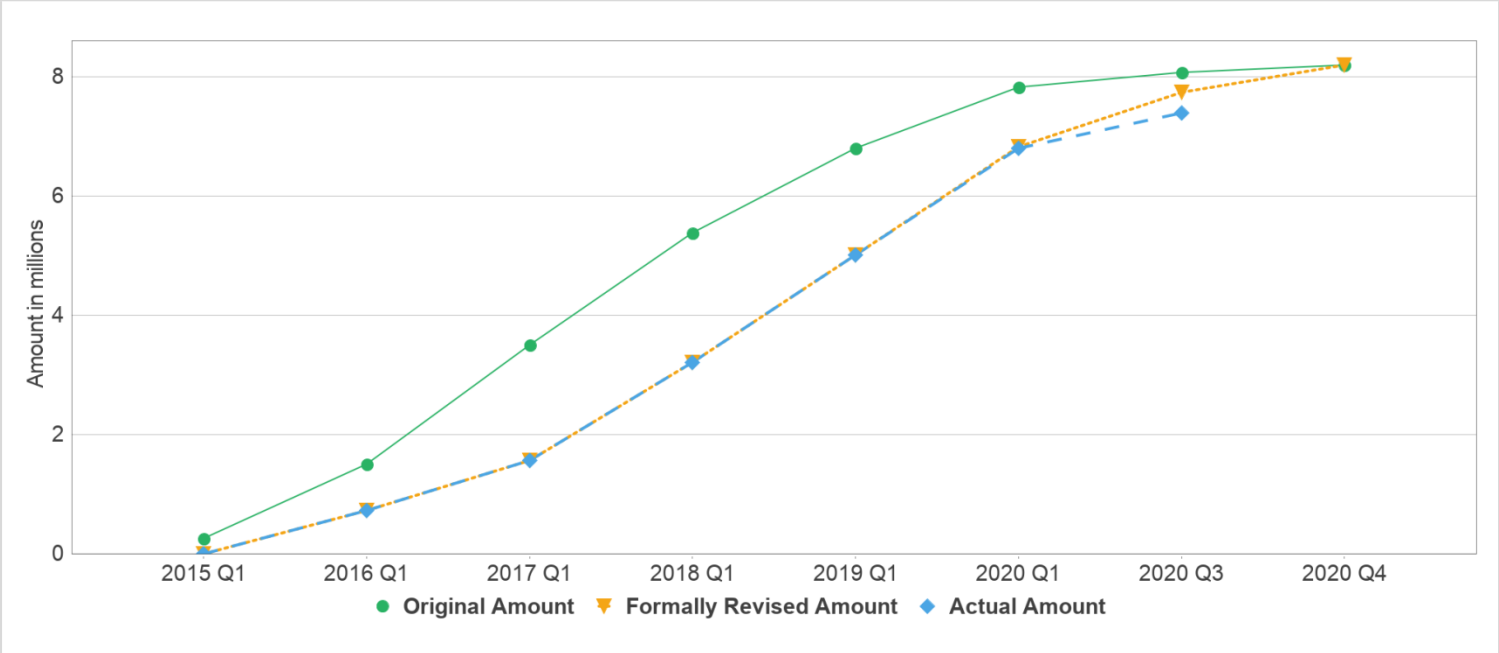
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P127209	IDA-54640	Closed	USD	8.20	8.20	0.00	7.39	0.01	100%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P127209	IDA-54640	Closed	22-May-2014	12-Jun-2014	08-Sep-2014	31-Dec-2019	31-Dec-2019

Cumulative Disbursements



Restructuring History

Level 2 Approved on 10-Dec-2019

Related Project(s)

There are no related projects.