

AGRA GHANA Operational Plan

Updated November, 2017

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ACRONYMS



ADRA	Adventist Development & Relief Agency
AEZs	Agro-Ecological Zones
AfDB	African Development Fund
ASWG	Agriculture Sector Working Group
AUC	Africa Union Commission
BASAICU	Brong Ahafo Agriculture Investment Coordination Unit
BDS	Business Development Services
BMGF	Bill & Melinda Gates Foundation
CAADP	Comprehensive Africa Agriculture Development Program
CARI	Competitive African Rice Initiative
CAVA	Cassava Value Adding Project
CIDA	Canadian International Development Agency
CSIR	Council for Scientific and Industrial Research
DANIDA	Danish Development Agency
DFID	Department for International Development
DFIs	Development Finance Institutions
DP	Development Partners
EU	European Union
FASDEP	Food and Agriculture Sector Development Policy
FDI	Foreign Direct Investment
FSP	Financial Services Provider
GAABIC	Ghana Agricultural Association Business Information Centre
GASIP	Ghana Agricultural Sector Investment Program
GDP	Gross Domestic Product
GGC	Ghana Grains Council
GIRSAL	Ghana Incentive-Based Risk-Sharing System for Agricultural Lending
GIZ	German Development Co-operation
GoG	Government of Ghana
GSGDA	Ghana Shared Growth and Development Agenda
GST	Geographic Service Team
IFAD	International Fund for Agriculture Development
IFPRI	International Food Policy Research Institute

ACRONYMS



IMF	International Monetary Fund
JICA	Japan International Cooperation Agency
JSR	Joint Sector Review
M&E	Monitoring & Evaluation
METASIP	Medium Term Agriculture Sector Investment Plan
MoFA	Ministry of Food and Agriculture
NAIP	National Agriculture Investment Plan
NARIs	National Agricultural Research Institutes
NASTAG	National Seed Trade Association of Ghana
NDPC	National Development Planning Commission
NEPAD	New Partnership for Africa's Development
NRDS	National Rice Development Strategy
NSAICU	Northern Sector Agriculture Investment Coordination Unit
PDP	Program Development Project
PEF	Private Equity Fund
PICS	Purdue Improved Cowpea Storage
PPD	Partners in Population Development
PPRS	Plant Protection and Regulatory Services Directorate
R&D	Research & Development
RCC	Regional Coordinating Council
SADA	Savannah Accelerated Development Authority
SHFs	Small Holder Farmers
SME	Small and Medium Enterprises
SWG	Sector Working Group
TA	Technical Assistance
USAID	United States Agency for International Development
VCA	Value Chain Actors
WB	World Bank

Executive summary



Agriculture is fundamental to Ghana's economy employing almost ~45% of the population and contributing ~21% to GDP. The Government of Ghana (GoG) considers it a key sector and has recently unveiled key flagship projects with the aim of increasing productivity. Investments in agriculture are guided by the 2nd Phase of Medium Term Agriculture Sector Investment Plan (METASIP II) (2014 – 2017), which is the National Agriculture Investment Plan (NAIP) and is currently under review. GoG's prioritization of the sector, coupled with excellent agronomic conditions, a good technological input base and a strong set of partners (private and public) puts Ghana on a path toward transformation of its agricultural systems and increased productivity and incomes of small holder farmers.

The agricultural sector in Ghana however still faces key constraints that curtail its becoming competitive to drive economic growth. These constraints include - sub-optimal sector coordination; low yields; weak market linkages and high post-harvest losses and low access to finance.

To address these challenges, AGRA will build on past successes and learnings in Ghana where AGRA invested US\$ 60M in Input and Output Markets Systems Development, Innovative Finance, Research Capacity Building and Policy & Advocacy but with a renewed emphasis on country support and policy engagement. Additional investments will include enhancing systems and farmer level development. AGRA's strategy emphasizes gender inclusive transformation through gender integrated approaches to drive equitable access to inputs, finance and agriculture education. The strategy targets two Agro-Ecological Zones (AEZs); the Brong Ahafo and Northern regions using an end to end delivery approach to drive impact at scale over a 5- year period and targets 1.2M Small Holder Farmers (SHFs) at a cost of US\$ 31M. Specific interventions will include:

1. **Policy and Country Support** - to enhance sector planning, coordination and implementation to deliver on national priorities:
 - Support review of the sector strategy - METASIP II which will guide the development of METASIP III and operationalization of selected flagships projects in addition to strengthening sector coordination and implementation capacity in order to create an enabling environment that is attractive to private sector;
 - Facilitate the development of a 'smart subsidy' model for increased adoption of yield enhancing technologies;
2. **System and Farmer Level Development** – in selected value chains and regions to develop input and output market systems in order to drive productivity, strengthen access to markets and finance and increase resilience;
 - Establish and coordinate multi-sectoral players such as donors, private sector etc platform in the Brong Ahafo region in order to exploit market opportunities effectively;
 - Provide Technical Assistance (TA) to strengthen the capacity of the Northern Sector Agriculture Investment Coordination Unit (NSAICU) to coordinate private sector investment in the Northern region
 - Enhance credit access - operationalize the Ghana Incentive Risk Sharing Agricultural Lending (GIRSAL) and value chain financing (VCF);
 - Integrated value chain investments to enhance commercialization and adoption of productivity enhancing technologies and strengthen market access and linkages

Ghana's Agricultural Context

Ghana's Agricultural Agenda is Shaped by a Few Macroeconomic Trends and Contextual Factors



1

Agriculture and the economy:

- ❑ Ghana's GDP grew by ~4% in 2016 with Ag GDP growing by ~3%
- ❑ Agriculture accounts for about 21% of GDP and employs ~45% of the population. Industry sector contributes ~28% and the key sub-sectors include Mining & Quarry, Petroleum, Manufacturing, Electricity, Water & Sewerage, and Construction. Manufacturing sector contribute ~5% making agriculture a significant contributor to GDP.
- ❑ Ghana has in the past 3 years experienced a depreciation of its currency which has contributed to the ag sector growth declining to 2.5% in 2015.
- ❑ Ghana's population is ~28M of which ~46% are in rural areas and a bulk of the population (85%) is Small Holder Farmers (SHFs).
- ❑ Women comprise 52% of the agricultural labour force and produce ~70% of food crops, contributing 46% to total Ag GDP but receive ~20% of Ag. credit and about ~10% of extension services as compared to men.

Increasing agricultural productivity is key to driving Ghana's economic growth

3

Key Challenges in the Sector

- ❑ Food exports stand at 32% while imports stand at 16.8% making the country a net food exporter. The top food exports are cocoa and yam mainly exported to Europe and the top imports are rice ~about 500K MT is imported annually and wheat from Thailand and the USA.
- ❑ Ghana faces key productivity challenges: rice 2.7 t/ha vs. 4t/ha; maize is 1.7 t/ha vs. 3.5 t/ha; and cassava is 18.5 t/ha vs 40 t/ha.
- ❑ Fertilizer use stands at 15 kg/ha of arable land vs 50kg/ha. Ghana has a fertilizer subsidy program and 93% of the budget allocation targets cocoa farmers.
- ❑ There is a high cost of credit ~35% due to high inflation rates which restricts credit access especially for SHFs

Increasing productivity of food items such as rice would have a positive effective of reducing the import bill

2

Gov prioritization of agriculture sector:

- ❑ A new government came into power in December 2016 and has a huge focus on job creation to move millions out of poverty through Agriculture especially for the youth 48% of whom are unemployed.
- ❑ Government is investing in two flagship projects: the "*Planting for Food and Jobs*" and "*One District One Factory*" and has earmarked US\$ 113.5M and US\$ 98.8M respectively fy 2016/2017. These initiatives are expected to attract the youth to agriculture
- ❑ Investments in agriculture are guided by the 2nd Phase of Medium Term Agriculture Sector Investment Plan (METASIP II) (2014 – 2017), which is the National Agriculture Investment Plan (NAIP) and is currently under review and the expected outcome is METASIP III.

4

Agriculture financing and Funding options:

- ❑ Budget dedicated to agriculture in 2015 was ~10.36% of total GoG expenditure -meeting the CAADP commitment. MoFA 2017 main budget expenditure items include 34% on Crop services (Subsidy on seeds & fertilizer), 21% on Infrastructure (Irrigation, feeder roads & Mech.) 12% on Extension and e-Agriculture.
- ❑ Sector absorptive capacity stood at at 63.8% in 2015
- ❑ Ghana's key bilateral partners are WB, AfDB, IMF, EU, USAID, CIDA, DFID, JICA, DANIDA

Ghana Government agriculture strategy



The Food and Agriculture Sector Development Policy (FASDEP II) 2008 is Ghana's sector policy. The 2nd Phase of the Medium Term Agriculture Sector Investment Plan (METASIP II) (2014 – 2017) is the National Agriculture Investment Policy (NAIP) and is currently under review and will lead to METASIP III. It will incorporate key flagship projects particularly the **Planting for Food and Jobs (PFJ) in order to drive the Accelerated Agriculture Modernization and Sustainable Natural Resource Management in Ghana**. The total cost of the NAIP was US\$0.60 billion

Description

Core objectives

- Achieve annual sector growth rate of 6%
- Increase agriculture productivity and incomes of ~ 5million Small Holder Farmers.
- Ensure food security over the medium term
- Reduce stunting and wasting in children under 5 years

Priority investment areas

- Agricultural productivity through supply-chain management for developing product clusters for rice, maize, sorghum, cassava, fruits, vegetables and soybean
- Access of SHFs to improve seed/planting material, fertilizer, irrigation
- Mechanization, and agro-processing
- Extension services
- Road infrastructure
- Institutional coordination and collaboration

Major investments & results

- Ghana Commercial Agric Project (GCAP), funded by WB & USAID (rice, maize, soybean fruits and vegetables ; **US\$145m (ends in 2019)**)
- Ghana Agriculture Sector Investment Program (GASIP). Funded by IFAD/GoG (private-sector led pro-poor Agric. Value Chain Development); **US\$113 million (ends in 2021)**
- Agriculture Development and Value Chain Enhancement (**ADVANCE**), funded by USAID; **US\$32m**
- Poor rural infrastructure (poor road network, inadequate energy, limited rural industries etc.) to support Agriculture
- Limited value chain development and mainstreaming

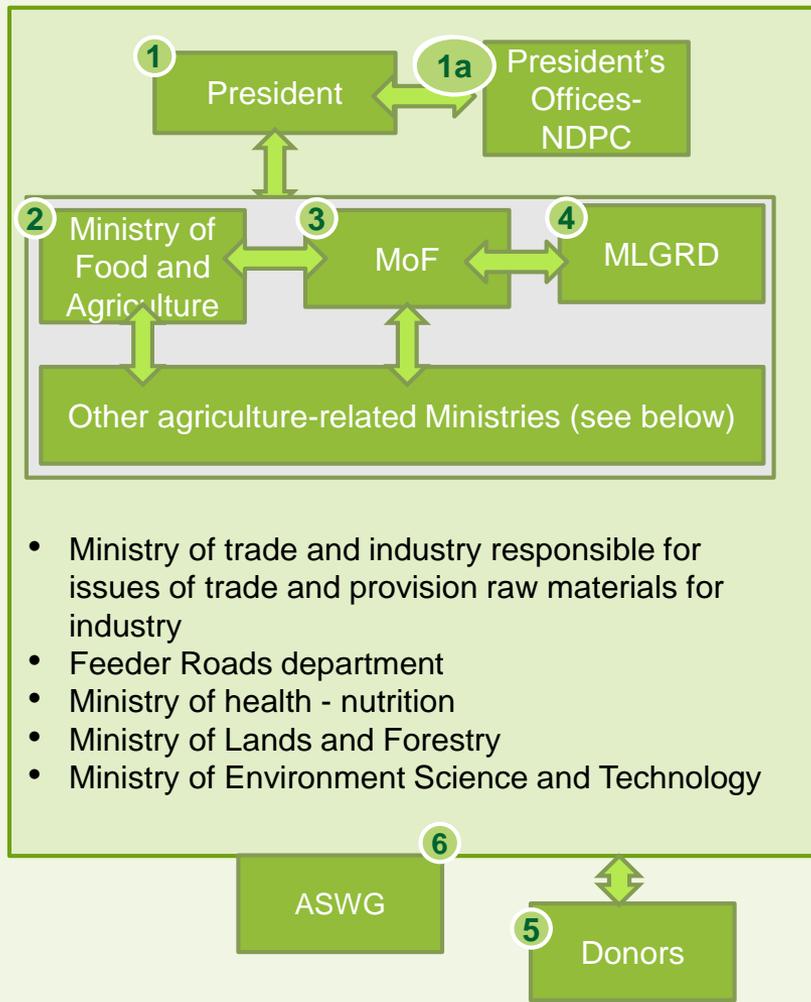
Government resourcing

- Annual budget allocation for the sector in 2015 ; ~\$120 million (10.36% Govt expenditure) and 63.8% was actually disbursed. Out of the disbursed amount 70% went into public sector wages and salaries and other recurrent expenditure.

Sector governance is within the purview of the Ministry of Food and Agriculture



National agriculture agenda



Institutional arrangement and responsibilities

- 1 **President -**
 - Overall in charge of setting country strategic direction and priorities
- 1a **National Development Planning Commission (NDPC)**
 - Provide guidelines for all sector plans and medium term development plans for Metropolitan Municipal and District Assemblies

- 2 **Ministry of Food and Agriculture**
 - Overall in charge of agriculture related activities and policies
 - Ministry regards METASIP II as the master plan of agricultural transformation in the country

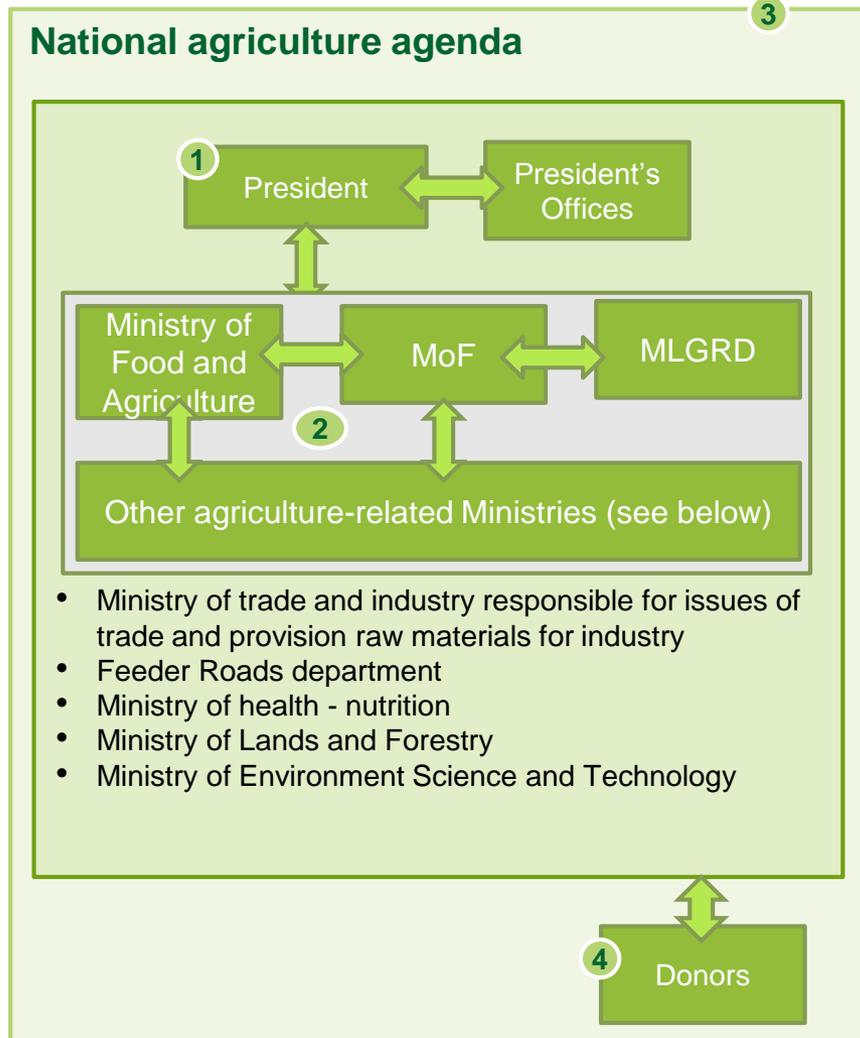
- 3 **Ministry of Finance**
 - Authority over agriculture budgets and spending
 - Checks/balances with the MOFA

- 4 **Ministry of Local Government and Rural Development (MLGRD) -**
 - Ensures good governance and balanced rural based development
 - Local government: Support sub-national governance structures, Revenue Mobilization and Collection and Sanitation
 - Rural Development: Rural roads, Information and Communications Technology, Tourism and Agriculture

- 5 **Donors**
 - USAID chairs the donor group
 - Core activities/sphere of influence:** Consensus building among the DPs on their investments in the sector
 - Inclusiveness/importance:** DP meetings are restricted to DPs. IFPRI and AGRA participate as implementing partners, where *Engineers Without Borders* represent NGOs. AGRA sits on the Donor Working Group as an observer

- 6 **Agriculture Sector Working Group**
 - Run by the** The Program coordinating Unit of MoFA.
 - Core activities/sphere of influence:** coordinates interventions in the sector,
 - Constraints:** is constrained by funding as MoFA does not have enough to support its operation or to run regular joint sector reviews.

A number of mechanisms exist to ensure inter-ministerial and sector coordination



Coordination bodies and responsibilities

1 Coordination with, and buy-in from national leadership

- The Hon Minister in-charge of the Ministry of Food and Agriculture (MoFA) supported by its Technical Advisor.

2 Support inter-ministerial coordination

- The Senior Minister of State at the Office of the President but rely on the National Development and Planning Commission (NDPC) to coordinate preparation and approval of all sector plans. Institutional budgetary review and training for Ministries to develop sector plans

3 Coordination with regional bodies on CAADP

- Country CAADP Focal Point person at the Policy Planning Monitoring Budget Division of MOFA – It is a public sector funded position within Ministry of Agriculture but receive donor support for operations

Renewed political focus and identification of flagships presents an opportunity to address food security and employment gaps



Opportunities for sector transformation may lie in supporting the government develop and refine strategy and flagship programs, improving sector coordination through the ASWG and within AGRA focus regions and timely implementation of flagship programs

Macro-economic and Agriculture context

Strengths

- Government expenditure on agriculture has met the Maputo target of 10% of the total expenditure
- Self sufficiency in Cassava, Yam, Cowpea. Other staples, such as rice, and maize, have experienced significant increase in production
- On-going implementation of well-planned and donor supported programs (e.g. METASIP, SADA, GASIP, FtF, GCAP)

AND

Opportunities

- Sub-optimal sector coordination
- Lack of access to markets and high post-harvest losses in cereals (~30%)
- High yield gaps (>50%) in most staples
- Low use of yield increasing inputs, e.g. 15% farmers use improved seeds, fertilizer use at 12 kg/ha vs. the target of 50 kg/ha
- High price volatility which contributes to limited lending to the agriculture sector (6%)
- Import substitution for rice (50% of the consumption is imported)

Sector strategy, governance and coordination

Strengths:

- Government's commitment to achieving ECOWAS, CAADP and SDG targets
- Strong development partners with the existence of a complimentary agenda in most regions
- Strong private sector participation in the input and output markets of the ag sector
- Clear sector Governance and Coordination: intra ministerial; inter ministerial; ASWG and sub-national structures

AND

Opportunities:

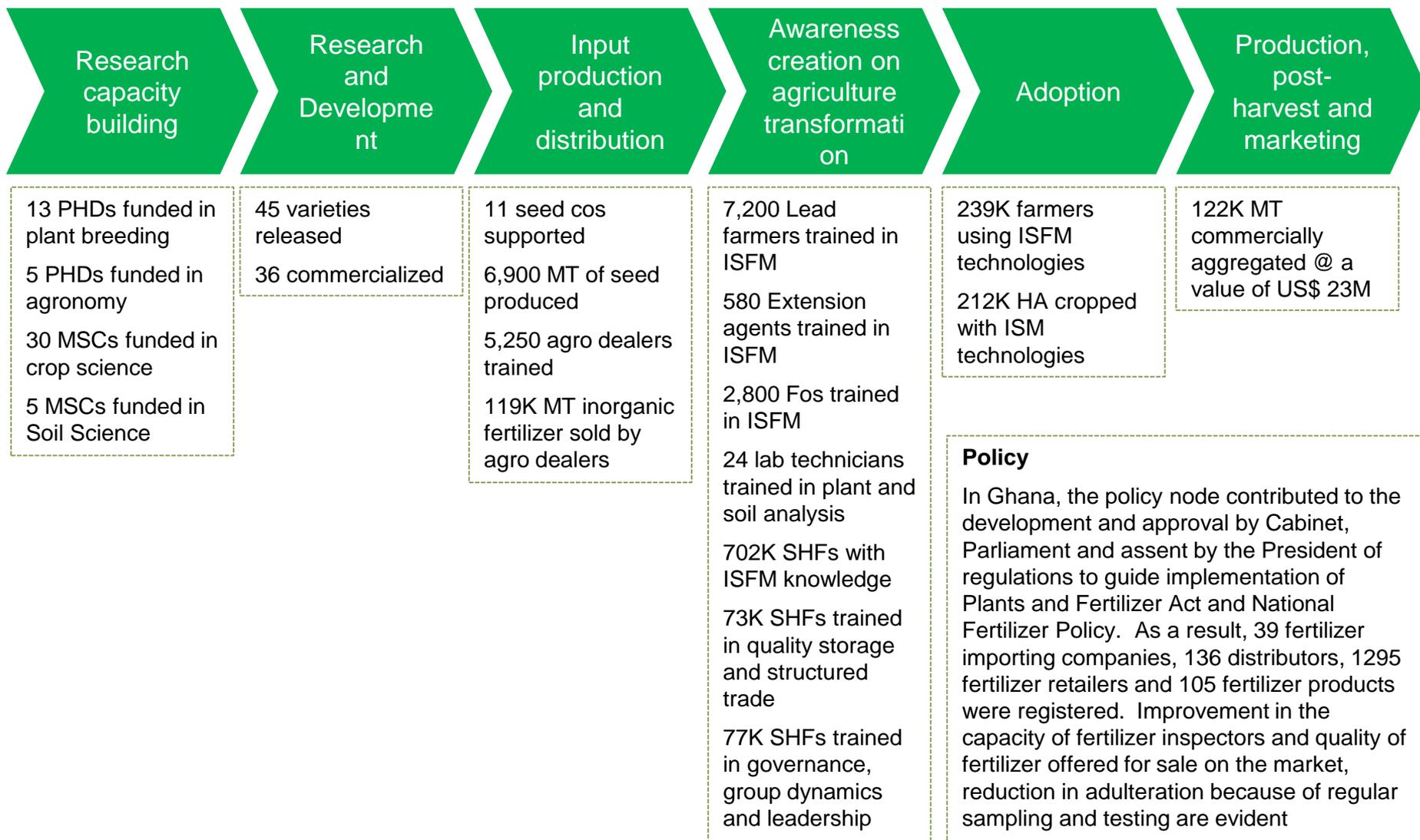
- Enhancing MoFA's capacity to mobilize, coordinate, utilize and account for Ag. Sector investments
- Engagement with GoG to reduce the high cost of production and inadequate access to appropriate financial products
- Limited value chain development and mainstreaming
- Unpredictability in food supply and prices due to climate variability

Lessons AGRA has learned from its investments in Ghana

Over the last decade, AGRA has invested over \$59 million in Ghana and contributed to sector development...



AGRA's focus was to strengthen public institutions with human capacities necessary to drive the sector technological development and adoption to improve yields while supporting private sector and other institutions to deliver services to farmers



...and learned a number of lessons on developing agriculture systems that are driving future programming and investments



Coordination and Enablers

- ❑ **Coordination:** Working with selected departments of MOFA based on AGRA's previous program investment approach is ineffective, hence strong coordination at multiple government levels is necessary (especially MLGRD, MoTI, MoFA)
- ❑ **Importance of coordination and leverage:** AGRA's investment represents less than 0.5% of the total agricultural investments. Increased engagement with government, private sector players and institutional partners at the country level can increase investment in the sector, influence prioritization of funds flow and can also create market-enhancing mechanisms for sustaining agricultural growth (.e.g., Policy change to allow 10% of High Quality Cassava Flour as substitute for Wheat Flour will create opportunity for cassava farmers to resume profitable production). Coordinated approaches optimize for sustained and inclusive growth beyond the 3.6% currently realized.
- ❑ **Importance of private sector as a driver of growth:** Ghana's agriculture transformation has been largely driven by private sector investment to develop systems that support growth both in input systems and market development especially in cereals and other cash crop sectors
- ❑ **Importance of political commitment to drive inclusive growth:** Though government has met the Maputo target of 10% total public expenditures for agriculture investments, productivity remains relatively low due to low adoption and utilization of improved seeds and fertilizer by smallholder farmers. Therefore a need for government to embark on a smart input study program to increase adoption and further enhance productivity of small-holder farmers.

Systems Development

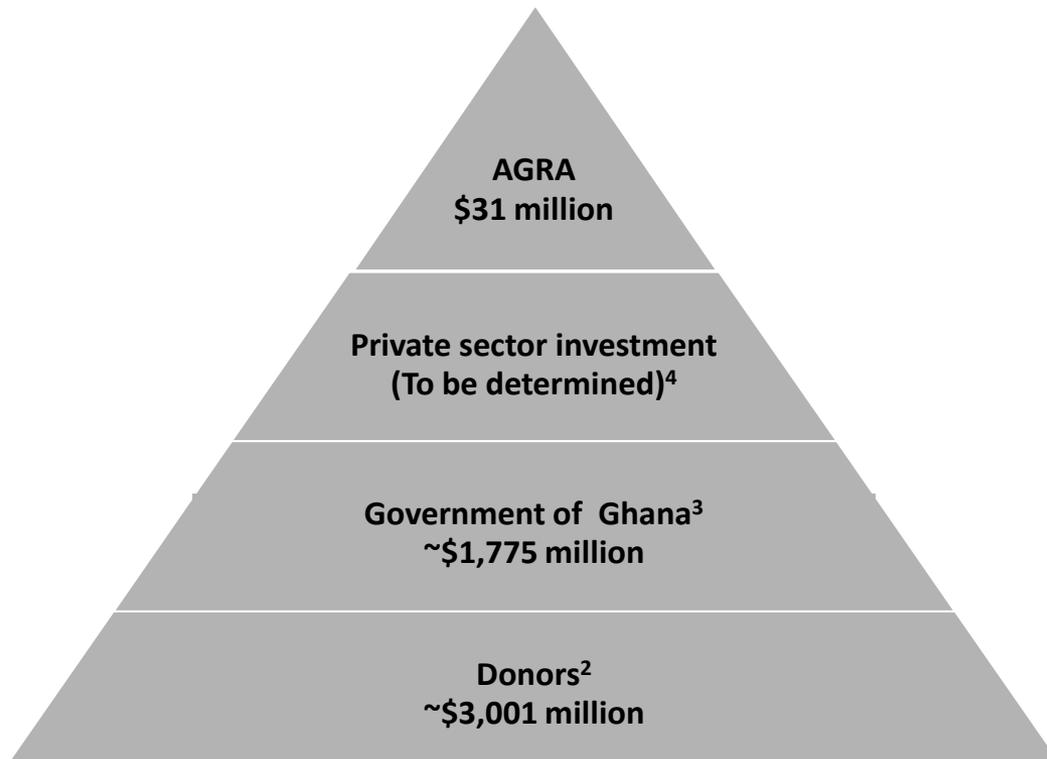
- ❑ **Seed Production and Dissemination:** The level of variety release in Ghana is low especially for maize, thereby limiting SHF's access to quality and low cost seeds/planting materials. To increase access, the flow of new and improved varieties should be maintained in the seed system coupled with improved technical support for private companies to commercialize the released varieties.
- ❑ **Agro-Input Distribution:** sustainable improvements on farmers' yields is only achievable through complimentary use of seeds, fertilizer and improved GAP, therefore the use of hub-agro-dealers enhances service orientation and builds a strong foundation for input market development;
- ❑ **Postharvest and Marketing:** Market access interventions are more effective when they link holistically from farm to market, and are strengthened where the intervention engages a full value chain that anchors on a sustainable business model. In reducing post-harvest losses in different value chains, AGRA provided trainings on post-harvest handling and established physical aggregation centers – these interventions would have generated bigger impact if PHL was embedded in the market access interventions.
- ❑ **ICT for Agriculture Development:** AGRA, in partnership with the m-Farms Platform initiated a suite of mobile applications to effectively deliver accurate and up-to-date market information services to value chain actors on regular basis. Results from this investment confirmed that deployment of ICT platforms can dramatically boost strategic business partnerships between agro-dealers and other value chain actors.

These lessons culminate in a critical recognition that AGRA's funds are insufficient to drive transformation in Ghana



AGRA recognizes that with US\$ 31M its investments are <1% needed to drive an inclusive agricultural transformation in Ghana; therefore, going forward, AGRA will selectively invest where it sees opportunities to be catalytic.

Proposed expenditure and investments¹



- AGRA's strategic vision in Ghana can only be achieved through strong partnerships with other players in Ghana
- AGRA will prioritize interventions that catalyze and complement funding committed by the Government and donors
- AGRA is committed to:
 - Alignment with Government priorities and programs
 - Boosting government capacity for strategic planning and implementation
 - Participating in and supporting government coordinating mechanisms
 - Catalytic system investments to scale known models and technologies

1: Figure not drawn to scale

2: Official Development Assistance (ODA) flows, Other Official Flows (OOFs) and Private Grant/Flows reported by donor countries, multinational organizations and private entities to OECD DAC Directorate for all purposes related to agriculture except forestry and general environment protection

3: FAOSTAT 2012 data flat-lined for 5 years

4: Exact estimates for private sector investment are unknown and therefore conceptual

SOURCE: FAOSTAT; ReSAKKS; AGRA analysis

AGRA's Strategic Choices and Operational Plan

AGRA's strategy and vision for Ghana



Having worked in Ghana over the last 10 years, AGRA and partners have build an assets base in technologies, partnerships and models that if scaled can have significant impact on the status of inclusive agriculture in Ghana. AGRA's new strategy seeks to bring all of these elements together and contribute to the National strategy through the following AGRA vision for Ghana

Ghana's vision for Agriculture development

Ghana in its Food and Agriculture Sector Development Policy (FASDEP II) 2008 and the 2nd Phase of the Medium Term Agriculture Sector Investment Plan (METASIP II) (2014 – 2017); currently under review has a vision to incorporate key flagship projects particularly ***the Planting for Food and Jobs (PFJ)*** in order to drive **Accelerated Agriculture Modernization and Sustainable Natural Resource Management**. The sector aims for 6% year on year growth and strives to move from subsistence agriculture to an innovative, market oriented and modern agriculture system.

Agricultural productivity through supply-chain management for developing product clusters for rice, maize, sorghum, cassava, fruits, vegetables and soybean

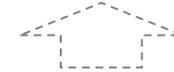
Access of SHFs to improve seed/planting material, fertilizer, irrigation

Mechanization, and agro-processing

Extension services

Road infrastructure

Institutional Coordination and Collaboration



AGRA's strategy for Ghana

To catalyze and sustain inclusive agriculture transformation in Ghana by contributing to

- 1) the government's need to refine and develop its sector strategy and flagships backed by a strong Agriculture sector with effective coordination and implementation capabilities to deliver on this strategy;
- 2) Strengthening regional Agriculture coordination platforms to enhance sub-national coordination
- 3) Strengthening the Agriculture sector delivery systems for improved productivity and marketing of produce as well as increased access to finance to impact incomes and improve food security for at least 1.2 million smallholder households

AGRA's approach in Ghana will focus on country support, sub-national coordination and systems development to drive impact



AGRA believes that in Ghana, there is room to drive scale through: well planned and coordinated approach to resources in the public domain including coordinated engagement at country level; and b) enhancing value chain and market systems development

Country support and policy engagement interventions

- ❑ Enhanced sector evidence based planning and analytics: support MOFA in the review and of METASIP II, finalization of METASIP III and the related operational plans
- ❑ Facilitate development of a smart subsidy model
- ❑ Enhance sector coordination and implementation.
- ❑ Support the development of an enabling environment e.g. by supporting the undertaking of policy reforms.

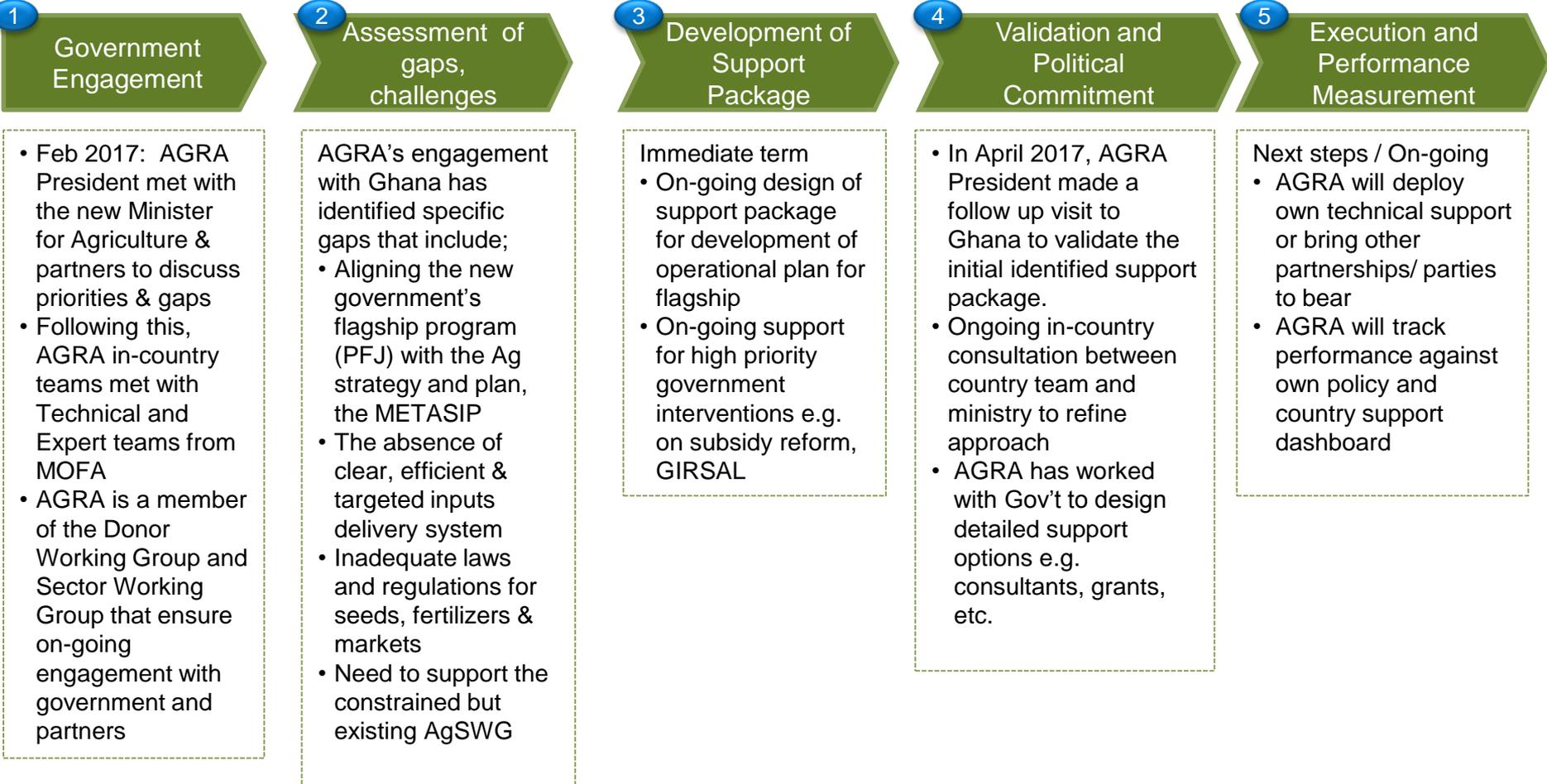
Input and market systems development

- ❑ Establishment of a coordination platform that enhances public private partnership in the Brong Ahafo
- ❑ Strengthen the coordination function of a delivery platform to increase value chain efficiencies in the Northern region
- ❑ Support the commercialization of seed varieties / productivity enhancing technologies in key crops
- ❑ Support development of risk sharing facilities to financial institutions to increase their appetite for lending to agriculture
- ❑ Through its interventions, improve the capability of women to access inputs, extension and financial services and market information and services

Country Support and Policy Engagement package for Ghana has followed key steps:



AGRA has used a 5-step approach to engage GOE and partners in assessing gaps, needs and challenges and defining a support package. This is an on-going process, where AGRA and partners will jointly decide on an execution plan and expected impact



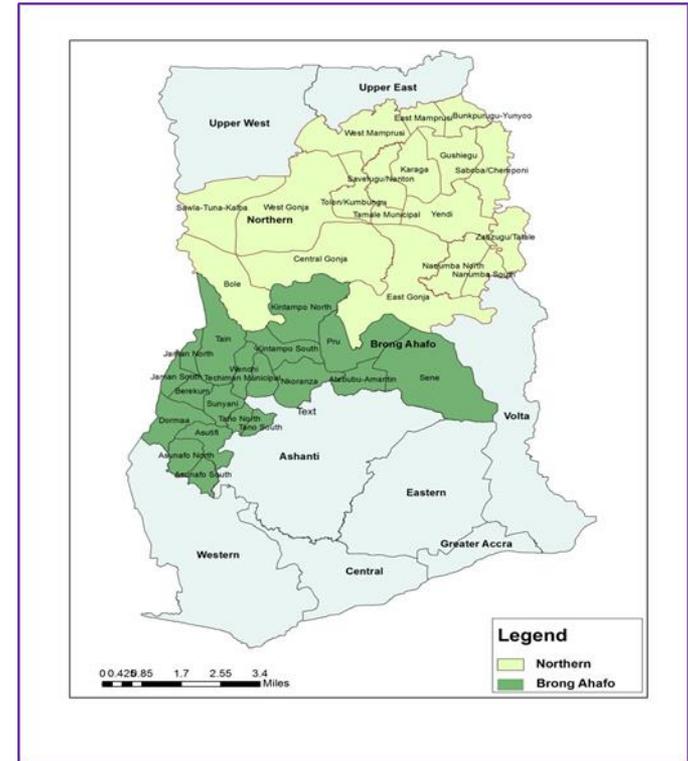
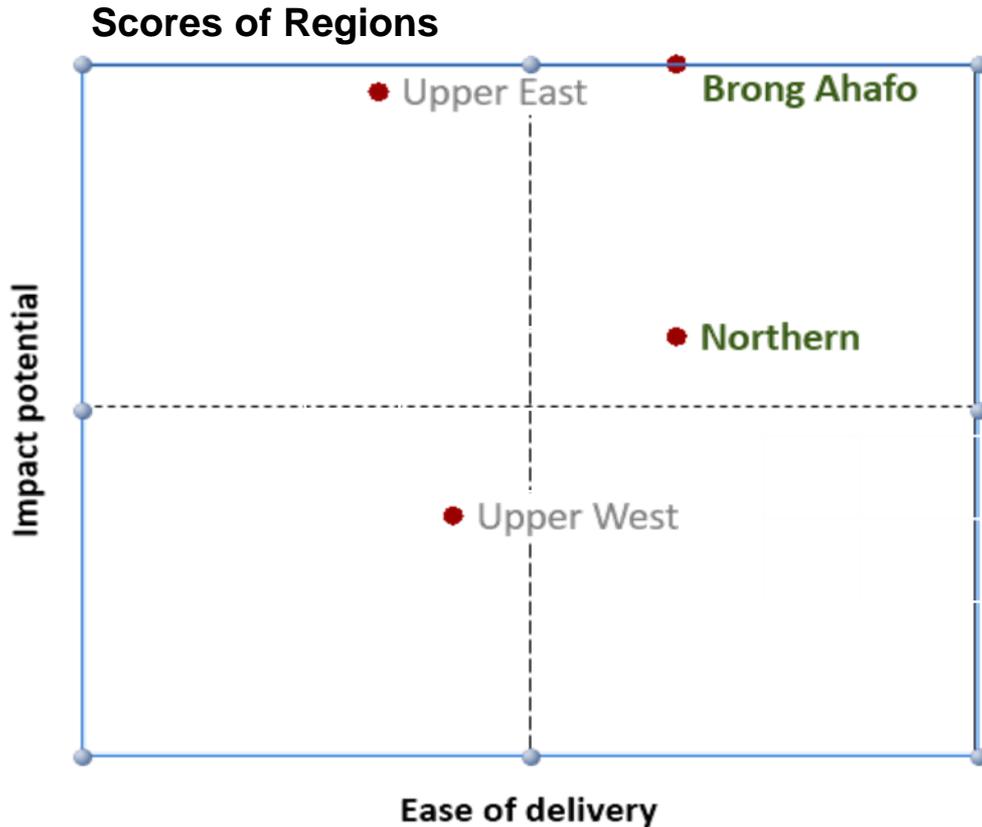
Initial areas for investment in Country support and Policy engagement include strategic planning & advisory on input subsidy



Leveraging AGRA's comparative advantage in supporting governments in building institutional capacity and creating a favorable environment for the private sector, AGRA will drive strengthened capacity for driving evidence based planning, implementation alignment between government bodies, increased coordination between MoA and external stakeholders, and an enhanced policy environment for private sector investments

Strategic engagement area	indicative interventions	Potential partners	Link to results framework
Support Strategy Execution	<p>Support MoFA to finalize review of METASIP II, develop METASIP III and the related operational plans to guide investments into flagships</p> <p>Strengthen the delivery of the smart subsidy model for Increased adoption of Agriculture productivity enhancing technologies</p>	<p>MOFA, World Bank, USAID, FAO, BMZ</p> <p>World Bank, USAID, CIDA</p>	IO8.1, 8.3
Coordination and implementation support	<p>Support MOFA to strengthen implementation and coordination mechanisms through in country sector coordination such as AASWG, JSR and other accountability mechanisms</p> <p>Strengthen Monitoring and Accountability systems to track Ag sector investment</p> <p>Partner with MOFA to enhance its absorptive capacity to utilize and account for program resources.</p>	<p>MOFA, World Bank, USAID, KfW, CIDA</p> <p>MOFA, World Bank, USAID, KfW, CIDA</p> <p>MOFA, World Bank, AfDB, IFAD, BMZ</p>	
Support development of an enabling environment	<p>Undertake policy reforms under specific issues to be identified</p>	<p>World Bank, USAID, KfW, CIDA</p>	

To deliver system and farmer level interventions, AGRA will prioritize regions with high potential impact



Scoring criteria (equally weighted)

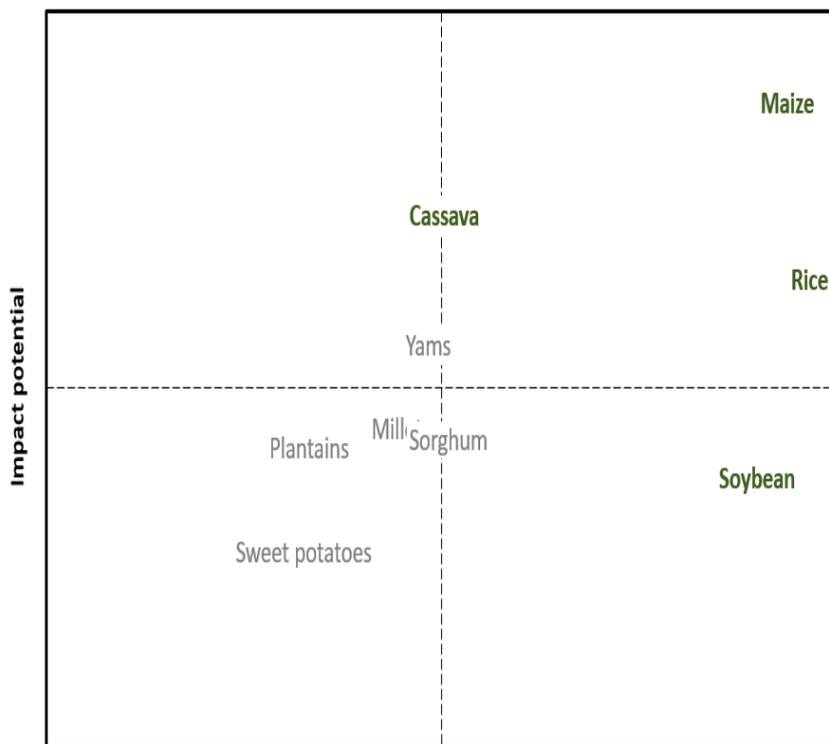
- Impact potential - Number of farmers; Expected future demand (High/ Medium/ Low)
- Ease of delivery - Focus from the government, donors and private sector (High/ Medium/ Low); AGRA capabilities and past investments (High/ Medium/ Low)

AGRA will target 400,000 farmers in the Brong Ahafo and Northern Regions of Ghana directly and 800,000 indirectly – making a total target of 1.2M SHFs

Within these regions, AGRA will focus on four primary crops and two secondary crops



Prioritization of crops



Secondary crops: Ease of delivery

- Yam
- Sorghum

Scoring criteria (equally weighted)

- Impact potential - Number of farmers; Yield gap (%); Expected future demand (High/ Medium/ Low)
- Ease of delivery - Focus from the government, donors and private sector (High/ Medium/ Low); AGRA capabilities and past investments (High/ Medium/ Low)

Primary Crops

Maize

- Most widely consumed crop.
- Accounts for 62 % of total grain output and 55% of total staples consumed; SHFs produce 90% of maize
- Strategic alignment: AGRA has investments in maize seed varieties; GoG strategy (2012) to achieve self sufficiency by 2018

Rice

- 2nd most common cereal . 500K MT imported annually. Local and export demand expected to rise
- Strategic alignment: rice is a focus crop for the government. Rice Sector policy is to double production by 2018.

Soybean

- Reliable market potential. Local production = 160,000 MT estimated demand of 400K MT. Good for nitrogen fixing; Important for cash;

Cassava

- 2nd most important crop by value. Produced by 70% farmers in Ghana. Contributes 22% of ag GDP.
- High market opportunity for SHF (14% of total income)

A number of major donors and private sector companies are focused on the Brong Ahafo and Northern AEZs

Not Exhaustive



	Seed supply & research	Fertilizer supply & research	Other ag. inputs	Infrastructure	Extension	Farmer organization	Agrodealers	Market Linkages	Post-harvest Management, quality & Standards	
Northern Region	 			 		 		 	 	
Brong Ahafo			 	 				 		
National & regional policy	 	 			 	 	 	 	 	
Agri-cultural finance	 	 	n/a		 	 	 	 	 	
Human & institutional capacity										

Ghana's most critical challenges lie in developing enabling systems and increasing deliberate private sector engagement

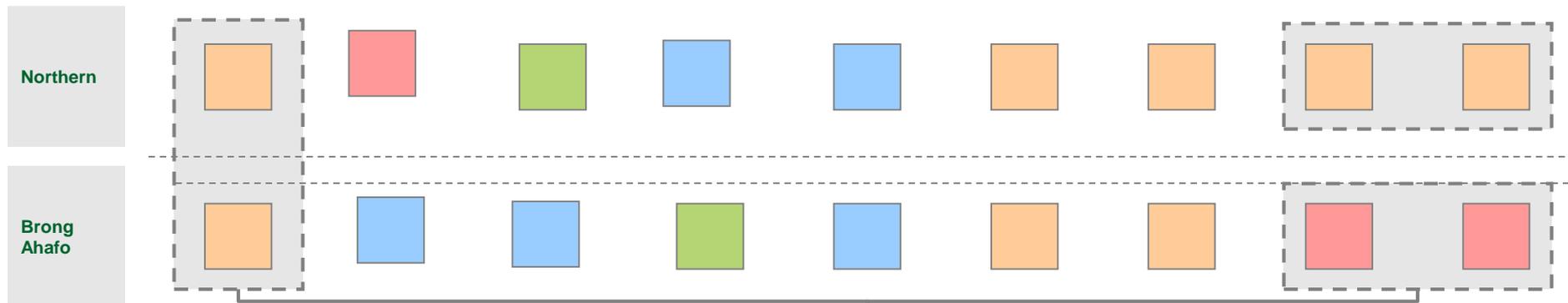


Not a challenge; or, outside AGRA's core focus areas

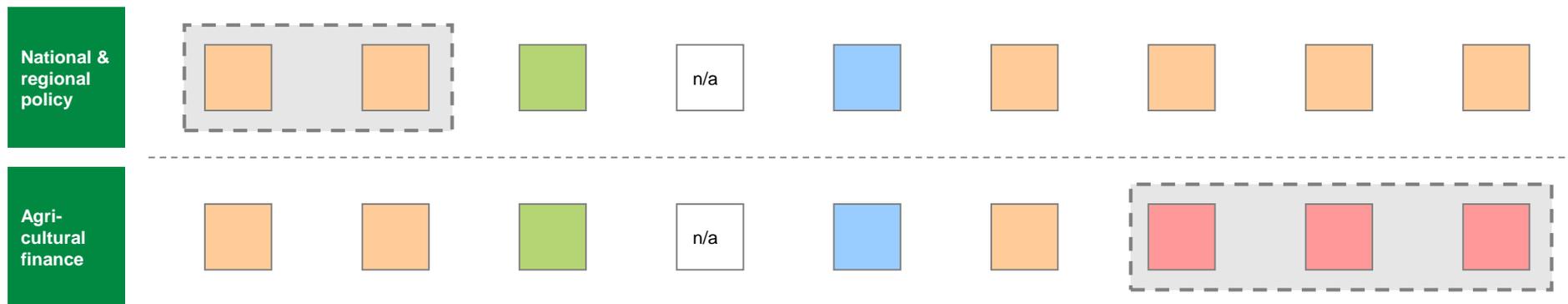
Challenge area; effective partners already present or intend to intervene in alignment with AGRA's Theory of Change

Challenge area; partners already present or considering entering; AGRA's expertise/influence could guide more effective or scaled interventions

Challenge area; partners not present



Coordination across value chain steps, between development partners is a critical issue to improve resource allocation in the region



Transformation at the farmer and system level can be driven by focusing on select value chains in 2 regions

Brong Ahafo Region

- The region is the **largest producer of cassava in the country**, accounting for ~30% of production; **Marketable surplus of more 60%** above regional consumption.
- Relatively well developed infrastructure - GoG with support from its partners has developed roads and markets infrastructure.
- **High farmer density ~170K** farmers in the focus crops across **40K km²**, primarily growing maize, soya, and cassava
- Bi-modal rainfall pattern allows for **2 growing seasons**
- No regional and district level mechanisms to coordinate agriculture transformation investments by the few donors and the private sector
- Low access to quality inputs and mechanization services, and limited knowledge of agronomic practices



Crop	Acreage, ha, 000	Farmers, 000 ¹
Maize	233	212
Rice	71	112
Soybea	31	45
Cassava	38	38

Northern Region

- The Region is “**crop rich and cash poor**”. It is the leading producer of Maize and Rice, accounting for ~48% and ~36% for maize and rice respectively; **Marketable surplus** of more than 70% for maize and 55% for rice due to poor market linkages
- High donor concentration and generally strong coordination among social partners but **the region still faces substantial constraints**.
- **High farmer density 230K** farmers in the focus crops across **70K km²** and **14 districts**
- Govt. has set up SADA (delivery unit) to accelerate socio-economic development in the region (private sector largely excluded)
- **AGRA supported establishment of NSAICU under SADA to guide and coordinate donor funding across value chain**
- However, there is still absence of result-oriented monitoring procedures to ensure coordination of investments at Regional and District levels exacerbated by absence of reliable data for planning and allocation of district resource

Brong Ahafo Interventions 1/2



In the Brong Ahafo region, interventions will be focused on enhancing coordination amongst the relevant stakeholders in order to exploit market opportunities. This will be done through the establishment of the Brong Ahafo Sector Agriculture Investment Coordination Unit (BSAICU)

Strategic area	Indicative interventions	Potential partners	Approach to scaling	Results framework
Support coordination and inter-linkages between value chain players e.g. through Establishment of BSAICU	To establish a coordinating body that brings together stakeholders in the region to enable SHFs exploit market opportunities	RCC/Private Enterprise Foundation/ MLGRD/NDPC	Replication of proven coordination mechanism to better engage the private sector in regional agricultural development; complementary investment expected from familiar donors	IO 5.1, 5.3
	Place secondee into RCC to drive ownership of BSAICU	RCC		
	To fund stakeholders interactions between trade associations and BSAICU to identify economic barriers and develop solutions	RCC/Private Enterprise Foundation/ Trade Associations/KfW/BMZ	Facilitating private sector partnerships, connecting stakeholders, and increasing value chain efficiencies to incentivize investment by trade associations	IO 4.2 CC 13
	Support Brong Ahafo Regional Coordinating Council (RCC) to establish and institutionalize a platform to coordinate donor and private sector investments in Brong Ahafo :	BARCC/PEF/NDPC/KfW	Government support: coordination of donor investments will allow the regional government to prioritize investments for the greatest impact and full value chain coverage	
Support RCC to strengthen private sector participation in regional economic development planning and budgeting by funding stakeholders interactions between trade associations and BSAICU to identify economic barriers and develop solutions	BARCC/PEF/ Trade Associations/kfW	Creating a platform to enhance partnerships/dialogue among key private sector players at the sub-national level; will also promote stronger public-private partnerships (PPPs)		

Brong Ahafo Interventions 2/2)



In the Brong Ahafo region, interventions will be focused on enhancing coordination amongst the relevant stakeholders in order to exploit market opportunities. This will be done through the establishment of the Brong Ahafo Sector Agriculture Investment Coordination Unit (BSAICU)

Strategic area	Indicative interventions	Potential partners	Approach to scaling	Link to Results framework
Input systems development	Increase availability of certified seeds for key crops	M&B/PEE Farms/ Bruckner/Ariku/Heritage Seeds/Antika	Knowledge investment to strengthen capacity of seed companies to unblock supply bottlenecks and more easily access financing	IO 1.1, 1.2, 1.3
	Enhance access to inputs working with hub agro-dealers	GAABIC, Agyarko, Apus Investment., WAAF, Northgate/AFAP/	Facilitate private sector partnerships between supported suppliers and scale agro-dealers with existing relationships to FBOs/smallholders to reduce costs of new customer acquisition and expand supply of quality inputs	
Systems development to enhance value chain efficiency	Develop integrated value chain models for key crops (production, aggregation, processing and mechanization) <ul style="list-style-type: none"> Engage market players to determine demand Engage seed companies and agro dealers to enhance input supply Engage SHFs to ensure quality and quantity produced meets market demand Facilitate convenings of all value chain actors for Business to Business (B2B) exchanges 	Premium Foods/ADRA/AGRIC ARE/M&B/Bruckner/ PEE Farms/GCC/Finatrade/ Intervalle/CRI/KfW / DH	Establishing robust service delivery model/platform that facilitates private sector partnerships and convenes market actors with smallholders	IO 5.1, 5.2, 5.3

Northern Region Interventions 1/2)



In the Northern region, interventions will be focused on strengthening the Northern Sector Agricultural Investment Coordination Unit (NSAICU) in order to drive transformation through strengthened platforms and PPPs

Strategic area	Indicative interventions	Potential partners	Approach to scaling	Link to Results framework
Support sub-national coordination e.g., by Strengthening NSAICU	Providing TA to NSAICU to strengthen operational systems	SADA-NSAICU /RCC/ MLGRD/NDPC/BMZ	Partner with the government to take on an increased sector coordination role	IO 4.2 , CC 13
	Provide support to RCC to strengthen private sector participation in regional economic development by funding stakeholders interactions between trade associations and NSAICU to identify economic barriers and develop solutions	SADA-NSAICU /PEF/ Trade Associations/BMZ	Engage private sector actors to address existing barriers to private sector participation and reduce economic friction of working with smallholders and development partners	
	Work with NSAICU to update database to include private sector access data	Ghana Statistical Service (GSS)/ SADA-NSAICU /MLGRD/MOFA	Knowledge investment to support private sector engagement	
Input system development	Increase availability of certified seeds for maize (hybrid), rice, and soybean	Heritage Seeds, PEE Farms, , M&B, ANTIKA, LEXBOK, NASTAG, Ariku	Private sector partnership to facilitate sustainable, mutually beneficial relationships between suppliers and financing to unblock existing production bottlenecks	IO 1.1, 1.2, 1.3, 2.1, CC13
	Engage hub agro dealers to increase farmer access to inputs	Gumaya, Wumpuni, Dansaman, Naawuni Zumti Nambogu Enterprise, GAABIC	Facilitate private sector partnerships between supported suppliers and scale agro-dealers with existing relationships to FBOs/smallholders to reduce costs of new customer acquisition and expand supply of quality inputs	
	Facilitate partnerships and convening between breeder and seed companies	NASTAG, NSAICU/NARIS/PPRS-MOFA	Scalable platform for contracting between EGS producers and certified seed multipliers for improved production planning and unblock bottlenecks	

Northern Region Interventions 2/2)



In the Northern region, interventions will be focused on strengthening the Northern Sector Agricultural Investment Coordination Unit (NSAICU) in order to drive transformation through strengthened platforms and PPPs

Strategic area	Indicative interventions	Potential partners	Approach to scaling	Results framework
Market System development	<p>Develop integrated value chain models for key crops (production, aggregation, processing and mechanization)</p> <ul style="list-style-type: none"> Engage market players to determine demand Engage seed companies and agro dealers to enhance input supply Engage SHFs to ensure quality and quantity produced meets market demand Facilitate convenings of all value chain actors for Business to Business (B2B) exchanges 	<p>Intervalle, CARI-GIZ/TechnoServe/Nut s for Growth/Premium Foods/AVNASH/GCC /FINATRADE/ KfW-OVCF</p>	<p>Establishing robust service delivery model/platform that facilitates private sector partnerships and convenes market actors with smallholders</p>	<p>IO 2.1, 5.1, 5.2, 5.3</p>

Systems development to boost Access to Finance



Other donors have been supporting smallholder and value chain actor access to finance in country but broad systemic challenges remain

Strategic	Intervention description & AGRA's role	Potential partners	Approach to scaling	Results framework
De-risking of SHFs and SMEs	<p>Support GIRSAL Initiatives (eg. Risk sharing, capacity building, insurance incentive mechanisms, digital services)</p> <p>Technical Assistance (TA) and Business Development Services (BDS) to:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Enhance banks capacity to engage SHFs on the one hand and SHFs capacity to generate fundable proposals in order to increase demand for credit. <input type="checkbox"/> Catalyze credit lines and guarantee funds 	BOG Exim Bank/ARB Apex Bank	<ul style="list-style-type: none"> • Government supported • Long term capacity building, bank rating and incentive mechanism to provide financing at scale • AGRA provides support for the design and AfDB capitalizes it • Economically-attractive buy-down risk model for financial institutions to develop sustainable credit/savings product features for value chain actors. 	IO 6.1
Enhance access to credit	<p>Technical Assistance (TA) and Business Development Services (BDS) to:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Financial Service Providers (FSPs) to develop Value Chain Finance (VCF) for mechanization support schemes <input type="checkbox"/> Early stage seed companies, processors, mechanization Service Providers (SPs) to participate in challenge funds/incentives and attract matching grants 	FIs/ L3 Innovare/ Palladium/KfW-OVCF	<ul style="list-style-type: none"> • Developing business case to prove long term viability of model and incentivize expand outreach of financial services ▪ Leveraging capacity and business case for agriculture financing 	IO 6.2, CC12

Country results framework and budget

Ghana Results Framework



- AGRA's overall goal in Ghana is to Catalyze and Sustain an Inclusive Agricultural Transformation to increase Incomes and improve Food Security of 1.2 M smallholder farming households directly and indirectly through strategic country support and government engagement coupled with a set of targeted catalytic downstream and systemic investments made through its alliance of partners.
- Agricultural transformation is defined as a **process by which farmers shift from highly diversified, subsistence-oriented production towards more specialized production** oriented towards the market or other systems of exchange, involving a greater reliance on input and output delivery systems and increased integration of agriculture with other sectors of the domestic and international economies.
- Ghana's goal and objectives are directly contributing to the SDG two of ending hunger, achieving food security and improved nutrition and promoting sustainable agriculture. AGRA is equally committed to implementing interventions that are contributing to the AU Malabo declaration, aligning the Ghana Results Framework with the CAADP framework .
- To achieve its ambitious goal, AGRA seeks to contribute to four inter-related and inter-dependent objectives: 1) Increased staple crop productivity for smallholder farmers, 2) Strengthened and expanded access to output markets, 3) Increased capacity of smallholder farming households and agricultural systems to better prepare for and adapt to shocks and stresses, and 4) Strengthened continental, regional and government multi-sectoral coordination and mutual accountability in the agriculture sector. Interventions in Ghana will contribute directly to 6 of the 8 overall AGRA Primary Outcomes, all the five cross-cutting outcomes and directly contribute to most of the overall AGRA's intermediate outcomes.

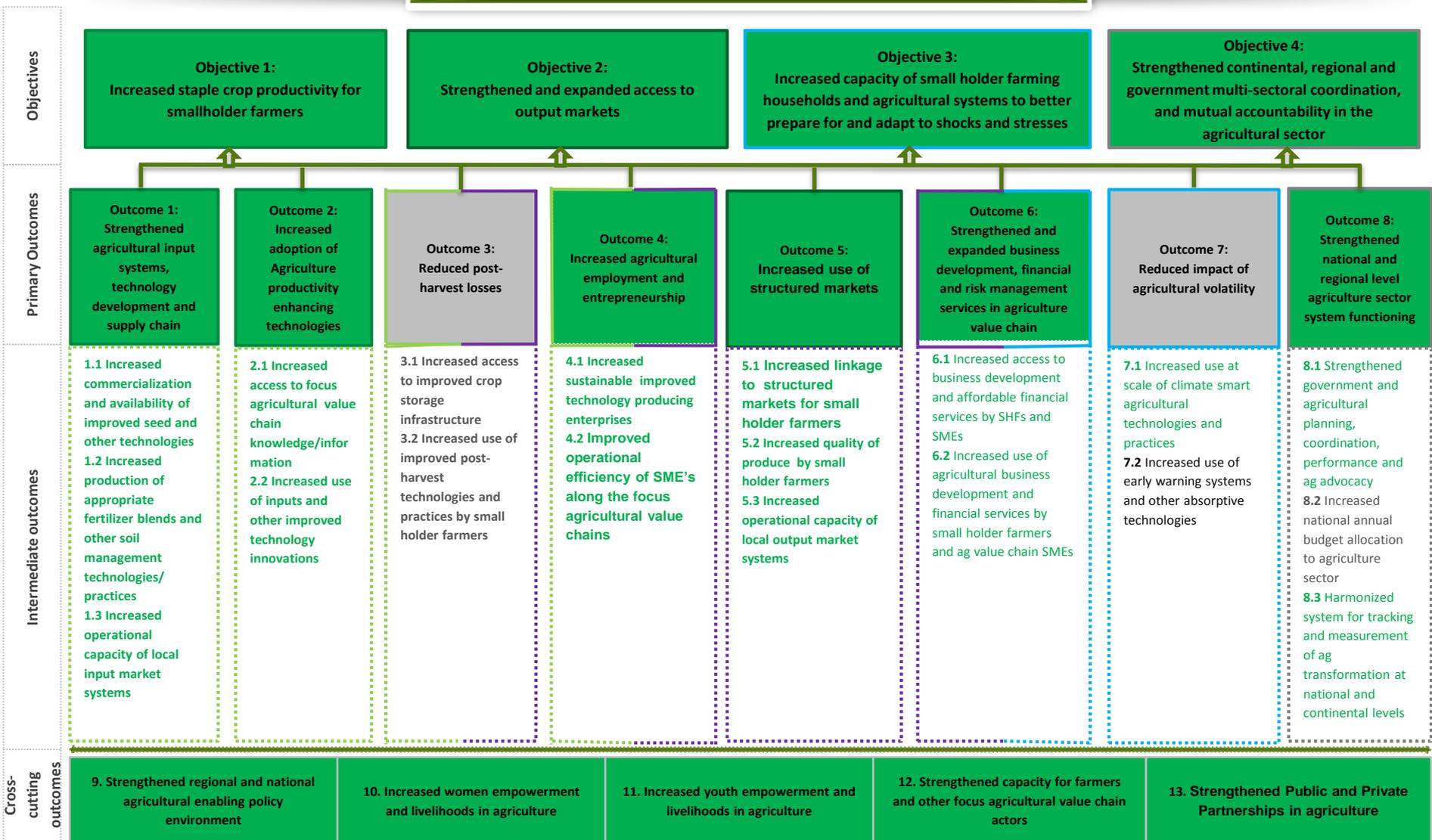
Ghana Results Framework

Direct Focus

Indirect Focus



Goal: Catalyze and Sustain an Inclusive Agricultural Transformation in Africa to increase incomes and improve food security



Key Country Indicators and Targets



Indicators achievement by AGRA interventions



Indicators at nations level



1 GOAL LEVEL INDICATORS I		Baseline 2017	2018 Target	2019 Target	2020 Target	2021 Target
Average number of months of adequate household food provision		-		-		-
Improved food security: Household dietary diversity index)		-		-		-
2 OBJECTIVE LEVEL INDICATORS		Baseline 2017	2018 Target	2019 Target	2020 Target	2021 Target
Average yield (MT/ha) of Crop1		-	-	-	-	-
Average yield (MT/ha) of Crop 2		-	-	-	-	-
Average yield (MT/ha) of Crop 3		-	-	-	-	-
3 PRIMARY LEVEL OUTCOMES INDICATORS		Baseline 2017	2018 Target	2019 Target	2020 Target	2021 Target
Adoption rate of target improved productivity technologies or management practices at farmer level)		-	-	-	-	-
Percent of crop losses during storage)		-	-	-	-	-
Number of jobs created by SMEs receiving AGRA support along the focus value chains)		-	-	-	-	-
Percent of total household produce sold through structured market facilities/arrangements)		-	-	-	-	-
Percent of loan/risk facilities directed to agricultural activities/SMEs in target financial/risk providers)		-	-	-	-	-
Percent of target households with perceived adaptive or coping strategies to shocks and stresses)		-	-	-	-	-

Key Country Indicators and Targets



4 INTERMEDIATE OUTCOMES LEVEL INDICATORS	Baseline 2017	2018 Target	2019 Target	2020 Target	2021 Target
Quantity (MT) of targeted improved seeds of focus crops produced by enterprises/entities supported by AGRA	-	-	-	-	-
Quantity (MT) of fertilizer blends produced by local fertilizer producers supported by AGRA	-	-	-	-	-
Percent of households using target certified seed of improved varieties, fertilizer blends and other improved productivity technologies or management practices	-	-	-	-	-
Cubic meter of storage space developed or refurbished /rehabilitated	-	-	-	-	-
Average fertilizer use (Kg/Ha)	-	-	-	-	-
Percent of farming households using post-harvest technologies/facilities	-	-	-	-	-
Percent of target SMEs along focus value chains operating profitably	-	-	-	-	-
Percent of farmers using structured trading facilities/arrangements	-	-	-	-	-
Quantity (MT) of target crops sold through structured markets)	-	-	-	-	-
Percent target farmers using financial/risk management services of engaged institutions	-	-	-	-	-
Percent of farmers and other stakeholders accessing early warning information to use for value chain planning	-	-	-	-	-
Number of post-harvest technologies sold/distributed to farmers	-	-	-	-	-

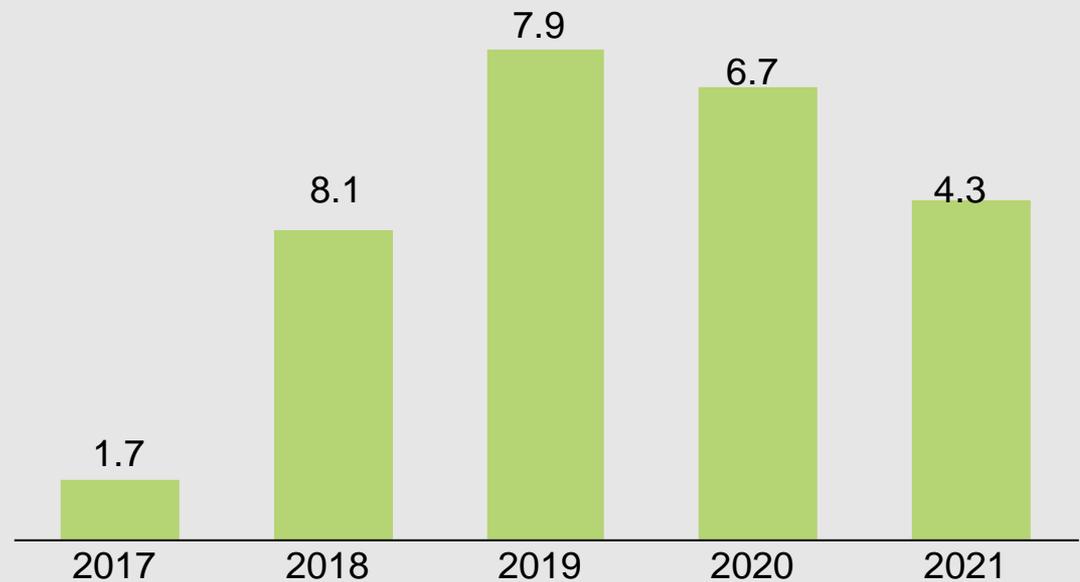
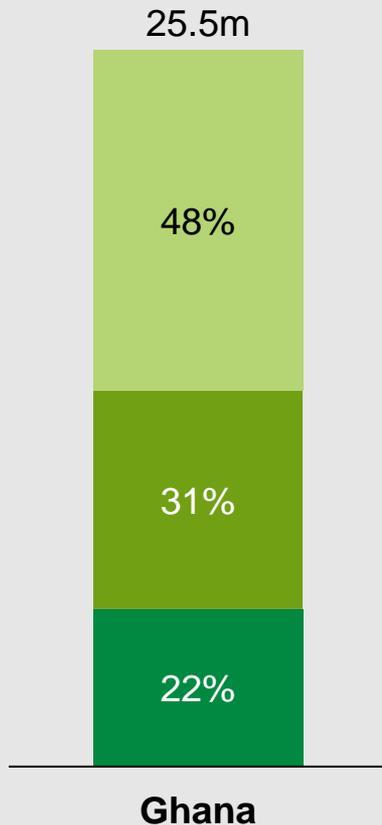
AGRA Projected program costs for GHANA



\$M

Funding areas

Ghana year-by-year projected investments (excl program implementation cost)



- Input systems development
- Market systems development
- Country support and policy engagement

AGRA's organizational capacity to deliver

AGRA's country office will be the frontline for delivering AGRA's interventions in country



VP Country Support, Policy & Delivery

Regional/ Country Manager (Ghana)

- **Country / Geographic service teams (GSTs) will lead regional and country delivery**
- POs and APOs will be **responsible for managing an integrated portfolio of ongoing programs, as well as new initiatives** reflecting the new organizational strategy
- **New initiatives will be developed on the frontlines**, but draw on the expertise and existing body of knowledge within the Nairobi teams (i.e., Program Development & Innovation, Business Development and Strategic Partnerships)

Admin Assistant

Lead Country PO, Ghana with significant country experience

- 2 APOs – 1 covering each focus region**
- APO, Northern Region
 - APO, Brong Ahafo region

GST Finance Administrator

GST M&E Officer

PO – program officer
APO – Associate Program Officer