



Best Practices, Success  
Stories and Lessons Learnt  
from the AVCF

Documenting the Experiences of the Agricultural  
Value Chain Facility (AVCF) in the Northern  
Region of Ghana



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## Accronyms

<b>ADRA</b>	Adventist Development and Relief Agency
<b>AGRA</b>	Alliance for Green Revolution in Africa
<b>AVCF</b>	Agricultural Value Chain Facility
<b>AVCMP</b>	Agricultural Value Chain Mentorship Project
<b>AVCMP</b>	Agricultural Value Chain Mentorship Project
<b>CARD</b>	Center for Agricultural Research and Development
<b>DANIDA</b>	Danish International Development Agency
<b>FBO</b>	Farmer Based Organization
<b>GAABIC</b>	Ghana Agricultural Associations Business Information Centre
<b>IFDC</b>	International Fertilizer Development Center
<b>INTAPIMP</b>	Integrated Agricultural Productivity Improvement and Marketing Project
<b>IPTT</b>	Indicator Performance Tracking Table
<b>ISFM</b>	Integrated Soil Fertility Management
<b>M&amp;E</b>	Monitoring and Evaluation
<b>NRGP</b>	Northern Rural growth Project
<b>REP</b>	Rural Enterprises Programme
<b>SARI</b>	Savanna Agricultural Research Institute

# Executive Summary

The Agricultural Value Chain Facility (AVCF) aims at enhancing access to finance and business services to commercial as well as rural smallholder farmers, actors in the up and down-stream of promising Value Chains (soybean, rice and maize).

The support focuses on improving access to long term finance combined with mentorship (technical assistance) to key players in the value chains. The facility addresses the issues inhibiting the growth of the agricultural sector through three sub-facilities:

(i) Mentorship Services, aimed at enhancing the technical and business skills of farmers and their organizations, as well as rural Small and Medium Enterprises, (SMEs) upstream and downstream actors of the value chains. AGRA engaged four grantees: the International Fertilizer Development Center (IFDC); Ghana Agricultural Associations Business Information Centre (GAABIC), Savannah Agricultural Research Institute (SARI) and Adventist Development and Relief Agency (ADRA) for complementary interventions in the twenty districts of the Northern Region of Ghana.

(ii) A Financial Capacity Development Facility which is on cost sharing basis will support capacity development of participating commercial banks to handle term lending within agriculture;

(iii) A Loan Guarantee Facility from DANIDA to Stanbic Bank to leverage financing and share risks of lending to actors in the agricultural value chains.

There are two Projects being implemented under the Facility namely Agricultural Value Chain Mentorship Project (AVCMP) by IFDC, SARI and GAABIC; and Integrated Agricultural Productivity Improvement and Marketing Project (INTAPIMP) by ADRA. With less than six months for the AVCMP to end and a year for the INTAPIMP, the two projects have cumulatively made some progress in achieving their outputs and outcomes. The AVCF is operational in 626 communities in all the 26 administrative districts in the Northern region. It has in the last four years created a network of 740 FBOs, 475 Agro-Dealers, 56 SMEs and other service providers in the Northern Region of Ghana. Other results are: 27,856 farmers registered as project beneficiaries; Over 4,000 farmers were supported with inputs credit from service providers who the project linked up with the FBOs; Over 10,000 farmers have been linked to service providers (agro-inputs, tractors services and credits); and 126 field demonstration and learning plots were established which served as a centre for ISFM technologies transfers and learning for farmers within the districts. Participating financial institutions (UT and Stanbic Banks) have established agricultural value chain financing units with more decentralized autonomy to branches to support the agricultural sectors with an increased credit portfolio.

AGRA has traditionally been implementing its interventions through program specific grants under the Soil Health Program, Program for African Seed Systems, Market Access Program, Farmer Organizations Support Centre in Africa and the Policy & Advocacy Program. AVCF was the first project which sought to implement most of the key interventions in all the programs in a specific geographical region at the same time within two integrated grants. Therefore with less than year for the entire Facility to end, AGRA believes that Facility has accumulated significant experiences and knowledge that must be documented for knowledge sharing and learning. AGRA therefore commissioned a communication consultant to document the various good practices, innovations, successes and lessons learnt from the implementation of the Facility. The documentation adopted a qualitative approach using documentary review and in-depth interviews with staff of AGRA, Implementing partners, collaborators and beneficiaries.

## **Below is a summary of some good practices and successes:**

- Activities to upgrade the technical skills knowledge of farmers in ISFM technologies were found to be the most successful, with most beneficiary farmers of AVCF interviewed

admitting that their knowledge and skills have been enhanced through the two Projects under the AVCF.

- The adoption of a multi-channel approach for reaching target beneficiaries especially in the productivity components was found to be the reason behind the success in increased awareness and technical skills in components activities. A good number of farmers confirmed many farmers; both beneficiaries of AVCF and non-beneficiaries had "adopted" the new farming practices disseminated through radio programmes, video shows and drama.
- Many farmers confirm that due to the increase in access to farm inputs and tractor services, they have increased their farm sizes. Many farmers also confirmed that their yields have doubled or more due to the adoption of the ISFM technologies introduced.
- The sustainability of the Northern Pre-Season Forum is not in doubt as this has been widely embraced and taken over by other development partners even though the proper acknowledgment due AGRA for the initiative is not being given.
- The Starter Pack Support under INTAPIMP of the AVCF, is a good practice to be adopted and up-scaled. ADRA believes that more impact could have been made if the proposed 10,000 starter packs have been approved by AGRA.
- The tractor and other machinery services support for helping farmers to have access to tractors for ploughing, shelling, planting and harvesting is a good practice. Like the provision of starter pack, this support services helps farmers circumvent the challenges encountered in securing funding for such services.
- The practice of going beyond just group formation by farmers and providing them with the necessary training to strengthen and sustain farmer organisations is a good practice that should be replicated by all development organisations, whether agric-based or not.
- Another success factor has been the factor that many of the FBOs under the AVCF, as part of strategies to maintain group members and encourage others to join, have put in place systems to seek the general welfare of their members.
- The innovations introduced through the AVCF include the ISFM Video Van, Upland rice and the Northern Pre-Harvest Forum.

### **Lessons learnt emanating from the challenges the Facility has gone through include:**

- Access to credit has been the most significant challenge of the Facility and possess the potential to derail a lot of the gains chalked by the two Projects under the facility.
- Farmers have struggled to access input credit which was not part of the credit component of the AVCF while the term financing support has also not yielded the anticipated result.
- People have not been able to access the term finance because of the stringent conditions of AVCF participating banks, despite the guarantee by DANIDA/ AGRA; inability of the SMEs to meet even the basic requirement despite mentorship by the implementers and banks' believe that the implementers are not doing enough to vouch for commitment of their beneficiaries to pay back loans.
- A lot more needs to be done in terms of education of certified seeds usage including viability periods.
- The continuous adoption and sustainability of the ISFM technologies introduced is seriously threatened by irregular weather patterns and declining soil health in Northern Ghana. However, implementers have introduced farmers to improved and resistant varieties.



- There is the need to link up with other projects and agencies that support irrigation systems in the Northern Ghana.

### **Other lessons are**

- The initial plan to have that was not the plan( are talking of FBOs or each farmers) each farmer learning center become of a hub of integrated support to farmers, with each center having an information center and agro-input shop attached, could not materialise because no provision was made for it in the costing of Project funds.  
Sentence not very clear
- The SMEs supported by the AVCF does not meet even national standards of the requirement for classification of SMEs which include workforce of 29 employees with a minimum fixed asset value of \$100,000 for small enterprises and 30 and 99 employees with a fixed value of \$1,000,000 for medium enterprises.
- The AVCF implementers partners could have sought collaborations with other financial institutions outside of the facility to secure loans for their beneficiaries. Another lesson is that each of the financial institutions has different processes and requirements particularly in managing risk. As such project implementers must be well abreast with the specific requirements of each of their partner FIs and tailor the preparation of their beneficiaries towards the specific requirements.



*Section A:*  
**Introduction**



# Chapter 1

## Background

### 1.1 Introduction

Agriculture plays a critical role in the nation's economy in terms of both job creation and significantly raising the Gross Domestic Product (GDP), thus making agricultural development a priority for policy makers, development partners, non-governmental organisations and educational institutions in Ghana. Indeed, it is the mainstay of many African economies because of its attribute of being the largest contributor to every nation's GDP. Agriculture is also a key source of employment especially in rural areas, employing between 60 to 70% of the total population.

According to Crush & Frayne (2011), despite a growing urbanization and social-cultural advancement, the poorest households in Africa are usually rural and smallholder agriculture. The situation in Ghana is not different from the rest of Africa. The sector in Ghana plays a crucial role in reducing poverty and achieving economic growth. Ghana's agric sector contributed about 40% of the nation's GDP in 2014 while about 60% percent of the Ghanaian population rely on agriculture for their livelihood, making it the largest employer in the country. However, despite several efforts by successive governments towards the sector, Ghana's agricultural sector remains largely underdeveloped, with yields of most crops still far below their potentials. At the same time, there is still a very low level adoption of advanced technology in agricultural production and processing. There is also a heavy reliance on rainfall with irrigation in Ghana being 3% of total crop area while less than 20% of irrigation potential is utilised (Diao, 2010).

Consequently, the sector is mostly dominated (90%) by smallholder farmers who are basically subsistent by nature with a total farm holding of less than 2 hectares in size. This has led to a steady decline in the contribution of the agricultural sector in providing foreign exchange, employment and food supply and consequently reducing poverty among the Ghanaian population (Etwire, Dogbe and Nutsuagah, 2013; Naab et.al,2013). The reasons for the decline include limited access to and use of improved seeds and fertilizers; poor soil health management practices; low agricultural land use and poor crop management practices by farmers. Other factors are inadequate extension services and poor research-extension linkages; limited access to agricultural machinery and equipment; poor access of farmers, especially smallholders, to credit due to high interest rates and stringent collateral requirements. Insufficient access to ready and better paying market outlets and high post-harvest losses has also been identified as key demotivating factors for smallholder producers.

To address these challenges and increase food productivity and incomes of smallholder farmers in Northern Ghana, AGRA entered into a funding agreement with the Danish International Development Agency (DANIDA) to implement the Agriculture Value Chain Facility. The intervention was implemented through two separate integrated projects namely; Agricultural Value Chain Mentorship Project (AVCMP) and the Integrated Agricultural Productivity Improvement and Marketing Project (INTAPIMP).

AVCMP is being implemented over a 4-year (June 2011-December 31, 2014) period by three organisations namely International Fertiliser Development Center (IFDC), the Ghana Agricultural Associations Business and Information Centre (GAABIC) and Savannah Agricultural Research Institute (SARI) of the Council for Scientific and Industrial Research (CSIR). Similarly, INTAPIMP is being implemented over 3-year period (Oct 2012-September 2015), but by the Adventist Development and Relief Agency (ADRA).

### 1.2 Problem Statement

Development agencies sometimes try to tackle multiple problems and issues that have dire consequences in achieving a particular development goal or objective using an integrated or value chain approach. However, integrated interventions, which have several interacting components, present a number of special problems during the design, planning, implementation and evaluation stages of the intervention. Like all other development interventions, they are also associated with other useful experiences which must be documented for use by different stakeholders of the intervention. Besides, the challenges associated with such complex or integrated or value chain



interventions, other useful experiences may include good practices, innovations, successes and lessons learnt.

Documenting these, present stakeholders with opportunities to improve challenges/ failures, maintain and/or upscale innovations and good practices and propagate lessons learnt and successes to achieve varied gains. Apart from helping in improving Project implementation experience, documentation also helps users of the documented knowledge to avoid others' mistakes while replicating and/or upscaling innovations and good practices. It is useful in shaping future projects while it also helps in convincing donors that their monies are being put to good use.

AGRA, with funding from DANIDA, has since 2011, been implementing the AVCF in the Northern Region of Ghana, with the aim of contributing to addressing the problem of low agricultural productivity and incomes for smallholder farmers in the region. The first project under the AVCF - the AVCMP - is the first integrated Project to be implemented by AGRA and is jointly implemented by three different grantees, both public and private, which presented separated proposals to AGRA. The second project -INTAPIMP - has an opposite implementation arrangement to the AVCMP, implemented by only one agency. The facility also set out to ease access of SMEs and smallholders in the maize, rice and soya value chains to credit with an assumption that these value chain actors already had access to short term loans and that what they really needed was long term credit for infrastructure development.

Four years into the funding and implementation of the AVCF, AGRA believes that some good practices, innovations, successes and lessons learnt have been generated by the AVCMP and INTAPIMP as well as by the banks that are responsible for the delivery of the term finance. These experiences constitute useful learning moments for AGRA, the grantees, banks and DANIDA. The purpose of this documentation therefore is to identify, capture, analyse and report on these experiences, right from the grant making process to the current stage of implementation of the AVCF.

### **1.3 AGRA/DANIDA Collaboration/ Funding**

Strong partnership (both private/public) are at the core of AGRA goals, objectives and activities. AGRA is primarily an alliance of like-minded and complementary organizations involved in a mutual enterprise to transform Africa's agriculture in order to decrease poverty, increase food and nutritional security, and improve and safeguard its natural resource base. AGRA has been working with varied public and private organisations at different levels in the 16 sub-Saharan African countries it operates in. To this end, AGRA and its partners invest at key points along the staple food value chains, with joint interventions including improved seed systems, soil health, market access, better policies, affordable agri-finance, and collective action through stronger farmers' organizations. One such partnership has been with DANIDA in the implementation of the Support to Private Sector Development-Phase Two (SPSD II).

Following the start of the SPSD II in 2010, after the Business Sector programme Support Phase (2004-2009) had ended, AGRA submitted a proposal to DANIDA to implement an integrated Agricultural Value Chain Facility (AVCF) in the Northern Region of Ghana. The implementation of the AVCF in the Northern Region was influenced by AGRA's mission to trigger a uniquely African Green Revolution that transforms agriculture into a highly productive, efficient, competitive and sustainable system to assure food security and lift millions out of poverty. AGRA's vision is the achievement of food security and prosperity in Africa, through rapid, sustainable agricultural growth based on smallholder staple food crop farmers. The AVCF is part of the interventions being implemented by AGRA with funding from varied donor agencies to achieve its 2020 goals of reducing food insecurity by 50 percent in at least 20 countries; doubling the incomes of 20 million smallholder families; and putting at least 30 countries on track for attaining and sustaining a uniquely African Green Revolution.

The AVCF project is being implemented from 2010 to 2015, was targeted at contributing to the Government of Ghana's objective of achieving food security and becoming an agro-industrial economy. AVCF sought to achieve the following outcomes: Enhanced



capacities of agribusiness SMEs and farmers through mentorship and strengthened linkages among actors across the agricultural value chain; Improved capacity of Banks for term lending across the agricultural value chain and expanded agricultural portfolio; and Improved access of smallholder farmers and entrepreneurs to term lending finance for sustainable agricultural businesses.

Upon consideration of the funding proposal received from AGRA for the above intervention, DANIDA approved an amount of 89 million DKK (approximately 16.5m US dollars) for the implementation of the AVCF. The amount includes funding for the two projects under the facility i.e. AVCMP and INTAPIMP. It also included the credit guarantee funds for three participating banks namely, Stanbic Bank, UT Bank and Sinapi Aba Trust.

### **1.4 Funding/Grant Making Process by AGRA**

The letter of award of grant for the funding of the AVCF was received by AGRA in July 2009. Following this stage, AGRA begun its internal processes to recruit its grantees to directly implement the facility in the coverage area. AGRA initiated discussions with IFDC, GAABIC and SARI on the intended intervention and grant received from DANIDA. The three institutions had already worked with AGRA on previous Projects. IFDC and GAABIC had jointly implemented the GAAD Project while IFDC was at the time also implementing the FtM Project. SARI on the other hand was also implementing a number of AGRA funded interventions in the Northern Region. The three institutions presented separate proposals which were reviewed by AGRA's grant committee. Following this review process AGRA decided to merge and synchronize the three proposals. Eventually AGRA signed agreement with the three organisations to kick start the AVCMP in April 2011. The INTAPIMP Grant was approved by AGRA a year following the start of the AVCMP.

**Photo: Seidu Ali, a client of Ganye Agro-inputs Ltd riding home after purchase a bag of fertilizer from the Savelugu outlet of the company**



# Chapter 2

## Project Summary

The Agricultural Value Chain Facility (AVCF) is a sub-component of DANIDA's Support to Private Sector Development in Ghana Phase Two (SPSD II), which is aimed at addressing three areas of constraints of the private sector in an integrated and coordinated effort. The constraints are (i) insufficient management, business and technical skills, and market linkages among key actors in the agricultural value chains; (ii) inadequate expertise and limited experience in agricultural financing on the part of commercial banks and (iii) inability of financial institutions to on-lend to farmers and SMEs due to shortage of funds or collateral gaps.

### 2.1 Overall Goal and Objectives of the AVCF

AVCF falls under the sub-component of the Enterprise Growth and Job Creation being implemented by Alliance for a Green Revolution in Africa (AGRA). The Agricultural Value Chain Facility (AVCF) aims at enhancing access to finance and business services to commercial as well as rural smallholder farmers, actors in the up and down-stream of promising Value Chains (soybean, rice and maize). In order to achieve the overall goal, AVCF seeks to achieve three specific objectives as follows:

**Table 1: Three Specific Objectives and Outcomes of AVCF**

No	Objective	Expected Outcome
1.	Objective: Improved entrepreneurial and technical skills of SMEs (agro-businesses) and farmers while also strengthening linkages between actors across the agricultural value chains.	Enhanced capacity through mentorship and strengthened linkages among actors across the agricultural value chain.
2.	Capacity of banks developed to lend across the agricultural value chains with a special emphasis on term lending	Improved capacity of Banks for term lending across the agricultural value chain and expanded agricultural portfolio.
3.	Access to commercial finance (in particular term finance) for farmers and agri-businesses (SMEs) in target areas improved.	Improved access of smallholder farmers and entrepreneurs to term lending finance for sustainable agricultural businesses

### 2.2 Coverage, Facility Targets, and Key Intervention Area of the AVCF

The AVCF is being implemented in 626 communities in all administrative districts of the Northern Region of Ghana namely: Tamale Municipal, Savelugu-Nanton, Gushegu, Karaga, Tolon-Kumbungu, Yendi, West Mamprusi, East Mamprusi, Central Gonja, East Gonja, West Gonja, Nanumba North, Nanumba South, Bunkpurugu Yunyoo, Saboba, Chereponi, Bole, Zabzugu-Tatale, Kpandai and Sawla-Tuna-Kalba. AVCFMP is being implemented in 16 districts while INTAPIMP covers 8 districts (including 4 districts jointly shared by AVCFMP and INTAPIMP). These administrative areas have been further divided into 26 districts since the inception of the program.

By the end of the Facility in 2015, the two Projects are expected to reach a target of 50,000 smallholder staple crops farmers (30,000 directly and 20,000 indirectly) cultivating maize, soya beans, rice and groundnuts. The facility also seeks to reach other value chain actors including 400 Agro dealers and 50 SMEs engaged in agro-input sales, aggregation, value addition or micro-processing in the coverage area.

### 2.3 Grantees and Implementing Partners - roles and responsibilities, staffing

AGRA has engaged four grantees: the International Fertilizer Development Center (IFDC); Ghana Agricultural Associations Business Information Centre (GAABIC), and Savannah Agricultural Research Institute (SARI) which are implementing the AVCFMP; and Adventist Development and Relief Agency (ADRA) which is responsible for INTAPIMP to implement the AVCF. Out of the 30,000 direct farmers to be reached by the end of the AVCF, the

AVCMP partners have a responsibility of reaching 20,000, whilst INTAPIMP had the responsibility of reaching 10,000. Other implementing partners of the AVCF are Stanbic Bank, UT Bank and Sinapi Aba Trust. The grantees/ implementing partners work with some collaborating partners such as CARD-FNGO, DADUs, Gumaya and Morruk Combine. The key responsibilities of the grantees are:

**Table 2: Key Responsibilities of AVCF Grantees**

Project	Entity	Role and Responsibility
AVCMP	IFDC	<ul style="list-style-type: none"> <li>To improve entrepreneurial and technical skills of Small and Medium Enterprises (SMEs) for rice, maize and soybean output marketing</li> <li>Also responsible for Project Coordination and Management (PC&amp;M) including the appointment of PC and M&amp;E staff.</li> </ul>
	SARI	<ul style="list-style-type: none"> <li>To improve entrepreneurial and technical skills of Farmer Based Organizations and their member farmers to scale up application of ISFM technologies</li> </ul>
	GAABIC	<ul style="list-style-type: none"> <li>To improve entrepreneurial and technical skills of agro-dealers in rice, maize and soybean farm inputs (seeds and fertilizers).</li> </ul>
	DADUs	<ul style="list-style-type: none"> <li>Collaborate with SARI and ADRA in training farmers in ISFM technologies</li> </ul>
INTAPIMP	ADRA	<ul style="list-style-type: none"> <li>Combined responsibility for all the three objectives of INTAPIMP i.e.                             <ul style="list-style-type: none"> <li>Increased crop production and productivity</li> <li>Improved incomes for smallholder farmers, SMEs, and agro-dealers</li> <li>Improved productive capacity of smallholder farmer groups</li> </ul> </li> <li>Also responsible for Project Management and Coordination</li> </ul>
	CARD-FNGO	<ul style="list-style-type: none"> <li>Delivery of the Starter Pack support intervention</li> </ul>
	Moruuk Combine Ltd	<ul style="list-style-type: none"> <li>Delivery of the Starter Pack support intervention</li> </ul>
	Gumaya Enterprise	<ul style="list-style-type: none"> <li>Delivery of the Starter Pack support intervention</li> </ul>
Both Projects	Stanbic, UT Bank and Sinapi Aba	<ul style="list-style-type: none"> <li>Delivery of term finance to Project beneficiaries</li> </ul>



**Photo: Staff of AGRA visits Siriyi FBO from Sawla Tuna Kalba District**



# *Section B:* **Review of Key Concepts, Related Projects and Methodology**



# Chapter 3

## Key Concepts and Review of Related Projects

### 3.1 Introduction

This section presents information obtained from a rapid scan of the theoretical and empirical literature. The theoretical literature review was limited to definitions and concepts. The empirical literature was limited to a review of AGRA involvement in the implementation of the AVCF and some other integrated projects in Northern Ghana.

### 3.2 Definitions and Concepts

Among the key concepts which influenced this documentation include agribusiness, value chains, good practices, innovations, lessons learnt and success.

#### 3.2.1 Agricultural Businesses

Agricultural business could be defined narrowly or broadly. Narrowly, agriculture consists of growing crops and raising livestock for the market. In the broader sense, it consists of all enterprises that are related to farm level production, on-farm processing, off-farm processing, and trading (input and output). Agricultural businesses therefore involve all value chain activities which generate income for actors in farm level production, input supply, food warehouse management, processing, marketing, research and consultancy services and administration.

Agricultural businesses are operated by both the public and private sector although the latter's dominance in profit-business is marked (Quartey and Egyir, 2011). The key private sector agro-related businesses in Ghana are concerned with crop, livestock and fish farming, agro processing, input supply and market and financial intermediation. Financial service provision is usually through the universal and rural banks. Agricultural research is basically the preserve of the state. There is a Council for Scientific and Industrial Research (CSIR) with about 6 institutes concentrating on agricultural research and development - Food, Animal, Crop, Soil, Water and Savannah Agriculture. SARI is one of such institutes.

#### 3.2.2 The Concept of Agricultural Value Chains

Value chains development is gradually becoming recognized as a means to decrease rural poverty in Africa. Many development organisations thus have joined in promoting

value chains in Africa's agricultural sector as a way of adding value, diversifying rural economies, and contributing to increased incomes of rural households. Ghana can boast of international agencies supporting different value chain aspects of agriculture such as USAID, DANIDA, IFAD, FAO, AGRA, IFDC and ADRA. The concept of the value chain was popularized in Michael Porter's *Competitive Advantage: Creating and Sustaining Superior Performance* (1985). Michael Porter's concept merged different streams of business management theories, focusing on the competitive advantage derived from horizontal and vertical market linkages; and value addition at each linkage and advocated for a firm levelled network approach (Altenburg, 2006).

Accordingly, Value Chain refers to an array of activities necessary to bring a product or service through the different stages of production to the market. It includes input of various services providers and response to consumer demand (Kaplinsky and Morris, 2000).

The successful development of Ghana's rural economy and increasing of incomes of rural poor smallholder farmers therefore hinges on the productivity and efficiency of agricultural value chains. Increasing the competitiveness of the various value chain actors dependent on agriculture and agribusiness will help increase their incomes and wealth. This explains why the donor community, realizing that upgrading the performance of individual actors may have less impact, has shown significant interest in value chain analysis and implementation.

According to Austin (2007), value chains sometimes contain forces, which if not well managed could disturb the ideal management of the chain even when obvious market opportunities or collective benefits exist. Power, learning, innovation, and benefits are some of these forces. At the heart of value chain development is trust among the various actors, leadership, weak information or lack of scale. Austin (2007) therefore urges actors to strive to strengthen mutually beneficial linkages and collaborate to take advantage of the opportunities. He explains that efforts to externally manage these value chain forces have so far usually not yielded good results with weaknesses building up overtime.



### 3.2.2.1 The Critical Role of Access to Finance to the Development of Agricultural Value Chains

All aspects of the value chains must be seen as single structures if the chain is to be successful. Accordingly, IFAD (2012) identifies access to affordable finance as very critical to value chain development, ensuring the flow of funds to and among the several links within a value chain. The conventional agricultural financing from financial institutions may not be regarded as value chain finance unless there is a direct link to supporting a specific value chain activity. Agricultural value chain financing relies on *production, value-added and marketing processes to decide the financial needs of chain actors and find innovative finance solutions to them.*

IFAD (2012) mentions financial instruments used in agricultural value chains to include product financing, receivables financing, physical-asset collateralization, risk mitigation products and financial enhancements. Product financing and financial enhancement is of essence to understanding the lessons, innovations and good practices within the AVCF. IFAD (2012) makes some relevant recommendations which are worth considering under the AVCF. These include considering non-financial alternatives such as joint stakeholder workshops to probe in addition to technical support to actors to help them meet the requirements of viable, sustainable chain operations.

It counsels donor organizations to refrain from **crowding out the private sector and other initiatives with grants** to avoid distorting financial markets, especially for activities that they are already financing through debt financing. According to IFAD (2012), grants should only be provided as a temporary measure to finance gaps and start-ups and where there are prospects for sustainable long-term value chain finance irrespective of the grants.

IFAD (2012) describes local financial delivery as most ideal to ensure sustainability following close out of projects and argues for the early inclusion of local financial institutions in the chain development process. Local financial institutions in this instance will include community and rural banks, which are scattered in the AVCF operation zone and managed by ARB Apex Bank. Also mentioned

is the need to ensure efficient finance by lowering cost and risk through the provision of credit through the strongest actor(s) in the chain. As such donor agencies should not encourage the direct financing of smallholder farmers and agribusinesses if there are more efficient and effective ways to finance them.

### 3.2.3 Some Relevant Knowledge Capitalization Concepts

Knowledge Capitalisation involves processes to identify, capture, analyse, package and share with others using communication media. It is part of Knowledge Management, which consists of activities focused on an organization gaining knowledge from its own experience and from the experience of others, and the judicious application of that knowledge to fulfil its mission. This documentation exercise was influenced by a number of knowledge capitalisation concepts, namely best practices, lessons learnt, innovations and success. Below are the definitions of these concepts:

#### 3.2.3.1 Innovation

A process, idea or product which adds value or brings a solution to a problem in a new way. To be innovative, an idea, a product or an approach must be new in the context in which it is applied; useful with regard to the goal sought after or to resolve a specific problem; and capable of lasting after the trial. There are three types of innovations namely technological or practical type; institutional, methodological or managerial; and political i.e. new measure or regulation.

#### 3.2.3.2 Best/Good/ Sound Practice

An experience or process or an innovative action (method or technique) which led to substantive results or remarkable changes in a given locality over time, and can be replicated and/or act as sources of inspiration elsewhere. No practice is best for everyone or in every situation. The caution is that no best practice remains best forever.

#### 3.2.3.3 Lessons Learnt

Knowledge or understanding gained by experience that has a significant impact for an organization, and that is important enough to be communicated to different stakeholders. This knowledge is derived from the reflection, analysis and conceptualization of the experience that has the potential to improve

future actions. Lessons learnt are embedded in activities that fall under the following categories: Planned and successful; Planned but failed; Unintended but successful; and Failed and not planned. Lessons can be derived by finding answers to the following questions: “ who, what, where, when, why and how?”.

#### **3.2.3.4 Success in Development Interventions**

A transformative intervention that leads to a sustainable change in people's standard of living. It should be linked to the organisation's goal and objectives, or part of a clear story that explains how your intervention has contributed to improvement in livelihoods. Though crucial, development success is not “Increase in the quantity of inputs, or range of activities” since the key determinants are impact; long time sustainable change; tackling the root cause and not symptoms. A success story is therefore a narrative that highlights an organisation or person's achievement and progress of activities.

### **3.3 Multi-Stakeholder Partnership in Project Implementation**

For any agricultural venture and extension to be successful, a wide range of institutions and actors operating within the value chain must function optimally (Hall et al 2005). This is necessary to understand farmers needs and find corresponding solutions. Interventions such as the AVCF will only succeed if there is full utilisation of available expertise through active participation and partnership with local actors such as NGOs, government units, farmers' organizations and relevant private sector service providers. Tapping into these organizations is important in the partnering process. Aside having their own extension networks, local actors may have comparative advantages (e.g., capacity and experience) in knowing the most pressing needs of farmers.

One critical local actor in the agricultural sector at the community level is the FBO leadership. Local champions like the leadership of FBOs are influential in marshalling the community when development interventions are executed in their respective places. Organizing farmers to take part in farmer learning center activities, field demonstrations, training activities, mentorship events and other related activities

is easier because of the facilitative help provided by the local champions. Partnering with local champions offers project teams, NGOs, and extension staff the needed credibility, particularly when new technologies are being introduced in a community. The FBO leadership links farmers to agricultural extension workers, relevant services providers, NGOs, civil society organizations, and local leaders. Each can help to sustain the innovation activities, especially when donors or outside funding would no longer be available (Killough 2005).

Another critical partnership needed to enhance any meaningful agricultural development intervention is public-private partnerships. *The successful adoption of this intervention is not assured even if innovations are suitable to the needs of end-users. It requires some additional ingredients. First, innovative solutions should be possible for it to be locally reproduced, especially in the case of tangible innovations such as seeds, equipment and machinery. Second, adoption of technology also depends on the price, relevance, profitability, adaptability, and replicability of the technology for wider use (Douthwaite et al 2001).* As a result of this, the participation of the local production and inputs supply sector is vital. For example, local agro-input producers and suppliers must have the technical and financial capacity to make the technology (e.g., production of certified seeds, improved varieties and agro-processing equipment) at an affordable price for large scale promotion and use. Partnership between the public and private sector is designed to meet this challenge and help farmers gain income and profits. In the case of AVCF, some of the public sector actors critical are SARI and District Agricultural Development Units. The private sector actors include IFDC, GAABIC, the financial institutions, agro-inputs dealers, nucleus farmers, service providers such as CARD, Excel, SFMC etc.

### **3.4 Some Integrated Projects and Programme Operating in Northern Ghana**

#### **3.4.1 The Rural Enterprises Programme**

The Rural Enterprises Programme (REP) is part of the Government of Ghana's development agenda to reduce poverty and



improve living livelihoods in rural areas, by promoting the infrastructure, technologies, and skills needed for private sector development. Its development objective is to increase the number of rural micro and small-scale enterprises that generate profit, growth and employment opportunities.

REP is designed within the context of the agricultural modernization and micro and small-scale enterprises development priorities of Ghana. It supports Ghana's Shared Growth and Development Agenda (GSGDA) which focuses on poverty reduction; skills improvement; promotion of the use of appropriate technologies; improvement of access to capital resources for the rural entrepreneurs; and capacity building in agricultural commodity processing. The GSGDA identified the agriculture sector as an engine of inclusive growth and source of employment. REP is therefore aimed at strengthening the linkages between the agriculture sector and the industry and services sectors.

#### ***The Value Chain Support Services of REP***

It builds on the model of value chain support services to Medium and Small-scaled Enterprises (MSEs) by providing business development services, technology support, access to finance and institutional development. REP is expected to focus on agricultural value chains through the provision of relevant services towards the establishment of pre & post-harvest, agro-processing and agro-industrial businesses. It is therefore delivered through four integrated components namely Business Development Services (BDS); Agricultural Commodity Processing Infrastructure Development (ACPID); Access to Rural Finance (ARF); and Institutional Development (ID).

#### ***Programme Implementation Arrangement***

The first three components are implemented by two public sector national agencies and one private sector umbrella group respectively. REP therefore uses the National Board for Small-Scale Industries (NBSSI) to deliver the BDS component through the establishment of Business Advisory Centers (BACs) at the district assembly level. Through a tripartite arrangement, REP, NBSSI and the host district assembly commit resources to the BACs to implement their activities. The same situation

occurs in the implementation of the ACPID component, where REP collaborates with GRATIS Foundation with support from the respective District Assemblies to establish Rural Technology Facilities (RTFs), which are the field unit for field level implementing units for ACPID. The Access to Rural Finance component is delivered through various community and rural banks accredited by the ARB Apex Bank or the Bank of Ghana. The scope of financial institutions delivery credit under REP has now been expanded to include other non-banks financial institutions such as savings and loans and credit unions. REP also collaborates with many other development agencies, both public and private including NGOs.

What the Ministry of Trade and Industry, which is the executing agency does is to establish a Programme Coordination and Management Unit (PCMU) to manage the day to day running of Project activities and funds. However, the PCMU has signed an MOU with all relevant implementing partners and collaborators, including NBSSI and GRATIS (both of which are under the Ministry of Trade and Industry) on their various responsibilities and tasks. As contained in the various MOUs signed, the various implementing partners submit their Annual Work Plans and Budget (AWPB) to the PCMU at the beginning of each year for approval before funds are released. Monitoring and evaluation of REP funded activities is jointly undertaken by the individual implementing partners and units. But the PCMU has ultimate responsibility for M&E and defines the various M&E indicators in line with the Results and Impacts Measurement Systems (RIMS) of the donors.

Under this implementation arrangement, the ultimate responsibility for Programme implementation rests with the PCMU which reports to the Ministry of Trade and Industry. The donors – International Fund for Agricultural Development (IFAD), African Development Bank (AfDB) and Government of Ghana (GoG) do not deal directly with the various implementing partners REP has signed MOUs with when it comes to Programme Implementation.

This implementation arrangement is yielding tremendous results, with REP's predecessors Rural Enterprises Project Phases One and Two, achieving most of its output and outcome

targets set in the appraisal documents. This is because the PCMU has always wielded the desired power to direct and redirect the course of Project implementation. It had the power to approve and disapprove the AWPBs of the various implementers.

In terms of Gender, the M&E Specialist at the PCMU has the gender focal point. Women accounted for 62 per cent of REP II clients, reflecting proactive targeting, and the same trend is expected for REP. Women have been the dominant client group in all major subsectors except metal works, garages, carpentry and bee-keeping. Nevertheless, since agribusiness generally is considered more attractive to men than women, the PCMU pays special attention to proactively including women and to complementing priorities to agribusiness with attention to other activities that may be more attractive to women (IFAD, 2011 & AfDB, 2012).

### 3.4.2 The Roots and Tubers Improvement and Marketing Programme

The Root and Tuber Improvement and Marketing Programme (RTIMP) is a follow-up to the Root and Tuber Improvement Programme (RTIP), which was implemented over 1999 to 2005. RTIMP is being sponsored by the International Fund for Agricultural Development (IFAD) and the Government of Ghana (GoG) for a period of 8 years. The programme is being implemented across 60 districts. RTIMP is aimed at developing the roots and tubers value chains focusing research, crop production, extension and the development of downstream activities like processing and marketing to ensure that the farmers reap the full advantages of higher yields and production. Also included in the services are the financing of the Root and Tuber value chain businesses.

The goal of RTIMP is to enhance income and food security to improve livelihoods of the rural-poor and to build a market-based system to ensure profitability at all levels of the value chain. The purposes of RTIMP are to:

- Enhance market relations within the Root and Tuber commodity chain to ensure a

“pull” factor for increased production; and to facilitate a better balancing of supply and demand.

- Promote a sustainable enhancement of farm level productivity of root and tuber crops (Cassava, Cocoyam, Yam, Sweet potato, Persa (Frafra potato).
- Improve root and tuber processing and marketing.
- Increase access of the economically active poor to working capital and investment capital by promoting new target-group specific lending instruments.
- Develop related organizations including the creation of an Apex Body for root and tuber commodity chain.
- Undertake information dissemination, education and communication campaigns on roots and tuber value chains.

The services of RTIMP are delivered through the following components:

- Support to increased commodity chain linkages
- Support to Root and Tuber Production
- Upgrading of Small-Scale roots and tubers Processing, Business and Marketing Skills

#### **Programme Implementation Strategy**

The implementation strategy of RTIMP is similar to that of REP. The Ministry of Food and Agriculture, the supervising ministry, has set up a PCMU, which is responsible for the day to day running of Project activities. However, the PCU works with many partners, both public and/or private, through a contractual agreement or an MOU in undertaking the following:

- **Commodity chain integration:** These are private sector led pilot linkage activities aimed at removing bottlenecks that impede 'pull' factors for increased crop production. It also targets a better balance between supply and demand for root and tuber produce and products. Specific interventions are funded through an Initiative Fund (IF) to ease market processes and relations within the commodity





chains.

- **Processing/trading/marketing:** This is aimed at promoting efficient processing technologies and establishing good practice centres (GPCs) for exposure visits; providing training in business management, marketing and organisational skills. Under this strategy element, matching grants are provided targeting the “poorest of the poor” the purchase of better equipment ("private goods") through a Micro-Enterprise Fund (MEF). The PCU contracts the BACs of REP in undertaking some activities under this group.
- **Crop production** to continuously work towards increasing productivity, enhancing profitability and removing drudgery in the production of roots and tubers crops through an improved extension delivery service. A number of Farmer Field Fora have been organised to enhance learning and action in the areas of development and dissemination of new varieties, improved crop husbandry and soil fertility management and integrated pest and disease management.
- **Grassroots empowerment** of local institutions including the creation of an Apex Body for the commodity chain players. The

**Photo: Abu Sakara from Alipe looks into the future with smiles as his maize farm begins to bear fruit thanks to the AVCF intervention**



Apex Body would represent the interests of all stakeholders in the roots and tubers subsector. Its primary mission would be to ensure that the small-scale operators also develop a capacity to deal effectively with market forces, by gradually empowering them to participate on an equal footing with other operators in decision-making and policy dialogue on matters of interest to their commodity chain.

Like that of REP, the PCMU of RTIMP has all necessary powers over all implementing partners and is only answerable to the supervising ministry. It has complete control of all the partners in the implementation of RTIMP activities.

### 3.4.3 The Northern Rural Growth Programme

The Northern Rural Growth Programme (NRGP)'s overall goal is to contribute to an equitable and sustainable poverty reduction and food security among rural households. The specific objective is to increase northern Ghana's area rural households' income on a sustainable basis. The Programme consists of four components: (i) Commodity Chain Development; (ii) Rural Infrastructure Development; (iii) Access to Rural Finance; (iv) Programme Coordination.

The Ministry of Food and Agriculture (MOFA) is the Executing Agency of NRGP but the day to day running of the Programme is managed by the Programme Coordination Unit, which is only responsible to the Ministry of Food and Agriculture's Chief Director's office.

Direct implementation of NRGP's activities is undertaken at the regional level by Regional Agricultural Development Units (REDUs) and at the district levels by District Agricultural Development Units (DADUs) through front line staff and subject matter specialists. NRGP also collaborates with other development actors, but all are subject to the control of the Programme Coordination Unit.

# Chapter 4

## Methodology for Documentation

### 4.1 Introduction

In this chapter, first, the approaches and assumptions underlying the methods adopted in determining the good practices, lessons learnt and success stories in the implementation of the AVCF, specifically the AVCMP and INTAPIIMP and associated Term Finance by the Financial Institutions in the Northern Region of Ghana are explained. Second, the method of data collection and analysis of the specific objective is described. The specific objectives are to: Document the processes leading to the award of grants for the implementation of the AVCMP and INTAPIIMP ; what influenced the design of “Two projects-in-One Intervention” for the same geographic area; implementation, coordination and management arrangement of the two projects; and identify and document the best practices, success stories and key lessons learnt from them. Some recommendations that can guide AGRA and her partners in the design, implementation, monitoring and evaluation of similar projects in the future are provided. Finally, the scope and limitations of the study is presented.

### 4.2 Approaches and Assumptions

A two-step approach was employed to complete the study. First is the review of relevant documents and desk search of empirical literature on Programme implementation particularly on the implementation of integrated development projects in Ghana. The second step was to interview selected staff of AGRA on processes leading to the award of the grant for the two projects. Staff of ADRA, IFDC, GAABIC, SARI, Stanbic Bank, UT Bank and Sinapi Aba Trust were also interviewed on Project implementation arrangement processes, activities, outcomes and lessons. Selected beneficiaries of the two projects were selected and interviewed on their success stories and possible effects of the challenges caused by the Project implementation arrangements.

The methodology for data collection and analysis were guided by the following assumptions:

1. The AVCMP and INTAPIIMP interventions are complex projects despite being relatively smaller interventions, with a total Project sum of less than \$10 million.
2. Implementation of AVCMP would have been more efficiently and effectively

delivered through one Project, as is being done through INTAPIIMP and not the current implementation arrangement.

3. The AVCMP, one of the two Projects under the AVCF, would have been effectively and efficiently managed if IFDC, being responsible for project coordination, had been given a greater power to approve, monitor/evaluate and sanction the activities of GAABIC and SARI.
4. That AGRA having signed a 50/50 credit guarantee agreement with three financial institutions, to mitigate some of the risk commercial banks bear in lending to SMEs, will lead to more people receiving credit from the financial institutions.
5. A comparative study of the AVCMP and INTAPIIMP grant making arrangements can yield some good practices, successes and lessons relevant for improving the AVCF and could be used in developing future facilities.

### 4.3 Sources and Methods of Data Collection

As indicated earlier, relevant data/information for the study was collected from two staff of AGRA through in-depth interviews. Key staff of the implementing partners of the two projects, namely IFDC, GAABIC and SARI for AVCMP; and ADRA for INTAPIIMP were also interviewed. Interviews with AVCF desk officer for Stanbic Bank and UT Bank were done via telephone while that of Sinapi Aba Trust was through a face-to-face interview. These respondents participated in the documentation exercise as primary sources of data on their relevant areas in implementing the AVCF.

The General Manager of CARD, and Two District Agric Extension Officers were also interviewed as collaborating partners.

**See Appendix 1 for the list of persons interviewed.**

Another primary source of data for the documentation exercise was the beneficiaries of both AVCMP and INTAPIIMP. These included FBO leaders; smallholder farmers; agri-input dealers and nucleus farmers. Data from these





were also collected through face to face interviews. Information gathered from the beneficiaries, apart from being used in writing cases of success stories, were very key in making conclusions and recommendation on the good practices, innovations and lessons learnt. Some field observations were also conducted, particularly in gathering photographic and video materials.

Another critical source of data for the documentation was the various progress reports from the AVCMP and INTAPIMP.

#### 4.4 Sampling Technique

Since this study was based on the qualitative research method, a purposive sampling technique was employed in selecting all the interviewees. This was done to ensure that the right persons, who could provide the relevant information, were interviewed. In the case of the implementers, the key staff were automatically selected for the interviews. However, in the case of the beneficiaries, the lists of interviewees were left to the implementing partners to choose, especially when the focus on the clients was their success stories and challenges encountered as a result of the Project implementation arrangement.

#### 4.5 Instrument Design

In all three categories of data collection, instruments were designed to guide data collection. The first was an experienced documentation template which was sent to all implementing partners prior to the conduct of interviews (See Appendix 2). The second was a well-structured interview guide used to guide data collection from the beneficiaries of the two projects (See Appendix 3). The third was six specific interview guides for the key staff of AGRA, IFDC, SARI, GAABIC, ADRA, UT Bank, Stanbic and Sinapi Aba Trust. Each interview guide in the last category was specific to the mandate of each institution in the implementation of the AVCF (See Appendix 4). Also, the researcher used photography and video recording as data collection tools.

#### 4.6 Method of Data Analysis and Presentation

The study sought to investigate and document the best practices, success stories and key lessons from the implementation of the AVCMP and INTAPIMP projects (AVCF), from design to current stage of the two projects. The data collected from the interviews were transcribed and analysed.

The analysis was based on the definition operationalized under the four knowledge capitalisation concepts as cited in chapter two. These concepts are good practices, innovations,

successes and lessons learnt. Based on these concepts some knowledge modules were developed from the components and activities of the various implementing partners.

Findings are presented in the form of narrations, inferences and direct quotations according to themes to be developed based on the objectives of the study.

**Photo: Some female members of the Kuligpegu FBO harvesting from their soya bean demonstration farm**



# *Section C:* **AVCF Field Work**



# Chapter 5

## Project Implementation

### 5.1 Start Up

Actual implementation of the AVCF started with the commencement of implementation of the two Projects under the facility within the respective districts. AVCMP commenced on April 2011 while INTAPIMP started a year later on October 2012. Startup activities included the recruitment of staff for Project coordination and management and to manage the various components as well as the setting up of offices.

Following the establishment of function Project Coordination Units, the implementers kick started implementation with technical reviews for project staff and stakeholder engagements with relevant key stakeholders to discuss the goal, objectives and activities of the Projects. This was followed by visits to communities in the project area to sensitize community chiefs and opinion leaders about the project and to solicit their support in the implementation of the project. Visit to the project communities enabled the project team to engage some of the community members to find out about the farming challenges and seek from them their views on how best the challenges could be addressed.

ADRA also used the start up period to engage the aggregators and service providers on modalities for implementing the starter pack intervention and subsequently signed MoUs with them. During the period, the project team initiated discussions with some tractor operators identified to provide ploughing services to farmers. Because INTAPIMP started after the AVCMP, ADRA as part of the startup period also engaged IFDC, SARI and GAABIC for collaboration in the overlapping districts.

A key lesson of actual program start up was the misunderstanding between AGRA and DANIDA on the AGRA's mode of operations. Despite having the knowledge that AGRA does not engage in direct field level implementation and needed to recruit implementers, there were some misunderstanding on the length on and mode of AGRA's internal grant making processes. Accordingly, DANIDA expected some field level implementation to start at a particular time, by which time AGRA had not concluded its grant making process to select and sign contracts with IFDC, SARI and

GAABIC. This misunderstanding significantly affected the overall program set up processes. More is discussed under knowledge module 8.8 in chapter 8.

### 5.2 Selection of target beneficiaries

The selection of beneficiaries begun with community entry and sensitization, since the districts had been pre-determined in the contract signed between the grantees and AGRA. Selection of communities were undertaken in collaboration with the various districts officers of MoFA based on following selection criteria:

- Communities committed to the objectives of the project and ready to work with ADRA in its implementation
- Communities that are peaceful with no protracted social / ethnic / religious conflicts that have the potential to adversely affect project implementation
- Community must have leaders willing and interested to collaborate / champion the project
- Community should not have similar project being implemented by other organisations (partners & other organisations) to avoid duplication and attribution challenges.

The community level stakeholder consultations mentioned earlier takes after the pre-selection. Based on the response of the communities and their FBOs, they were either selected or avoided. In the case of INTAPIMP, in communities without existing FBOs, resident farmers were allowed to form their groups based on their own affinity and cohesion with the facilitation of the project team and MoFA staff. Selection of the farmers into the FBOs was principally based on the following criteria:

- Farmers / households with low incomes and limited productive assets
- Have access to land (ownership, rental, leasehold, etc).
- Willingness to belong to an FBO and abide by the established regulations / by-laws
- Willingness to learn, accept, and practice new farming technologies and adopt group marketing strategies
- Willingness to comply with the policies

### 5.3 Beneficiary numbers and distribution in target areas

As of December 2014, the AVCF project is currently being implemented in 626 communities in all the 26 districts of the Northern Region and so far working with 27,856 (92.9% achievement) farmers directly and 49,214 (246 % achievement) farmers indirectly. These farmers are receiving direct and indirect technical training in integrated soil fertility management (ISFM) and business development services. In total, the project is working with 740 FBOs, 475 agro-dealers and 56 SMEs located across the 26 project districts. Forty percent (40%) of the direct farmer beneficiaries are female. See Table 3 details:

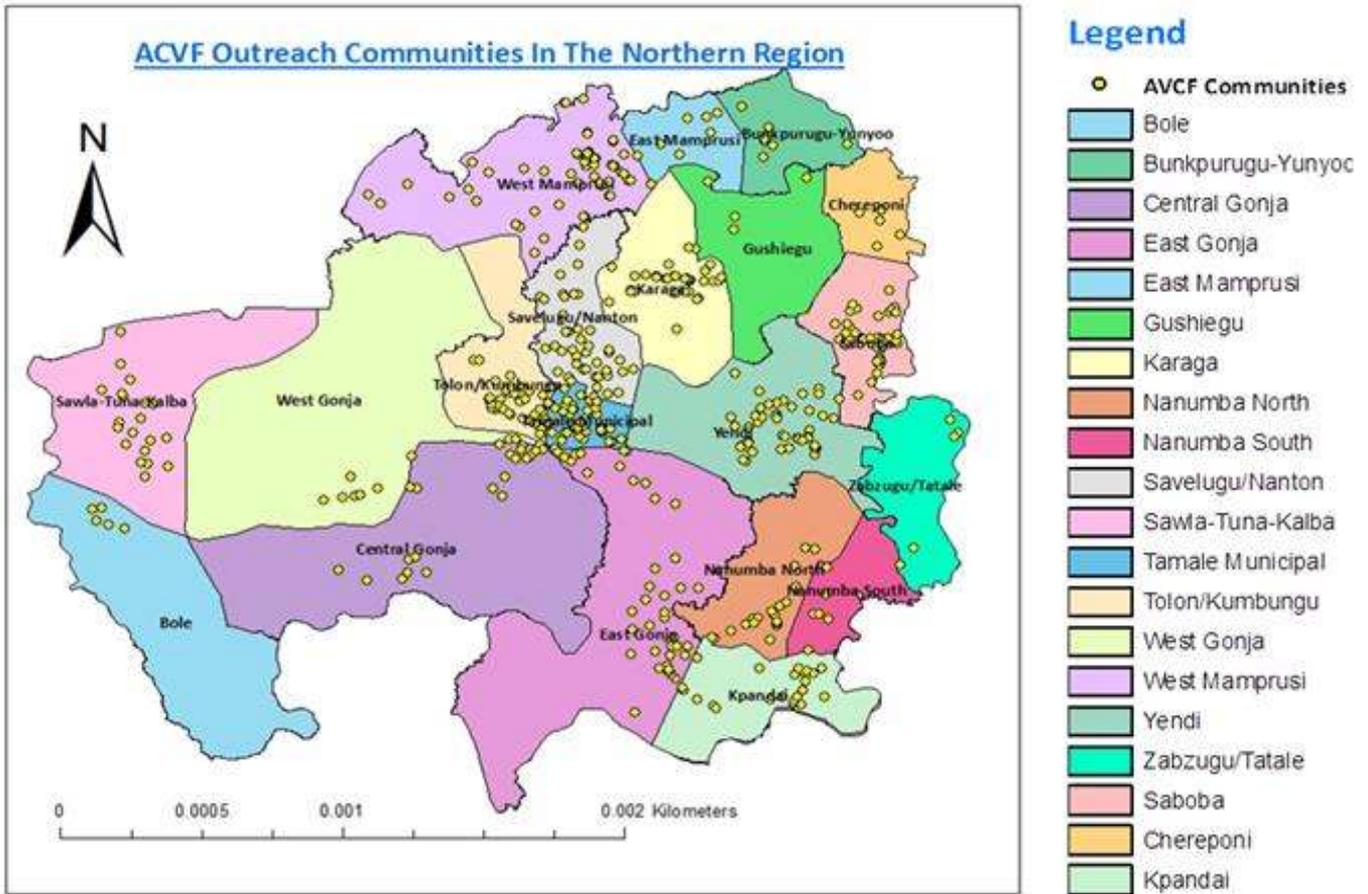


Figure 1 contains the map of the Northern region showing the AVCF focused districts and communities.

and procedures of the project

- Interested and willing to share learning experiences with non-FBO members

### 5.4 Key activities, processes or strategies used

- The main activities implemented by the two Projects towards the expected outputs, outcomes and impact include to:
  - Identify existing FBO involved in maize, rice and soybean production and facilitate the establishment of new ones
  - Train FBOs in ISFM technologies, business planning, crop management, use of credit, credit repayment, and group dynamics and identify the stakeholders involved in ISFM for scale up –
- Help FBOs to aggregate agri-input demands from their members and link them to dealers and service providers, assisting them to understand and develop contracts to access inputs from agro-dealers on credit if need be.
- Facilitate interactive meetings between agro-input dealers and companies
- Train SMEs in entrepreneurship and technical skills to enable them to develop and manage viable businesses
- Train SMEs and FBOs to build their capacities and support them develop bankable business plan to access credit from Stanbic Bank, UT Bank and



Sinapi Aba Trust for seeds and other agri-inputs.

- Provide credit guarantee fund for the FBOs to access improved seeds from the Agro-dealers
- Train and certify agro-input dealers in business and technical skills to enable them develop and manage viable farm input businesses
- Link SMEs and Farmers to domestic, regional and international markets to sell their produce

As a value chain facility, the AVCF has applied a holistic and integrated approach to address the problems of inadequate management, business and technical skills, as well as poor access to finance and markets among actors along the value chain. Specifically, implementers have adopted a multi-channel approach involving both traditional and modern channels. Both interpersonal and mediated communication channels have been used to reach out to beneficiaries. The implementers have used direct interpersonal channels including mentorship to reach out to individual SME operators, service or farmer Group channels such as farmer field days held on ISFM on farm demonstration sites; training and demonstration on farmer learning centers; FBO meetings and drama have been also used.

Another significant group communication channel used has been the periodic networking events organized among specific value chain actors. These include the Pre-Season Harvest Events and that of Agro-dealers to foster information sharing, trade linkages, and learning from best practices. In addition farmers, SMEs and service providers reached and educated through mediated channels such as community radio discussion programs and video through the Tricycle Video Van. The latter has proven to be an important strategy looking at the huge number of indirect beneficiaries it has reached. Also some print materials on ISFM produced and distributed to FBOs and smallholder farmers.

To ensure sustainability of interventions under the Facility, the project is designed in way that FBOs and their member smallholder farmers will be supported by the agro-dealers, SMEs and commercial banks once AGRA funding

comes to an end. The implementers have sought to build the capacity of national institutions to support wide scale up of ISFM technologies. The general approach has been directed toward facilitating behaviour change in value chain actors so that knowledge and skills acquired becomes part and parcel of them and building empowered relationships.

## 5.5 Project coordination/management

The IFDC grant uses the consortium approach to implement a mentorship project with SARI, GAABIC and IFDC being responsible for deliverables related to farmers, agro-dealers and SMEs respectively.

Under the AVCMP Grant, IFDC is responsible for Project Coordination and Management and appointed Project Coordinator, M&E Officer and other auxiliary staff. However, the other implementing partners are directly responsible to AGRA for their implementation of planning, budgeting, management and reporting of activities under their respective components.

ADRA Ghana implements the second grant as a single grantee using service providers to deliver on all outputs and outcomes for farmers, input dealers and SMEs. DANIDA has also signed a credit guarantee schemes with Stanbic Bank, UT Bank and Sinapi Aba Trust to leverage \$66 million in medium term- credit facilities to value chain actors with emphasis on Agri-SMEs which are being mentored under the AVCF.

AGRA, being the main grantee to DANIDA for the implementation of the AVCF, has overall responsibility towards ensuring the attainment of the goal and objectives of the Facility. To this end, AGRA plays a key coordinating role, ensuring the timely release of funds to the implementing level grantees and judicious of the funds by same. Without micro-managing the field level activities, AGRA appointed a Project Coordinator, based in the AGRA officer to lead in the supervision of and provision of strategic direction for field level activities by the implementing partners. Together with other key AGRA staff including the M&E Specialist, AGRA provides constant technical

# Chapter 6

## Monitoring and Evaluation

*If you do not measure results, you cannot tell success from failure; If you cannot see success, you cannot reward it; If you cannot reward success, you are probably rewarding failure; If you cannot see success, you cannot learn from it; If you cannot recognize failure, you cannot correct it; If you can demonstrate results, you can win public support (Adapted from Osborne & Gaebler 1992).*

Like all other projects and programs funded by AGRA, M&E is of a high priority to both financiers and implementers, providing consolidated source of information showcasing Project progress for learning and necessary follow-up action. The main objective of monitoring and evaluation under AVCF is to track implementation outputs and outcomes systematically, and measure the effectiveness of programs. It has helped in determining exactly if and when Project implementers and other stakeholders are on track and when changes are needed.

### 6.1 M&E Plan Development and key indicators

The purpose of the M&E plan was to:

- Explain in detail how AGRA and its grantees were to monitor the various activities and grants to determine levels of achievement of intended results and measure larger impacts over time through rigorous evaluations.
- Serve as a guide for project implementation and management, so that AGRA's Program officers, Directors, Management Committee; DANIDA; and other relevant stakeholders would understand the progress made at every point in time toward the achievement of objectives and results, and are aware of variances between targets and actual achievement.
- Establish a process to alert grantees, project managers and officers, AGRA management and DANIDA to any problems in project implementation and provide the basis for making any needed project adjustments.
- Outline the flow of data and information from Stanbic and grantees through AGRA and DANIDA both for public consumption and to inform decision-making. It sets the mechanisms that assure the quality, reliability and accuracy of program performance

information and data.

- Outline any M&E requirements that grantees must meet in order to receive disbursements.

The M&E plan served as a management tool for accountability for results and transparency, and the measurement of the efficiency, effectiveness, impact and sustainability of the AVCF supported interventions. **The AVCF M&E Plan with key performance indicators could be found in appendix D.**

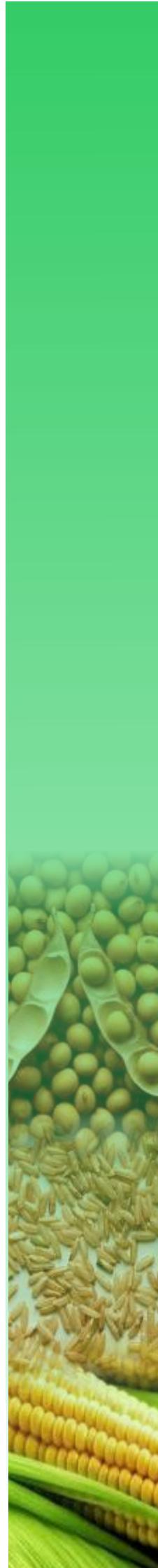
### 6.2 Baseline Survey

In developing the AVCF, the design team relied on a Baseline Survey commissioned by AGRA based on secondary data in 2011/2012. A TOR was developed for the recruitment of a consultant hired to use secondary data from MOFA and other studies with a sample farmers interviews to validate the secondary data. The results of the survey was used to establish the baseline for the AVCF performance indicators which served as a reference point for the setting of targets for the project period. The targets set were put into an Indicator Performance Tracking Table (IPTT) for reporting.

The baseline was based on an elaborate AVCF M&E Plan which went through several iterations including a review by an external DANIDA team. The reviews enabled the donor and AGRA to agree on the key indicators for reporting. AGRA also worked with the implementing partners to develop project level monitoring indicators for internal performance monitoring. In addition to the M&E plan, annual and quarterly implementation plans were also regularly developed to guide day to day project implementation and reviews.

### 6.3 Internal and External Reviews

Internal and external review meeting are an integral part of the M&E structure of the AVCF. The review meetings are used to review progress of Project implementation, focusing on status reports by the various stakeholders and strategizing on how to maintain or improve implementation. There are two levels of internal reviews – a quarterly review organized between AGRA and implementing partners and a monthly review between the implementing partners. The project quarterly review meetings continuously served as





effective monitoring tools in the management of project results. As a result of the review meetings, integration and coordination of project activities at both the planning and implementation level has improved significantly leading to achievement of most of the quarterly work plan targets by all the implementing partners.

The external review involves DANIDA and focuses on the status of the AVCF in relation to the attainment of goal and expected outcomes and impact of the SPSD II.

#### 6.4 Periodic Surveys/Studies

In addition to the monitoring undertaken by the financiers and implementers, some special studies are periodically undertaken on specific Project related topics. One of such studies was the Term Financing Absorption Capacity of SMEs in the Northern Sector. Another study was the Gender and Social Diversity Study which led to the inclusion of groundnuts in the focus crops to help encourage the participation of women in the project. These studies are essential in shaping the course of Project implementation.

#### 6.5 Routine field monitoring

A major component of the AVCF's monitoring system has been routine field monitoring. This involves officers of the various implementing partners, financiers and collaborators physically visiting the beneficiaries to observe on-going activities relating to their component activities. The field monitoring is also used to verify reported data, provide support or

Photo: A track hired by SMFC loading produce of beneficiary farmers from an aggregation center



supervise specific activities. There are four levels of field monitoring within the AVCF based on who is involved. These are:

- A joint field monitoring with DANIDA
- Field monitoring by AGRA and Implementers
- Field monitoring by Implementers, DADUs and other collaborators
- AGRA working with the Donor Committee

#### 6.6 Data Base set up

Data collection instruments and regular supervisory monitoring tools are needed to quantify and to check quality of activities. Project monitoring requires instruments and tools for collecting routine and periodic data. AVCF used the tools designed by the AGRA M&E Unit, mainly the indicator performance tracking table (IPTT). The indicator baselines and targets are included and quarterly actual values for the indicators are input in the IPPT for comparison over time and reporting.

AVCF's monitoring system is supported by the AGRA Ghana's M&E unit which provides technical support on a consistent basis and in a pre-determined means for supporting management decision making. The data gathered using the IPTT are updated on a quarterly basis. The AVCF M&E monitoring framework is designed and intended to be used for generating information for informed decision making. Accordingly, data analysis mechanism is in-built within the AGRA M&E system which provides most of the aggregated and disaggregated data. However, like all other AGRA grantees, capacity has been developed at the grantee level to manage simple aggregation of data to be used or reporting.

#### 6.7 Reporting – frequency, formats/tools

Good monitoring practices require that standard report formats be developed for the different planned reports. Consistently using standard formats has the advantage of facilitating comparison of information in the reports over time in addition to minimizing variations in presentation style when different officers compile the same report at different times. AVCF stakeholders have a consistent reporting format for submitting reports to development partners

## 6.8 Key project outputs

Table 3. key Project output indicators and status of achievement as of end of December 2014.

Indicator	Life Of Activity Target	Target - 2014	Achievement 2013	Achievement 2014	Cumulative Achievement (Dec 2014)	Percentage Of Loan Target Achieved	Remarks
<p><b>Facility (A) Objective:</b> Improve entrepreneurial and technical skills of SME agro-businesses and farmers while also strengthening linkages between actors across the agricultural value chain.</p> <p><b>Expected outcome:</b> Enhanced Capacity through Mentorship &amp; Strengthen Linkages Among actors across the value chain</p>							
1. Number of farmers receiving direct technical training in Integrated Soil Fertility Management (ISFM) practices and business development services	30,000	10,458	22,99	4,857	27,856	92.9%	
2. Number of farmers receiving indirect technical training (ISFM) and business development services	20,000	5000	38,393	10,821	49,214	246%	Due to use of radio, drama and community video education program
3. Number of Lead Farmers trained	300	400	288	456	744	248%	
4. Number of community volunteer extension workers trained in ISFM	400	200	0	373	373	93.2%	Related to ADRA grant which has one more year of implementation
5. Number of ISFM demonstration plots established	325	100	256	126	382	118%	
6. Number of FBOs trained on contracting and supply requirements	800	300	473	74	551	68.9%	
7. Number of FBOs aggregating inputs and produce for joint input procurement and sale of produce	400	250	368	194	576	144%	
8. Number of agro-dealers and SMEs receiving technical training and business development services	750	250	462	98	560	75%	

**Key Project output indicators and status of achievement as of end of December 2014.cont.**

<p><b>Facility B Objective:</b> Capacity of banks developed to lend across the agricultural value chains with a special emphasis on term lending.</p> <p><b>Expected Outcome:</b> Improved capacity of Banks for term lending across the agricultural value chain and expanded agricultural portfolio.</p>							
1. Value of term lending loans disbursed to agricultural value chain actors by Banks and other non-Bank financial institutions. (Million USD)	\$60m For UT Bank and Stanbic Bank	\$6,764,705	\$182,380 (Stanbic Bank only, UT Bank not on board)	\$315,602	\$497,982	7.4%	
2. % of non-performing loans	<10%	10%	0%	Stanbic 4.4% UT Bank 15%	Stanbic 4.4% UT Bank 15%		
3. Number of (term) loan beneficiaries	4,440	2,244	4 (Stanbic Only)	41	45	2%	(about 5,000 farmers have however accessed short-term credit under the project)
4. Number of Banks staff trained (UT Bank and Stanbic)	20	13	0	10	10	50%	Includes staff of Stanbic, and UT Bank
<p><b>Facility (C) objective:</b> Access to commercial finance (in particular term finance) for farmers and agribusinesses in target areas improved</p> <p><b>Expected Outcome:</b> Improved access of smallholder farmers and entrepreneurs to term lending finance &amp; sustainable agricultural businesses.</p>							
5. Quantity ( MT) of agricultural produce processed by SMEs	70,000	50	13	0	13	0.02%	
6. Value of agricultural produce processed by SMEs (Million USD)	\$45m	10	5	0	\$5m	11%	
7. Number of new agricultural sector related jobs created	170	NA	NA	NA	NA		Data not available at this time <sup>1</sup>
8. Number of FBOs, SMEs/Agro-Dealers receiving mentorship	1150	650	760	342	1,102	96%	
9. Number of SMEs investing in scaling-up value addition	10	5	0	2	3	30%	

<sup>1</sup> Data will be available after the Internally Commissioned External Review process that has been initiated by AGRA



Photo: Beneficiary farmers and community members watching a drama staged by AVCMP partners to educate farmers on ISFM technologies



Photo: Staff of INTAPIMP and some partners during one of the many radio education sessions

*Section D:*  
**Outcomes and Impact**



## Introduction to Section D

As of December 2014, all components of the AVCF had progressed steadily and on course to achieve their end of Project outputs. The Facility had achieved 92.9% of the number farmers targeted to be directly trained in ISFM technologies while that of farmers receiving indirect ISFM training and business development services stood at 246%. The Facility had also over-achieved in terms of the percentage of FBOs aggregating inputs and produce for joint input procurement and sale of produce by 14% while the percentage of agro-dealers and SMEs who have received technical training and business development services stood at a respected 75%. However, the Facility is under-perform in the area of access to credit for farmers and agribusinesses (**See Table 3 in Chapter 6 for details**).

The output of the AVCF so far, as indicated in the table 2 above is expected to translate into outcomes such as enhanced capacities in and use of ISFM technologies, increased access to farm inputs, reduce postharvest losses, increase access to output market, strengthen linkages among value chain actors, increase agro-dealers access to farm inputs and increase access of farmers and SMEs to credit. The attainment of these outcomes is equally progressing steadily. The challenge as of now has been increasing the access of smallholder farmers and SMEs to credit. The challenge with this single outcome possesses a major threat to sustainability of other outcomes attained. That

**Photo: A Video van used in educating smallholder farmers on ISFM technologies and other topics through video shows**



# Supporting the Growth of Agro Enterprises in Northern Ghana



**Photo: Musah Mutawakilu, Managing Director of the ZOCOFFAMS with a nucleus farmer at his company's workshop**

From a very humble beginning as a smallholder farmers' group in 2005, the Zomlanyili Co-operative Food Farming and Marketing Society Limited (ZOCOFFAMS) is now a fully-fledged business enterprise. Managing Director of the agri-based company established in Tamale, Musah Mutawakilu, explains that Zocoffams is now financially endowed to operate as a limited liability company, adding that all the necessary plans and documentations are completed for registration with the Registrar General by the end of the year. "Our growth from a nucleus farmer to a cooperative and now to a limited liability company within this short period did not happen by chance. It has taken prudent and efficient management practices within the past three years to get there" Mutawakilu said.

For two of the three years, Musah mentions that Zocoffams has been a beneficiary of the Agricultural Value Chain Facility. "When we started with

*the formation of a nucleus farming organization in 2005, we had no laid down procedures, no proper record keeping mechanisms. In fact, I can say that even as cooperative, our record keeping systems weren't the best. We were just two people who decided to come together, seeing the potential in there to make money... we are where we are now through the support we have received from IFDC and SARI even before the AVCF. But I must say the support increased when AVCF was introduced" he emphasized.*

Zocoffams Enterprise was established with less than 20 out-grower farmers in just one district. Today, it has a membership of more than 1,160 farmers operating within 16 districts in the Northern Region of Ghana. Its core operations include coordinating activities of nucleus farmers in the districts it operates and acting as a cooperative organisation. It is also an aggregator and buys from farmers including its out-

grower farmers who cultivate rice, groundnut, soya bean, maize and other crops.

### Challenges before the Intervention

Like all traditional SMEs in Ghana, one of the major constraints Zocoffams confronted, even as a cooperative in 2009, was its inability to raise the needed financial capital to expand. As a cooperative, members were expectant that it will be able to negotiate for better terms in the acquisition of agri-inputs and sale of produce. But the leadership of the enterprise could not do this well. Musah explained that because the organisation did not have the requisite skills to negotiate and attract the right contracts some of the nucleus out-grower farmers to severed ties with the cooperative. "We also encountered difficulties in keeping and managing the company's office. I used to think that I needed to always have my way as the managing director and the one who started this business, instead of following proper business procedures" Musah added.

The situation according to Musah made it difficult to determine the growth or otherwise of the company. However, things took to a different turn in the early part of 2009 when the organisation had contact with SARI and IFDC. Zocoffams was introduced to the AVCF in 2011 and that marked a turning point in the life of the cooperative.

### AVCF turns things round for Zocoffams

Zocoffams received support and training in the areas of record keeping, business plan development, negotiation skills, customer care relations, developing the appropriate networks and dealing with end-buyer interference among others. The support from the AVCF partners was not limited to the above. A major platform was created for them to be linked to other major players within agricultural value chain businesses. Through the platform, Zocoffams have been linked to major end user buyers, who buy their produce at competitive prices, to the advantage of its many smallholder farmers.

The benefit according to the Managing Director of the Farms can be measured in both direct and indirect terms, "...especially where through the increased incomes most farmers are able to take care of their domestic needs such as paying for the school fees of their wards and NHIS registration. Their social standings in their villages have improved because they give good donations when they attend to funeral



and marriage ceremonies".

But Musah believes that the most critical of all the important benefits received from AVCF is the growth of the cooperative leading to the decision to become a limited liability company. According to Musah, through the knowledge received, through training and mentorship, on how to run businesses the group dealings with its partners and customers have improved.

*"We have been able to attract a loan facility of \$35,000.00 from London based African Aggregators Development Company, in addition from a loan that AVCF is facilitating for us from Stanbic Bank. All these has been possible because when they assessed our books they realized that we are a serious organization," he said. To him building trust and efficient record keeping constitute a great asset for any organization to be able to attract loans from any financial institution worth its salt... "this is a great lesson we have learnt from our dealing with the AVCF".*

In spite of the numerous successes that the intervention has for Zocoffams Enterprise, the managing director thinks there are other areas that the AVCF implementers would have to turn their attention to if it is to fashion out another phase of the intervention. According to him working with the banks to either reduce drastically the percentage on counterpart funding or remove it totally would go a long way to help.

**Photo: Emma Awude, a field staff of the AVCF inspects the files of ZOCCOFAMS at their office in Tamale**



# The Nimoa Farmers' Group of Nabalugu in West Mamprusi

Like several other farmer-based organizations, smallholder farmers who belong to the Nimoa Farmers' Group are very pleased with the agricultural technology interventions received from the AVCF. The about 26-member group, based in Nabalugu in the West Mamprusi district of the Northern Region, has seen crop yields of individual farmers improve by no less than 57 percent. According to the farmers, the increases in their crop harvests which consequently has improved their economic wellbeing and health are among others attributable to drought resistant maize seeds they received from AVCF.

The farmers mainly cultivate maize and soya bean on 2-acre farmlands. With the increases in crop yield, they say that their households now have and enjoy improved nutrition from a maize soya bean mixture used in preparing daily meals. *“Previously, we used cowpea, millet and bambara bean mixture to make meals for our homes because that was what was available. It is not as nutritious as the maize soya mixture we have now,”* a female member said. *“We are also able to sell the crops to pay our children's fees,”* she added as the other farmers, in a chorus all agreed to the changes in the wellbeing of their households.

By turning to the jangoma maize variety in 2014, the farmers say they harvested not less than 7 bags of maize from half an acre of land, at least 3 bags higher than what they used to get for cultivating their own seeds varieties on a full acre. This is considered a big improvement in terms of yield particularly when the farming season was disrupted with delayed and less rain during the previous farming season.

For example, in the year 2010, while some harvested about 2-3 bags of maize from an acre of land others got no harvests. This was also at a time when the farmers cultivated their crops without applying any fertilizer and used to other traditional farming practices such as broadcasting. *“We had no money to farm therefore we could not buy fertilizers,”* said Esther, a middle aged woman. Esther is one of three women leaders within the group. Besides engaging in traditional farming practices, the farmers also worked individually and did not belong to or work together as an organized group.

However, in the year 2012 and with support from the AVCF, the Nimboa Farmer Based Organization was born. After a year of benefitting from the AVCF, the FBO is witnessing a number of memorable benefits for its members including the start of a group farm. Through the AVCF, yields improved with members of the FBO now getting between 6-9 bags of harvest from the same farm size. AVCF provided the farmers with support for ploughing their farmlands, acquiring certified seeds and providing them with fertilizers and other agro chemicals.

Despite the significant gains from the AVCF, the farmers are still saddled with severe drought conditions as a result of delayed rains. The farmers do not have irrigation systems to fall on during the cropping season. The acquisition of tractor services to plough the land at the beginning of the farming season is also a perennial challenge for the farmers. While farming inputs such as fertilizers and weedicides are received, the timeliness of access to these is sometimes a challenge. Notwithstanding these challenges, the farmers in their assessment of the project rated it highly and called for it to be sustained.

# Increasing the Incomes of Female Smallholder Farmers in Northern Ghana

In Ghana, three out of every four farmers in rural communities are peasants, and two of the three will likely be women. This statistic suggests therefore that food security in Ghana is largely dependent on the activities of rural women who are smallholder farmers. The smallholder farms owned by rural women do not only provide staple foods for their families, but also, support household income from the sale of surplus crops on the market.

The World Bank, IFAD and FAO's Gender in Agriculture Sourcebook (2008) indicates that rural women typically devote their incomes towards food, education, and healthcare of their children. Hence, boosting women's productivity in agriculture does not only increase the availability of food for households; it also enhances women's incomes and boost food security.

Despite women constituting approximately 50% of all agricultural sector workers in Ghana, they encounter more challenges than their male counterparts. *"We do most of the agricultural work, but face the worst working conditions, with low pay. We produce most of the country's food, yet we often benefit little from various supports to*

*agriculture in this part of the country because a lot of the attention is on the men. Yes the problems affect both men and women, but what we are saying is that we suffer the most"*, affirmed Veronica Gbande, Secretary to the Chamba Farmers' Cooperative. Madam Gbande believes that the AVCF's approach of giving equal attention to women and men smallholder farmers is laudable.

Another woman who has also benefitted immensely from the AVCF interventions is Laadi Forknan, a smallholder farmer, agro input dealer and a clients from Bunkprugu. She cultivates maize and soya beans. According to her, majority of her colleagues apart from improving their agronomic practices, are also experiencing improvements in their incomes which is evident in their transformations in their family lives.

*"I no longer farm the way I used to. Of cause I didn't have problems with getting fertilisers and weedicides for my farm because I sell some. But in terms of seeds, I was used planting seeds from my previous harvest. But after SARI taught us to use certified seeds, I have seen the benefits myself. I was able to almost triple*



**Photo: Women members of Dignayili FBO in a group photo with Project Manager of INTAPIMP**





**Photo: Madam Forknan, one of the many women smallholder farmers who have benefitted from AVCF**

*my maize and soya bean harvest last farming season and when you ask me I would say it is through AVCF's support. It's a bit difficult to really calculate the real value of our profit because we don't sell all that we produce. We eat some at home, but I can tell you that many of our members who have been able to register themselves and their families with National Health Insurance. Though we are not rich people, we are better off", Madam Forknan explained.*

She explains that her agro-inputs business is also doing well because of the entrepreneurship training she has received from the AVCF implementing partners. She better manages her sales and no longer misuse the money. Madam Forknan added that she has transferred the knowledge received through the AVCF to manage her chop bar business.

Madam Forknan has become a role model in her community because she is doing well both as an entrepreneur in farming, agro-input dealership and as a chop bar operator. Cumulatively, she earns almost twice what her husband brings home. Though she cannot attribute all to the AVCF, Laadi Forknan believes the Project has significantly contributed to who she has become in the past two years.

Abena Vincentia, a 50 year old mother of three from Banda in the Kpandai District, who cultivates maize, soya bean, groundnut and cassava, said prior to the commencement of the project, she knew of the "traditional

methods" of planting she had practiced since her youthful days. Her acreage of cultivation was also not measured to standard sizes. Her problems as a smallholder farmer was compounded by the fact that the cost of ploughing her farm was very expensive due to the very few tractor services available. To add insult to injury, getting ready market for her farm produce was also difficult, a situation which forced her to sell her produce at give-away prices. As a result she constantly earned very little income from her farming activities.

But Abena says all these problems are gradually fading away with the support from the AVCF.

*"Through this Project, we have been linked to companies that sell certified seeds, fertilisers and those that rent tractors at affordable rates. I say affordable because we usually acquire these as a group making it easier for group members to get these important inputs for farming", Abena explained.*

Today, her income level has risen by a double or more because she get good yield from the farm while she is also better able to negotiate for a good price when selling her produce. *" I am able to save more money to take care of my children in school while my business is also growing. I used cultivate only two acres of maize, cassava and soya beans. But today my acreage has increased to six...And I am a proud motorbike owner, thanks to the AVCF projects", Abena mentioned.*

Linda Adefude, chairperson of the Chamba Farmers' Cooperative in the Nanumba North District, has started putting up a new house from the additional income she is getting from her maize and soya bean farm and is better able to support her husband to take care of their two children. The eldest has completed his senior high school education and is confident that she can continue sponsoring him to the university level. She mentions that initial challenges which confronted many female members of their group such a market access, low yields and difficulty in accessing tractor services have now improved due to the intervention from AVCF.

Aminata Fuseini, a 44-year old mother of three from Chereponi also explains that even though she was farming, she always struggled to raise enough money to procure tractor services to plough her farm land and buy fertilizers and crop protection products. To make matters worse, she also struggled to find good market for the little produce from her farm. But through AVCF and its sister FtM Project, her earnings has increased from about GH¢ 200 from her one acre soya farm to about GH¢ 700. Aminata says due to the increase in her income, she no longer thinks about what to eat the next day even if her husband doesn't have money. With money from her savings, she has diversified into animal rearing.

Certainly, should these trends continue with these interventions by the AVCF through projects, the recognition that women smallholder farmers deserve as the backbone of food crop production in Ghana will eventually be achieved. More and more will venture into agriculture not only to provide food for their families, but as a business.

**Photo: Some female farmers who have benefitted from the two projects (INTAPIMP and AVCMP) under AVCF**



# AVCF Catalyses the Rebirth of an Abandoned Tractor Service Business in Central Gonja

*I was running this tractor business with no tractor of my own. I had to rely on the tractors I hired from other people to be able to serve my clients. I can tell you that this wasn't an easy thing to do at all. You can imagine while still serving customers and then the owner of the tractor comes to demand his tractor. Meanwhile in some cases, you might have taken the farmers' money already. When this happens, you sometimes have to return monies you might have started expending already. But through AGRA, I have a tractor I can call my own and the money I get is far better than before.*

This is how Adam Niendow of Kanpongyili in the Central Gonja district sums up how beneficial AVCF has been to his business. Adam started his tractor business with an old rickety tractor his father bequeathed to him. Due to the age of the tractor, Adam spent all his earning trying to maintain the tractor and remain in business. At a point in time Adam felt he's had enough spending all his money to maintain the tractor. He therefore sold the tractor and moved down south to the Brong Ahafo Region work for tractor service company. Adam would operate the tractor assigned to him during the major season of the south and then send the tractor to work in the north when the farming season in the north starts.

Adam got wind of ADRA Ghana, an implementer partner of the AVCF, when it started implementing the EU-funded Food Security Project in the north in 2010. He took advantage of the Project to hire a tractor and restarted his tractor business, ploughing for clients of the project for both cash payment and payment in kind. Adam invested part of the profit from his business, especially the maize he received as kind payment to acquire cattle from Fulani herdsman, on barter basis. But Adam never stopped nursing the desire to own his tractor because of the "big money" he had to pay to the tractor owners. Adam felt the returns would be better if had his own tractor.

Adam's desire to own his own tractor started becoming real when he chanced on a home-used 375 Massey-Ferguson which had been put up for sale at an amount of GH¢ 31,000.00. He deposited an amount GH¢ 4,000.00 as commitment to acquiring the tractor.

He approached ADRA Ghana for support and the latter linked him to Sinapi Aba to raise the remaining a GH¢ 27,000 under the term loan facility of the AVCF. In March 2014, Adam took possession of the tractor and is religiously repaying the loan. Today, Adam operates his own tractor in addition to another he's hired. He says business is far better and with this motivation, his new dream is to acquire a new tractor by close of 2015 from his savings.

*Because of the excellent relationship I have built with my customers, I know that they will always come to me for my services. That's why I want to acquire more tractors as soon as possible to cash in on the trust farmers here have in me,* Adam explained. He is very grateful to AVCF for aiding his dream to come true.

**Photo: Some female farmers who have benefitted from the two projects under AVCF**



# Ben Asantanga, A Successful Farmer Supported by AVCF

In future, Ben Awuni Asantanga looks forward to acquire a warehouse, which would help store the food crops he cultivates from his farm. Currently, he uses no less than two rooms in his house, at every harvest, to store the crops from his farm. "I have to lock up the rooms because I have maize and soya stored in them. My dream is to get a warehouse, I need it," he said. Ben strongly believes having a warehouse would help preserve the quality of his produces after each harvest.

Ben Asantanga is a successful farmer and a beneficiary of the Agricultural Value Chain Facility (AVCF). In the past five years, he has been recognized severally for his exemplary farming practices both nationally and in his home region. In the year 2013, he was awarded the National Best Soyabean Farmer at the National Farmers' Day celebrations. Prior to receiving the award Mr. Asantanga had also been awarded the Northern region's Best Poultry Farmer in 2012 and best Soyabean farmer in 2010.

He attributes his recent successes to his involvement with the AVCF introduced by the IFDC. Mr. Asantanga recounts that he met the IFDC in the middle of the year 2011 through a MoFA officer called Zach who was stationed in the district. "I got interested and motivated to join IFDC because of the support I could get from them, the knowledge and links to financial support" Asantanga explained. The benefits from the decision to associate with the AVCF have been enumerable.

In Ben Asantanga's view, the major benefit from the AVCF intervention was the change in mindset regarding farming. *"I was just farming for luxury not as (a) business and kept cattle and food crops as a measure of social status. I did not consider the cattle as worth something in terms of monetary value. Through the knowledge I have acquired from the AVCF intervention I have been able to build 3 houses, acquire a 1½-acre land for fish farming"* he explained. Through the project Ben Asantanga has received knowledge on business entrepreneurship and record keeping, been linked to input dealers and sensitized on the differences between commercial farming and subsistence farming. He also, through AVCF, came to know about the pre-season and pre harvest season meetings in Tamale where he acquires knowledge of agricultural technologies to help improve his agribusiness.

**Photo: Ben shows of his national and regional awards**

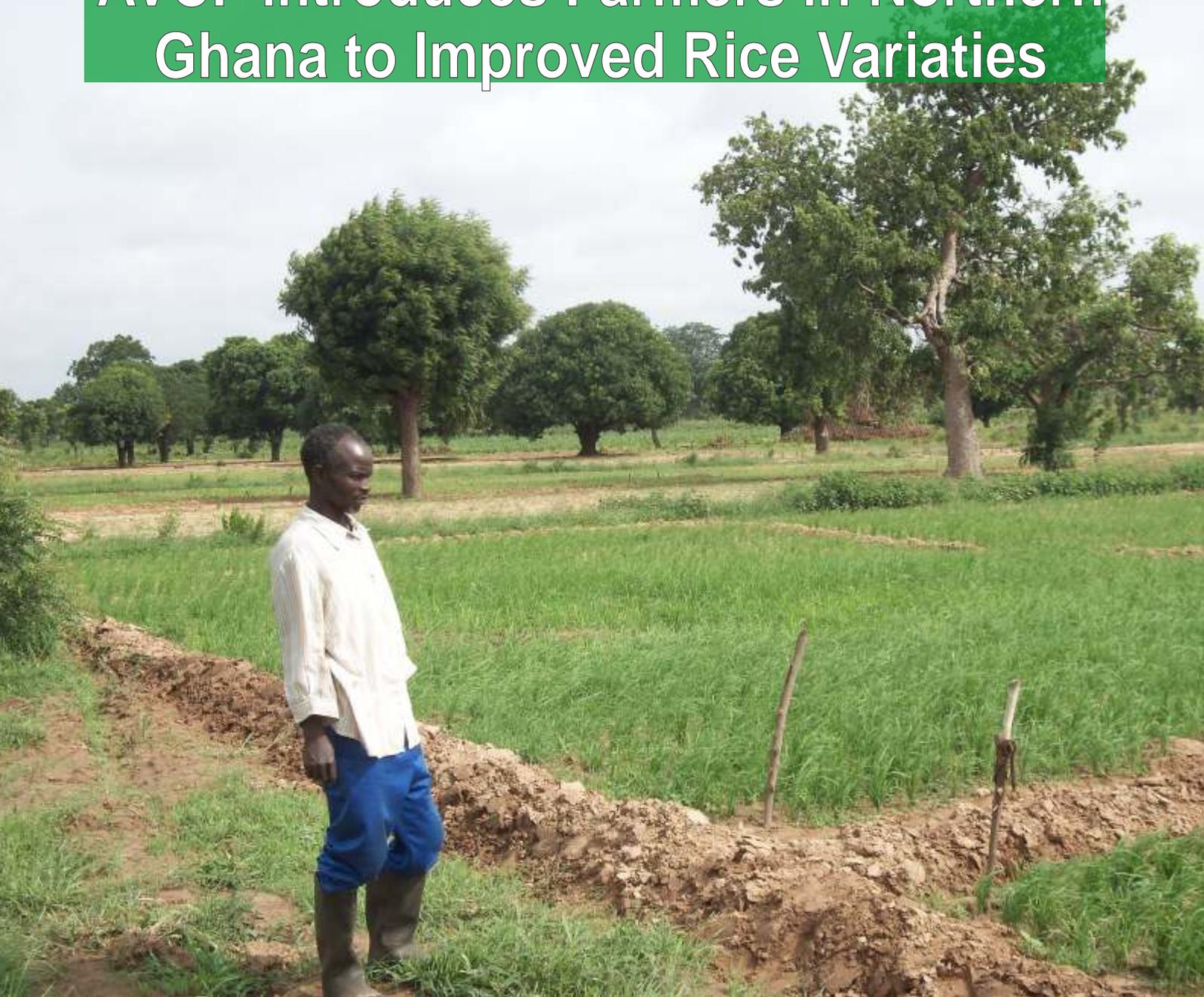
Asantanga's success is shared with the community. He currently has 25 workers (17 males and 8 female) in business -an increase from the 15 he engaged last year. The award-winning farmer cultivates maize soya, local rice and raises

poultry. He works with 500 out growers (300 being males and 200 females) found in seven communities (Borku, Nalerigu, Zarantinga, Yila, Nyankpala, Sagulo and Dabubouare). His influence within the district has grown as he is consulted on matters affecting the district.

With the new knowledge and growth in his agribusiness, Ben Awuni Asantanga hopes to gain skills that would further help improve his business. "I want to train in ICT, how to use computers to store data and retrieval. I also want training in business management and proposal writing" Asantanga said ambitiously.



# AVCF introduces Farmers in Northern Ghana to Improved Rice Varieties



Together with maize, cassava and yam, rice is most likely to be found, at least, on the daily menu of most Ghanaians. In urban communities, the grain is preferred over other staples because it is easy and convenient to cook and allows for a wide variety of dishes to be made out of it. The growing number of fast food vendors and restaurants in the major cities and towns also account for the soaring demand for the rice. Despite the demand, the challenge has been that local rice production only accounts for 30 – 40 percent of the rice consumed in Ghana. The situation has resulted in heavy reliance on imported rice. Ghana currently has an average rice import bill of USD 450 Million annually. The massive dependency on rice imports has always been a concern for Ghanaian policy makers particularly after food prices soared in 2008.

According to agricultural experts, the problem of low local rice production levels is compounded by unreliable rainfall patterns, inadequate irrigation systems and poor soil health in the northern part of the country. The situation makes the introduction of upland rice cultivation welcoming news for some smallholder farmers in the eastern part of the Northern region.

Through the Agricultural Value Chain Facility (AVCF), the Savannah Agricultural Research Institute (SARI) introduced the Nerica and Gbewa rice varieties to farmers in

**Photo: A beneficiary rice farmer inspects his upland rice field**



Soboba, Chereponi, Nanumba South and North, East Mamprusi, Central Gonja and Tamale districts for cultivation. The initiative has brought specific benefits to rice growers in these areas.

Zapayim Farmer Based Organisation (FBO) is one of the important beneficiaries of this intervention, based in Sandanfo in the West Mamprusi. The 23-member group had not cultivated or known some improved rice varieties. Thus, they had to rely on seeds from their previous harvest to cultivate their rice farms. As such, they had to wait for about five months for their crops to mature. The group members also knew nothing about bunding, a good agronomic practice for conserving moisture in cultivated rice fields. Musah Iddrisu, a member of the Zapayim FBO, says *“we didn't know that the best way to grow rice was to plant according to the right spacing. Indeed, all we knew was to broadcast our seeds anytime we wanted to plant”*.

As with the many other FBOs in the participating project districts, AVCF, through SARI, introduced members of the Zapayim FBO to Gbewa and Nerica and also organized a demonstration for group members on growing rice under bunded fields. *“In 2011 when we had a demonstration, there was drought that year in our area. But the bunded rice did better than the control, which had no yield at all. So members of my group have now been practising bunding on their individual fields,”* Iddrisu explained.

The Asimbetarlin Farmers Group, from Kpatia in the Yendi district, is also an AVCF beneficiary. The group's leader, Chimsi Mahama, surrounded by some of his members, disclosed that the increase in their knowledge on rice and soya beans cultivation is attributable to the AVCMP demonstration. *“Had it not been for the AVCF, we wouldn't have known that we could plant rice on lands that are not in valleys or waterlogged”*, he said. Group members believe that their knowledge of ISFM techniques has culminated to higher yields on their individual farms.

The members of the Titre Tob FBO, in Kpanso in the Nanumba South District, share similar views with their colleagues. Alhassan Abu is a member of the group. He explained that members had become accustomed to harvesting very little from their rice fields until AVCF through SARI introduced them to Nerica 4. In an excited tone he affirmed that, *“our fortunes have since improved. I remember how other farmers around used to laugh at us during the demonstration period. They said it was not possible for rice to grow on upland fields. The laughter turned into admiration when they saw how fast our rice was growing. ...someone went to secretly harvest the rice on our demonstration farm when it matured”*. Alhassan mentioned that many farmers in Kpanso and surrounding communities have also adopted Nerica 4 because it is better than what they used to grow.

*“Nerica has a shorter growth duration and is able to withstand the low fertile soils in our area...But for me the most important thing about this rice is that I earn far more than I used to when I was cultivating the older rice variety”*, according to Alhassan.

Apart from their ability to grow at a shorter duration and tolerance to dryer soil, the *Nerica* and *Gbewa* rice varieties are able to withstand attacks from weeds, stem-borers and termites, and have better resistance to diseases. The varieties also do well in acidic soils.

Today, several beneficiary rice farmers in AVCF participating districts have tripled their yields. From previous yields of 3 to 4 bags per acre, the farmers now harvest increased yields of 9 to 12 bags per the same acreage. Similar trends of success stories have been shared in other beneficiary project districts. With the increased incomes from rice cultivation, beneficiary farmers are in a better position to improve the living standards of their family. Certainly, the cultivation of upland rice is a big relief to many farmers in the Northern Region of Ghana.



**Photo: Members of the Asimbetarlin Farmers group from Kpatia in the Yendi District**



# “Planting the SARI Way”



**Photo: Beneficiary farmers of AVCF from Mempeasem in West Mamprusi undertaking a lining and pegging exercise to prepare their rice demonstration farm to plant in roll instead of the traditional broadcast method**

*"Nowadays, it's very common to hear rice farmers, and even those who cultivate other crops, tell other farmers that I am planting the SARI way. I am not talking about only members of our association. Because of the exposure we have received through watching the drama and video shows, many members of this community are now practicing SARI method of planting rice. I can say that many of the farmers do not bother themselves about whether the agricultural extension officers visit us or not".*

These are words of Issifu Tia, Chairman of the Kpanmon Farmers Association, in describing how beneficial the AVCF intervention has been to rice farmers in his community. The Kpanmon Farmers Association, from Chishei in the Tamale Metropolis, was established in 2004 with the sole aim of organizing and assisting farmers in the area whose cultivates rice, yam, maize and millet among other things.

Issifu Tia maintains that even though the group was established to solve the problems farmers in his community encountered, majority of these problems persisted until they came into contact with the Savannah Agricultural Research Institute (SARI) in 2009. He mentions some of the problems as their inadequate knowledge on modern agronomic practices in the cultivation of the various crops and periodic inundation of their farmers with rain water, often leading to washing away their crops. These conditions always left them with very little or nothing for harvest. Things begun to improve for them following their association with SARI.

They began to receive some extension services on how to improve the yield from their farms.

### AVCF Intervenes

Following their association with the AVCF, the first training they received was basic group dynamics aimed at building a stronger association. The group was also introduced to the cultivation of Soya Bean which was virtually new to most community members at the time. The AVCF partners established a Farmer Learning Centre where members of the group were trained on best agronomic practices in rice cultivation including appropriate planting space, quantities of seeds to plant, and the application of agro-chemical products such as fertilizer, weedicides and insecticides. The farmers also benefited from the introduction a new variety of rice which had better market acceptability and yield.

Apart from direct mentorship and counselling received from AVCF partners, the main channels for educating the group members were the farmer learning centers, drama and video. But Issifu Tia believes that drama and video were the most effective channels in getting a very conservative society into accepting the new approaches to farming that the ACVF partners wanted them to accept.

### Benefits of Intervention

According the Kpannmon Farmers Association Chairman, *"It wasn't easy to get people to stop what they considered as the right way of farming at the time and start practicing what was being introduced to us. Not even when the learning center was started. This is the reason why many farmers here are not members of our group. But for the videos and drama, it was done in the center of the community and everyone saw and what they saw got them interested and so they decided to give it a trial."*

He said *"So I will say that the video shows and the drama were very effective in getting many more people to have a change of mind and start practicing some of the new techniques. Eventually, due to the impressive harvest we received from the learning center, the people realised what IFDC and SARI were saying were true"*, Issifu Tia explained.

He believes the video and drama, because of their edutainment value, has helped consolidated their understanding of farming. *"Indeed, we have received a number of requests from some farmers to be part of our group because of the benefits we have received"* He added.

Through AVCF, members of the Kpannmon Farmers Association and other residents in the community have become aware that *"no matter the size of one's farm, we can get more yields if the right technique of farming is adopted"*.

Flanked by two other members of the group, Issifu Tia explained further that *"initially we used to broadcast our rice fields just like impregnating a woman without responsibility but now we the farmers in this community do it the SARI way. We plant in line and are better able to attend the farms to keep it neat. I tell you so far so good. We are getting more money from our farms and you know what that means. We can take good care of our*

**Photo: Chairman and a member of the Kpannmon Farmers Association using the knowledge received from SARI in their farms**





families".

Members of group have become "extension officers" to other farmers in the community and are impacting them with the knowledge they have received from AVCF. With the aid of the video, Issifu Tia believes members of his group are doing a good job in explaining things easily to other farmers in the community.

Members of the group and other farmers count the introduction of upland rice cultivation as one of the most significant benefits received from the AVCF. Fuseini Mustapha, a resident of Chishei and indirect beneficiary of AVCF says *"When we were first introduced to upland rice many people including the group members thought it was madness since for all their lives we have known rice to be cultivated in valleys where there is water. Hearing that we could*

*plant rice on dry lands was a surprise to many members of this community. But today, it is not only members of the group that plant these kinds of rice varieties. For me, looking at the poor rainfall we get in this area these days, the upland rice variety is a very big relief. It is one of the best things that have happened to rice farmers in this area."*

Members of the Kpannmon Farmers Association are equally grateful to implementers of the AVCF for introducing them to Soya Bean cultivation because of the ready market they get for their produce. Indeed the indirect beneficiaries of AVCF could far exceed the direct easily countable beneficiaries.

**Photo: Owing a bicycle in Chishei village, as is the case of Musah (a member of the Kpanmon Farmers Association), shows an improvement in one's livelihood.**



# Farmers Cry for More Tractor and Input Services



Several smallholder farmer groups in various communities in the Northern region have complained about their difficulties in accessing tractor services for their farmlands. Various farmer groups reached during an AVCMP/INTAPIIMP community tour of beneficiary communities in the region complained that while tractor services were somewhat easier to come by, in many cases they do not get timely services and that affect their ability to crop on time. *“Sometimes when we are ready to have the land ploughed we are unable to find a tractor to plough the lands,”* said Hajia Ama Saaka a member of the Suhunniyin FBO in Bugya-Kura West Mamprusi District.

Delayed cropping and application of inputs affect yields consequently making farming costly with almost no revenue returns for the smallholder farmer. Nearly all ten of the farmer-based groups reached on the tour identified improved access to tractor services as a key recommendation to the AVCF in their assessment of the project. For them the project has been very good and helped improved their farm yields tremendously. Many farmers average between 7-15 bags of maize on 1 to 2 acre farmlands, whereas prior to the intervention, farmers harvested about three bags even while they applied fertilizer. *“We have been taught how to plant in rows. We used to just plant our seeds, plough along the slopes and not be mindful about row planting. We don't do these anymore more”* said a smallholder farmer with the Suglo Nye Buobu FBO in Nayoku.

**Photo: A tractor service provider working on a farm of a beneficiary smallholder farmer of AVCF in Buguyakura in the West Mamprusi Dist.**

Despite the complaints, the farmers are very happy with the project's interventions. The linkage to agro based input service providers has alleviated the challenges associated with access to fertilizers and weedicides that support crop production. In many of the communities the linkages have been more effective with most farmers receiving their products on time.



# FBOs Linked to AVCF Show There is Strength in Numbers



**Photo: It's all smiles for this young members of the Buguyakura FBO, as they begin to see joint effort at cultivating soya bean on their demo farm yield good results.**

Farming is still regarded by many peasants as unprofitable and a complete waste of time, despite its significant contributions to shoring up the nation's food stock. The negative perception on farming is a key factor that is driving many young northerners to escape the hardships of the north to cities and towns in the south in search of non-existing jobs.

*"We the youth in the north love to farm. Our parents were farmers. But because of poverty, we are not able to raise the money to buy the seeds, fertilisers, pesticides and to hire people or tractors to plough our farmland and do some proper farming. So the only option for many youth in dealing with this poverty thing is to move to Accra and Kumasi to do kayayo to make money. I was only fortunate to have joined the Bukasu Naloli Farmers Association, a member of the Chereponi Cooperative Farmers Union at the right time."*

These words by 35-year-old Asana Alada, a female farmer from Chereponi in the Northern region of Ghana echo the concerns of many young northerners whose livelihoods are dependent on peasant farming.



Notwithstanding the negative perception, the AVCF with its implementing partners ADRA, IFDC, SARI and GAABIC, is showing the way that some of these demotivating factors in farming can be overcome. Through the two Projects, AVCMP and INTAPIIMP, AVCF has provided support to over 550 farmer based organisations (FBOs) and 49,214 smallholder farmers, directly and indirectly.



### Helps Comes to the Belinya SFBO

The Belinya Farmer Based Organization, based in the Saboba District of the Northern Region was established in 2006 and coordinates activities of 166 primary farmer based organizations. Like many other FBOs in the region, members of the Belinya Farmers Association have had difficulties with their farming activities, including production, marketing etc. Following their enrolment into the AVCF, the Savannah Agricultural Research Institute (SARI), an implementing partner of the AVCF's Productivity Component introduced the group to ISFM technologies through demonstrations on land preparations, standard ways of planting, harvesting and post-harvest handling of their produce. Members were also introduced to proper applications of fertilisers. Members of the SFBO were also provided with certified seeds, fertilisers and were connected to agricultural input dealers.

Photo: (Above) Members of the Belinya FBO in a meeting (Below) Staff of the Bileegnan Secondary FBO standing in front of the group's office.

Beyond the demonstrations, the farmers also benefited from a coaching and mentoring programme, which enhanced their leadership skills and built their capacity to handle their business negotiations. To confront the problem of limited access to good paying market for farm produce, AVCF linked the Belinya Farmers Association and its members to additional large end users and buyers apart from the Savanna Farmers Marketing Company. They were linked to companies such as JEEM Limited, Stemak Limited and Global Food Exports. The AVCF, through the IFDC, also trained the group in entrepreneurship and small business management. The basis of the training was to equip the farmers with bookkeeping skills, which would facilitate their access to bank credits. The lack of proper financial records, high interest rates and the widely held perception of funding peasant farmers being very risky posed as hindrances to the farmers' ability to receive credit support from financial institutions.

### The Suhiyini FBO

The Suhiyini primary FBO from Buguyakura in West Mamprusi district was formed in 2013 when the district got enrolled onto INTAPIIMP. It has a membership of 21 with 15 males and 6 females. Although the leadership of the FBO are illiterate, they have shown tremendous commitment to leading their





group to achieve results. Following their association with AVCF, group members have benefitted from group dynamics and business development training, ISFM training and linkages to service providers who provide them with input credit. As a result of the group dynamics and business development training, the FBO now operate two active bank accounts with Bangmarigu and ADB at Walewale.

### **Working Together Brings Results**

Members of the Suhiyini FBO make weekly contributions of GH¢ 3.00 during meetings, while absentees pay GH¢ 5.00. Owing to unity of purpose that existing among group members, they contributed two maxi-bags of maize each to add to their weekly contribution in order to purchase a motorking tricycle and plastic chairs for the group meetings. According to Saibu Mahama, a member of the group, the acquisition of the motorking tricycle was influenced by the desire to support members to carry their agricultural produce from the farm to the house and also to the market center for sale. He explains that they also use the machine for commercial purposes to raise funds for the group. On the individual level,

Saibu has been able to buy foam mattress for himself. Another group member, Zenabu Alhassan, whose son dropped out of the St. Charles Senior High School in Tamale due to her inability to pay his school fees, has been able to send her son back to school. She mentions that some group members now own bicycles to facilitate their movement.

**Photo: Beneficiaries of AVCF in East Gonja being trained on the application of agro-chemicals on cultivated maize.**

On his part, Secretary of the Belinya SFBO Jerry Maabe, says the AVCF, since its introduction about two years ago has helped to improve activities of not only the group but individual farmers. He explained that before the intervention the maximum amount of produce most farmers could harvest was three bags per acre of farmland, but now farmers harvest between fifteen and twenty-one bags



at the end of the farming season from the same acreage of land. They also have many end buyers and SMEs to choose from when selling their produce instead of being restricted to the FtM Project introduced them to. *“Having other buyers aside Savannah [referring to SFMC] gives us a very big advantage. We always thought having Savannah was one of the best thing to have happened to this association. But the leadership negotiate with the various end buyers available and we choose from the one giving us the best price”.*

A member of the group, Jeremiah Mangbon, recounted how through the increased sales from his soya bean farm, he has been able to build a new mud house and is taking care of his younger brother who is in secondary school. He adds that the leadership training received has not been beneficial only to the running of their FBOs, but they constantly apply them to their everyday social life.

*“Selling our produce is no longer a problem for us because of the linkage provided first by the FtM Project and now AVCF... You know, since AVCF's support to us to sell our produce, I have increased my acreage of cultivation from one to four. Sometime I wonder what have happened to us farmers here if we had not been together. I also believe that it has been possible to receive these support from AVCF because we have come together as a group”,* Jeremiah mentioned.

Jeremiah's younger brother, Timothy Mangbon, who is a direct beneficiary of his brother's toil, is equally grateful for the support given to his brother by the AVCF. He mentions that the standard of living for them has improved within the past year and his brother no longer struggles, as before, to pay his secondary school fees. Timothy relishes the desire to join his brother to expand his soya bean farm in order to be able to raise enough money to further his education to the tertiary level.



**Photo: (A)Members of an FBO cultivating crops on their joint farm (B) Jeremiah, a beneficiary of AVCF with his younger brother © a group of female beneficiaries jointly threshing maize from their joint farm**



# Expanding the Agro-inputs supply base

Even though Seidu Mohammed conceived the idea of going into the agro-chemical business in 2009, it was not until November 2012 that his business actually took off. This was also after he had broader consultation with an AVCF implementer, GAABIC. Seidu explains that he could not operationalize his idea because he lacked capital and was only able to raise some of the monies in 2012. Through the AVCF, he was counseled to register his business with the Registrar General's Department as well as the Environmental Protection Agency (EPA).

Thus in November 2012, Hadiola Agro-Chemicals Company Limited was duly registered and licensed to deal in fertilizer and other agro-chemicals. A number of agro-product distributors Tamale including Wumpini Agro, Makteshim Agan and Ganorma Agro supplied the business with products.

According to Seidu, the AVCF implementers showed keen interest in his business succeeding. Consequently he was offered the opportunity to join the regular training sessions offered to other agro input dealers in the municipality, through GAABIC. *"At these training sessions, which I attended with my shop attendants, we were taught new marketing strategies, how to handle agro-chemical products, how to build on our businesses especially what to do to succeed and how to operate company bank accounts,"* he explained. Seidu indicated that the concept of business accounting is what has brought his business this far stressing, *"with this banking idea, we were able to get financial support. This season we were able to get financial support from Sinapi Aba through AVCF implementers"*

Quite apart from the financial assistance received from Sinapi Aba, Hadiola also has been linked with a chain of farmers and farmer groups that are affiliated to Sinapi Aba to supply them with large quantities of Panar Seeds. Hadiola Agro-Chemicals Company supplies about 1,200 kilograms of Panar Seeds to these farmers and has identified an opportunity to supply them with fertilizers for this year's farming season.

Seidu's marketing strategies included placing advertisements on radio for one month, which resulted in an increase in his customer base. His working capital stood at Ghc5,000.00 at the beginning of the business in 2012. Today, the company has an annual turnover of more than Ghc10,000 with expectations of a further increase to Ghc180,000.00 mark within the next five years.

Hadiola Agro-Chemicals Company currently employs three persons and plans to open two new outlets in the next few years. Despite these signs of growth, Seidu's business has not been without challenges. He outlined the withdrawal of government subsidy on fertilizer, the erratic rainfall pattern and untimely supply of agro-chemical products by his major distributors as threats to his business.

On his part Haruna Iddi, proprietor of Iddi Agro-Chemical Shop from Tolon, said *"I started with very little or no knowledge on agro-chemical business. However, today, through AVCF's intervention, I have acquired enough knowledge not only on how to run my agro-chemical shop but also manage business in general including even how to manage my farm,"* Even

though Haruna Iddi has been selling agro-input for the past 18years it was not until June 2011 that he registered his enterprise as a legal entity with the Registrar General and the Environmental Protection Agency (EPA). The realisation of the need to register his business was as a result of his training with GAABIC.

The implementation of AVCF in his district has improved his business significantly. *"I have improved compared to my colleagues who do not have this opportunity. Going through book keeping and efficient management practice training has enabled me to manage my sales well and I no longer just dip my hands in the sales whenever I need something. Therefore I am better able to calculate my profit,"* Haruna explained.

Haruna says through the networking platform created through AVCF and advice from GAABIC to provide after sale services, his clientele base has increased. All these have translated into increased income at the end of the month.





# Improving livelihoods of smallholder farmers in Kpandai

Agriculture continues to be the most crucial sector in the development of the local economy of Kpandai, a district created in 2008 out of an already deprived East Gonja district. Ghana's Ministry of Finance points out that agriculture is the main occupation of residents of Kpandai, employing 90% of the working population. Though a good number of the people are livestock farmers and fishermen, majority of the people are engaged in crop farming, cultivating roots and tubers and legumes like soya beans, cow pea, rice, maize and groundnut.

Despite the relatively richer soil in the area, compared to the other part of the Northern Region, agriculture in the area is undeveloped and at the primary stage, according to the Ministry of Finance.

Farming is characterized by use of crude and inefficient implements. The main implements used for farming include cutlasses and hoes. Farming is not yet mechanized in the district and the people still practice rain fed agriculture. Although the district has large expanse of water resources for irrigation but no form of irrigation is not practiced in the district. This is largely due to the absence of irrigation facilities and partly due to limited knowledge of farmers on irrigation development. Owing to the primary nature of farming in the area, most farmers are very poor and their living conditions not encouraging.

The Kpandai Zonal Farmers' Cooperative, a secondary farmer based organization (FBO), was formed in 2011 as an apex body to coordinate the affairs of primary FBOs in the Kpandai District. In all, a total of 16 primary FBOs constitute the cooperative based in the district capital. Members of the cooperative are mainly soya bean, rice, maize and cowpea farmers. They were among the early farmers to be introduced to soya as a major cash crop in the region.

## Bringing different small FBOs together

Prior to the formation of the Kpandai Farmers Zonal Cooperatives, farmers in the districts had organised themselves in individual primary FBO. However, it became increasingly necessary to further unite the farmers' front and give them a stronger voice towards the development of their farming activities. Therefore in 2011, the Linking Farmers to Market (FtM) Project, another AGRA funded project, brought the individual primary FBO together to form the Kpandai Farmers Zonal Cooperative. This was after several attempts since 2002 to come together.

The main idea behind the promotion of the Cooperative by the FtM Project was to provide a vehicle to address some of the challenges that confronted soya bean and rice farmers in the Kpandai area. Some of the difficulties that confronted these farmers prior to the FtM intervention were issues of tractor services, threshing of their harvest, marketing of their produce, accessing loans to expand, poor crop varieties for cultivation and the early shattering of the Soya on their farms leading to huge losses to farmers as well as the unreliability of seasonal rainfalls.

The FtM implementing partners adopted a holistic approach to addressing some of the challenges listed above. The group received a number of interventions which strengthened the cooperative and sought the welfare of the members. *"The news that FtM was coming to an end was a bother to many of my colleague. Indeed*

**Photo: The leadership of the Kpandai Farmers Cooperatives inspecting the farm of one of the members with a staff of SARI**





some even called for an extension. But luckily AVCF came through and we have benefitted even more", Chairman of the group, Anthony Awiegah said.

Mr. Awiegah continued, "We have received additional services through AVCF. FtM gave us training on the best farming methods to use on our soya, rice and maize farms. They also linked Savanna. But through this Project [referring to AVCF] we have been linked to other bigger buyers for our farm produce. Getting affordable tractor services to plough our farms was a problem even during the FtM. This has been solved by AVCF. We are still receiving the support we were getting through FtM, like the training on good farming practices and the leadership and capacity building training... As I said earlier, we now have more channels to sell our produce".

**Networking with other value chain actors for the farmer's welfare**

Agriculture is increasingly becoming a multifaceted venture with many value chain actors playing a critical role. "I mentioned how important getting affordable tractor service is to increasing farm sizes and producing more food. But there are equally important things that farmers need to be able finally produce a bag of rice. We need fertilisers and pesticides. We need certified seeds. We need money to acquire the various inputs and eventually we need someone to buy what we produce. I see the opportunity for us farmers to meet these people at one sitting is therefore very good for us. Idly, we would have gone to each of them separately to negotiate with them".

The networking platform was provided by AVCF to enable the farmers to interact with different players to address access to inputs and marketing challenges they faced.

**Photo: (Above) A tractor service provider linked to the Kpanda Farmers (Below) A member of the Kpandai Farmers Cooperative rides his bicycle in the Kpandai township**

**Farmers introduced to seeds of improved crop varieties**

Also AVCF through SARI introduced the farmers to new and improved varieties of Soya as well as rice and these were to ensure that the farmers were able to derive higher yields and also address the challenge losing their produce through shattering. As part of the package, the farmers were taken through series of demonstrations through the establishment of demonstration farms where they were taken through the best agronomic practices such as the right application of agricultural in-puts, best forms of planting and harvesting technologies.



## Incomes and livelihoods of Kpandai farmers rising through AVCMP

"Our farmers are now making money and are able to pay their children's school fees," said Mr. Anthony Awiegah when asked to give a fair assessment of the impact of the AVCF. According to him, the intervention since it was introduced in 2012 has gone a long way to address many difficulties that confronted farmers after adopting Soya cultivation. *"You see, before the AVCF we use to have only one company buying our produce that is the Savannah Farmers and Marketing Company that also had monopoly but with this intervention we now have access to different markets."* Mr Awiegah mentioned.

Apart from this farmers have different varieties of seeds to choose from. As a result, we no longer have to rush to harvest our produce for fear of their crops shattering before the harvesting period. They are able to wait for the crops to be fully ready for harvesting.

Mr. Anthony Awiegah reckons that most of his members and their families are better off than some four years ago due to the intervention and to sum it up he said "In our houses, the way we use to live with our wives compared to now have improved. Sometime ago, we use to hide the little monies we made from our farms and never discussed with our wives how to spend our money but now we are able to show our earnings to them and agree and they also show us to do this."

He further added "after selling my products, I pay my children's school fees, deduct our savings and decide with my wife on what to do with the rest. I tell you after joining this group I and my woman have managed to complete six bedrooms building at Nkwanta."

Through the AVCF and its predecessor FtM Project many farmers in Kpandai can count themselves among the privileged few who own motorbikes and bicycles, while others have or are building their own houses.



**Photo: Yakubu Mahamud (left) and Alidu Baba (below), members of the Kpandai Farmers Group show off his new roofing and a motorbike acquired as a result of increased incomes from their farms**



# Chapter 8

## Successes, Best Practices, Challenges & Lessons Learnt

### 8.1 Module 1: Upgrading the technical know-how of farmers and their umbrella groups through ISFM technologies

Activities under this knowledge module were described by both beneficiaries and implementing partners to be the most successful, resulting in very remarkable outcomes from the AVCF. Beneficiary smallholder farmers and FBO leaders admit that their knowledge and technical competence in the use of ISFM technologies have been significantly enhanced because of the awareness created by AVCF. Accordingly, many farmers have introduced improved technologies and methods in the cultivation, harvesting and storage of rice, maize and soybean resulting in the doubling of acreage cultivated and yields of many smallholder farmers.

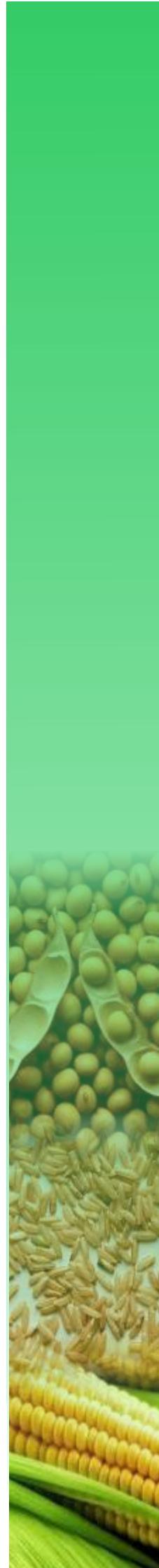
Most farmers interviewed during the documentation attribute the success of the awareness creation on ISFM technologies to the multi-media approach used in reaching their targets. Many farmers in the Northern Region are generally conservative in choosing farming practices. However, the simultaneous use of “agric” radio, drama, video, farmer learning centers and mentorship to educate farmers and advocate that they embrace and adopt the ISFM technologies promoted by AVCF, through AVCMP and INTAPIMP was able to break the communication barriers to accepting the technologies. This approach is therefore considered a good practice worthy of replication.

However, the adoption of these ISFM technologies transferred is seriously challenged by irregular weather patterns/ unreliable rain, coupled with the non-availability of irrigation support to many beneficiaries of AVCF. Thus, many farmers, according to FBO leaders and farmers interviewed have either abandoned the knowledge received on ISFM technologies or are practicing them alongside what they used to do. Even certified seeds received by some farmers have not been planted yet. SARI confirmed this challenge and the resulting effect. This points to the fact that the education on certified seeds usage has not gone down well with many farmers. This is even more evident in farmers' knowledge on the viability periods of certified seeds. But some farmers interviewed believe that a lot more has to be done in terms of education on certified seeds.

*Sometimes you go to an agro-dealer to buy seeds and you realised that there is no description on the seeds on how to use them. Even some dealers, when asked are not able to tell us how best to use certified seeds. This discourages many of us from using certified seeds (Sagbe Daniel, Ponaba Group, Tatale).*

Another key lesson learnt from the Project implementation has been the effects of the deteriorating soil health of Northern Ghana on the productivity of beneficiary farmers, most of whom also have difficulties raising money to purchase fertilisers. Both farmers and SARI agree that this situation has the potential of eroding gains made in increasing the knowledge and technical competence of farmers in ISFM technologies. However, SARI and ADRA, as a mitigation factor of irregular rains and soil health have introduced farmers to some improved crop varieties such as the NERICA rice. Beneficiary rice farmers also point to the improvement in soil health and increase in yields as a result of the Urea Super Granule (USG) nitrogen fertiliser, introduced by AVCF.

Another important lesson is that though there are significant improvements in the sizes of farms cultivated by AVCF beneficiaries, the acreage cultivated are still low to signal very significant leaps in the incomes and livelihood of the majority. The farmers believe access to tractor services, fertilisers, pesticides among others, needs further improvement. They are however quick to point the lack of input credit as the reason behind this finding. The farmers argue that one way of addressing this situation is to upscale the starter pack support implemented by AVCF.



It appears the only official mode of community entry for the two projects under AVCF is through existing FBOs or ones whose formations are facilitated by the Projects. Accordingly, farmers who have very great potentials to increase crop yields and contribute to the attainment of the AVCF's goal of contributing to making Northern Ghana a breadbasket, are likely to miss out on the Project's direct support. It is however significant to note that there is a huge number of non-members of AVCF FBOs who have benefitted indirectly from ISFM awareness creation through the various edutainment strategies used by the implementers. Also, non-direct beneficiaries have also benefited from the knowledge and skills of direct beneficiaries of the AVCF in their various communities.

*It wasn't easy to get people to stop what they considered as the right way of farming at the time and start practicing what was being introduced to us. Not even when the learning center was started. This is the reason why many farmers here are not members of our group. But after showing the videos and drama, some people got interested and decided to give it a trial...Eventually, due to the impressive harvest we received from the learning center, the people realised what IFDC and SARI were saying were true (Issifu Tia, Chairman, Kpanmon Farmers Association).*

Other useful lessons include the inability to implement the farmer learning center concept as was envisaged. The initial plan of SARI was to have each farmer learning center become a hub of integrated support to farmers, with each center having an information center and agro-input shop attached. However, the implementers did not factor these added functionalities of the farmer learning centers into the Project costing in the submission of their proposals. Implementers admit that this could have been seen and correct if they had submitted joint proposals to AGRA. That notwithstanding, the implementers are doing their best to ensure farmers make the best of the current structure of the farmer learning center.

## **8.2 Module 2: Increasing Smallholder Farmers' Access to Farm Inputs (seeds and fertilizers)**

Activities under this module seeks to improve the entrepreneurial and technical skills of agro-dealers in rice and soybean farm inputs (such as seeds, fertilizers, agro-chemicals and tractor services etc) while also strengthening their linkages with value chain actors such as FBOs and members, SMEs, Commercial banks, seed and fertilizer suppliers and agri-business service providers.

### **8.2.1 Access to Agri-Inputs Undermined by Lack of Input Credit**

While SARI and ADRA are on course to achieve their (productivity) output targets set in project design, a very critical ingredient to translating these outputs into outcomes was omitted from the credit component of the grant approved. – Credit for agro-inputs for smallholder farmers, except the starter pack support under INTAPIMP.

*Initially we thought the credit component of the Project was also going to cover input credit, but unfortunately it never covered input credit. We collected farmers' intentions alright, but when it came to linking them to cultivation services and inputs, there is a problem. As such many farmers have not been able to mobilise the needed funds. Many of such have even fallen out. (Wilson Dogbe, SARI)*

The omission of the input credit support as part of interventions under the AVCF, coupled with the inability of the implementers partners to link their beneficiaries to other sources, have become a bane to improving access of smallholder farmers to agri-inputs. More will

be discussed under section 8.4 (knowledge Module 4). Despite this huge challenge, some good practices and success factors including the starter packs and tractor service supports.

### 8.2.2 The Starter Pack Support under INTAPIMP – A Sure Way of Achieving Adoption of ISFM Technologies and Increasing Incomes

The delivery of starter packs support under INTAPIMP has received a lot of praise from beneficiary farmers, both recipients and non-recipients. Many of the over 2,000 recipients have experienced tremendous improvement in their farming business, spurring them on to instantly adopt the ISFM technologies introduced by ADRA and its partners. The starter packs were distributed through Gumaya Enterprise and CARD-FNGO. According to Alhassan Abukari, a Project FBO chairman in Makango in the East Gonja District and an input agent for Gumaya Enterprises, the immediate impact is that the support provided an instant solution to the problem farmers encountered in obtaining credit to acquire input. As an agent for service provider, the starter pack support has provided Alhassan Abukari with an additional income source. Many recipients attribute the immediate increase in their incomes, a year after obtaining the starter packs to the support.

Unfortunately, only 3,000 starter packs were approved in the INTAPIMP grant. ADRA was expected to link up with other sources such as the service providers and banks to provide support to the remaining 7,000 farmers not covered. The challenge is that INTAPIMP has not been able to guarantee their access to the needed input because of the usual challenges farmers go through in accessing credit. Both farmers and management of INTAPIMP believe a greater impact would have been made if the starter packs were approved by the donors for all 10,000 intended farmers. The key lesson is that most farmers under INTAPIMP are below the credit or poverty line, thus would be crippled if they are given credit right from the beginning. Therefore in order to sustain themselves in business, they require some cushioning, in terms of starter packs, to be able to first produce for the household before thinking of selling the surplus to create wealth.

It is the conclusion of both AVCF implementers that, collaborating partners such as CARD and District Agricultural Development Units, and beneficiaries, that the Starter-packs support under INTAPIMP is a good practice which has yielded tremendous result for INTAPIMP beneficiaries. However, the inability of ADRA and its partners to secure funding to extend the starter pack support is a huge test of the sustainability of the starter pack support.

Meanwhile, beneficiary farmers of the AVCMP are also craving for the support because of their inability to access credit for the requisite agro-inputs for the farms. Accordingly, it is commendable that SARI and other AVCMP partners, having learnt from the challenges encountered in improving an access of farmers to inputs, have proposed to AGRA to adopt the Starter pack support during the no cost extension period. Learning from the failures of Project implementation and adopting strategies to deal with them before the Project closes is a good practice that must be encouraged. That is the essence of lessons learnt during



**Photo: It all smiles for these clients of INTAPIMP as they receive certified seeds as part of some starter packs after being trained by the Project**



project implementation.

#### 8.2.4 Tractor Services Support, A Success Factor in Increasing Productivity

The tractor and other machinery services support for helping farmers to have access to tractors for ploughing, shelling, planting and harvesting is a good practice. Like the provision of starter packs, this support services helps farmers circumvent the challenges encountered in securing funding for such services. Under the AVCF projects, the equipment and machinery are provided by a service provider who may be a nucleus farmer/SME to their smallholder out-growers or an aggregator to an FBO on a fee-for-service basis. The farmers pay the facility in kind at harvest time which the aggregator sells to finance the credit used to finance the capital assets such as tractor, plough and sheller etc.



### 8.3 Module 3: Improving Entrepreneurial and Business Management Capabilities of Smallholder Farmers for Effective Agribusiness Management

The practice of going beyond just group formation by farmers and providing them with the necessary training to strengthen and sustain farmer organisations is a good practice that should be replicated by all development organisations, whether agric-based or not. The training provided by both AVCMP and INTAPIMP implementers on topics such as group dynamics and cohesion, roles and responsibilities of group members, strategies for maintaining FBOs and value chain approach to farming and conflict management has resulted in stronger FBOs under the AVCF. According to most FBO members interviewed as part of this documentation exercise, the trainings received through AVCMP and INTAPIMP has enhanced their knowledge and skills to negotiate for better prices for their produce and reasonable rates for agri-inputs. They point out that the benefits go beyond their farming businesses as they have been given a voice in their respective communities.



**Photo: Officials of NHIS registering some members of the Dodorifom Akonvi Farmers Association to be enlisted on the scheme**

Another success factor has been that many of the FBOs under AVCMP and INTAPIMP, as part of strategies to maintain group members and encourage others to join, have put in place systems to seek the general welfare of their members.

*For more than two years most of our members in the Adaale community were not registering themselves and family members with the National Health Insurance Scheme (NHIS). Anytime we advised them to register they complained of not having money. The strategy we have adopted as a group is to retain a portion of their monies after sale of produce to register group members under the NHIS (Yaw Jeminja, Secretary, Dodorifom Akonvi Farmers Association, Chereponi District)*

## 8.4 Module 4: Improving Access of Smallholder Farmers and Agro-Input Dealers to Credit – A Major Challenge under the AVCF and Lessons Emanating from Component

All stakeholders of the AVCF admit that the access to credit component has not proceeded as expected. Project implementers agree that the initial concept of an Innovative Finance approach, as it was envisaged during the design of the Facility, to support value chain actors was a good one. However, the omission of input credit support is one that has had significant negative consequences on different segments of the rice, maize and soya value chains. This component has been fraught with a lot of challenges. Following the inability of many beneficiary SMEs and farmers to attract credit under the facility, most beneficiaries have formed the opinion that the AVCF banks simply do not want to give them credit.

### 8.4.1 Stringent “But Regular” Requirement of Financial Institutions Seriously Undermining Objective of Credit Component of AVCF

Though UT Bank has been on the facility for over a year now and targeted GHS 30 million for the Projects' lifespan, it has not disbursed any credit to any beneficiary of AVCMP and INTAPIMP. Stanbic Bank has also approved only 3 credit facilities to beneficiaries of AVCF even though two other beneficiaries have benefited from credit from the bank, but outside the AVCF portfolio. Currently, all requests for agricultural loans from Stanbic Bank and UT Bank by the AVCMP and INTAPIMP beneficiaries are processed at the Head Offices in Accra where the Agric Credit Officers operate from. Stanbic Bank has received about 50 proposals for term loans facilitated by the AVCMP partners, but has approved only 3 proposals to date. Many beneficiaries of the AVCF admit that the stringent conditions of the financial institutions have made it difficult for them to obtain credit as expressed in the words of Sulley Wekem of Elimnco Ventures:

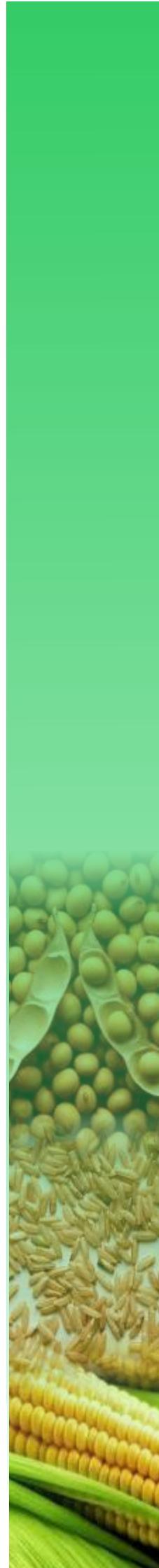
“... The 20 percent Stanbic was demanding was way too high for me. My brother, if I had that money, I wouldn't even have bothered to go in for the loan”

Mr. Sulley Wekem had a loan approved by Stanbic Bank but was required to GHS 20,000 as equity, but he could not raise the amount, thus was unable to proceed securing the loan. This open-secret must be considered bearing in mind that the financial institutions, as private sector organisations, are profit oriented and will only remain in business, if they are able to reduce their risk in on-lending to the barest minimum.

### 8.4.2 The Donor's Pre-AVCF Assumption of the Real Finance Challenges Encountered by Smallholders Farmers and Other Value Chain Actors

The documentation finds out that the development of the Innovative Finance component of the AVCF was not fully participatory, with little or no involvement of the intended beneficiaries. AGRA and its donors developed with an assumption that smallholder farmers in Ghana already had access to short term loans for inputs and what they needed was rather long term loans for infrastructure and machinery acquisition. This finding brings into question the extent of baseline data collected by AGRA prior to the development of the AVCF. A baseline survey, if it had been conducted and/or extensively, as an input into the design of the AVCF would have brought out the “**real needs**” of intended beneficiaries of the AVCF – i.e. both long and short term credit for input as well as machinery/infrastructure.

Another key defect to the development of the Innovative Finance is that unlike other related development projects which are able to make adjustment to specific Project/grant interventions during mid-term review or major donor reviews, this has not been done.



The Innovative Finance component has therefore remain the same as in Project design, despite the recognition by the participating financial institutions and implementing partners that input credit should have been considered in the credit component. Accordingly, most smallholder farmers and their FBOs have been shut off from the credit component, except under the Starter Pack support under the INTAPIMP and financial linkages outside of the AVCF.

### 8.4.3 Initial Misunderstanding on Uses of Innovative Finance as Envisaged in Grant Approved

Some implementing partners, during the grant making process, did not understand the type of credit approved under the AVCF. This is attributable to a lack of clarity in the agreement signed between AGRA/DANIDA and the financial institutions on the type of loans that were available under the AVCF for beneficiaries:

*Initially we thought the credit component of the Project was also going to cover input credit, but unfortunately it never did. And our farmers were also not in the position to go in for the term finance... We collect farmers' intentions alright, but when it came to linking them to cultivation services and inputs, because of the poverty at the farmer level, the service providers will not give credit. As such many farmers fell out. (Wilson Dogbe, SARI)*

The lack of clarity was also seen in how the various partners understood their specific mandate in the administration of the term loans. Consequently, the financial institutions seem somehow isolated from the two Projects under the facility even though they are supposed to be co-implementers, leaving the responsibility of preparing the clients solely on the project implementers.

*We come in only when AGRA presents to us beneficiaries who qualify or meet our criteria for finance. So far we haven't financed any beneficiary because none of the persons presented meet our conditions. (Bowan Bowan Mubarak, Agricultural Relationship Officer, Stanbic Bank).*

Further to the above, the financial institutions believe the hand holding training by the implementing partners still has a default in adequately preparing the SMEs to meet the criteria of the banks for credit approval.

*Almost all reference that we've had, it's usual for you to go and find out that the business hasn't got a simple management account, let alone a financial statement or audited account. It's either they have it and they don't want to give it out for reasons best known to them or they don't have it at all. For us, they don't have it because when we request for it we don't get it (Genius Kissiedu, Agricultural Relationship Officer, Stanbic Bank)*

The financial institutions also feel that the implementers are not showing enough responsibility in terms of vouching for their beneficiaries' commitment to paying back the credit they intend to attract.

*"The beneficiaries are located in areas that we don't have close business stations. Yes, we are still willing to do business with such people. But what if the institutions that*



**Photo: Amina Seidu, a beneficiary farmer of AVCF from Chereponi working on her mazie farm**





*work with them cannot stand in for them? What we want them to do is to stand in for them that we have worked with this person and any time you cannot find them we will find that person for you. But if the institution that has worked with this person for two or three years says I cannot do that, then the FI that barely knows the person will definitely not recognise the person as someone you could locate when he is missing. (Genius Kissiedu, Agricultural Relationship Officer, Stanbic Bank)*

**Photo: Some female members of the Kpandai Farmers Group working on their soyabean farm**

AVCF Stakeholders including beneficiaries, implementing partners and even the financial institutions accept the fact that production is a very critical area in the value chain and should therefore be covered under the agreement they signed with AGRA/DANIDA. UT Bank for instance have in the past financed direct agriculture production but outside the AVCF.

*It should have been possible to on-lend to a farmer who wanted loans to plough his land, buy fertiliser etc. We have financed such people as a Bank and we were able to manage the repayment process well (Bowan Mubarak, Agricultural Relationship Officer, UT Bank)*

Some implementers also attribute the under-performance of the credit component of the facility to the strategy adopted by AGRA and DANIDA in designing the facility. They believe that it is not enough to expect banks to on-lend credit to the tune of \$ 30 million to a risky sector, but provide a guarantee fund of only \$ 2 million.

#### **8.4.4 Applying Innovative Approaches to Ensure Judicious Credit Usage - Sinapi Aba Adopts “Incremental” Credit for Loan Recipients**

The AVCF is being implemented in an environment where there is high risk of credit recipients diverting part of loans received for other pressing needs. Beyond the usual education by the AVCF partners to their beneficiaries on the need to ensure judicious use of credit funds, Sinapi Aba has also adopted an innovative approach. Having learnt from its experiences in credit delivery to small scale entrepreneurs and farmers, the



financial institution has adopted an “incremental” loan delivery strategy. According to the AVCF Desk Officer at Sinapi Aba, Frank Brobbey, this allows the bank to initially approve a lesser amount to a credit recipient but top up when the project the credit is intended for has reached an advanced stage. For example, a loan of GHS 60,000 was initially approved for Ganye (Agro-input) Enterprise in Savelugu to construct a warehouse. The owner of Ganye Enterprises upon the approval of the initial amount complained thought the amount received is woefully inadequate for the warehouse project he was executing. However, the enterprise has since been given the additional amount needed to complete the Project.

#### **8.4.5 Tailoring Preparation of Credit Applicants towards Requirement of Specific Financial Institutions Could Increase Access to Credit**

One “tractor service operator” beneficiary of INTAPIMP has been able to access credit to the tune of GHS 27,000 from Sinapi Aba, but this was outside arrangement under AVCF. Initially, he was presented to UT Bank but that did not meet their requirements including not having the necessary securities as a starter. Another Agro dealer, Gumaya Ent., was successfully linked to Agricultural Development Bank (ADB) for a credit of GHS 15,000 to expand his business.

The key lesson in this is that it is possible for AVCF implementers to look beyond financial institutions under the facility and seek linkage with other financial institutions for loans for their beneficiaries. Another lesson is that each financial institution has different processes and requirements, particularly in managing risk. As such project implementers must be well abreast with the specific requirement of each of their partner banks and tailor the preparation of their beneficiaries towards them.

While Project implementers agree that the Financial Institutions, as private sector business entities, must put in place mechanisms to minimize risk, these stringent requirements are likely to push out starters who have huge potential to succeed with little financial assistance from the financial institutions. It must be noted that while it appears easier for the farmers to access credit from Sinapi Aba because of their relatively easy requirements, their interest rate is comparatively higher. But Sinapi Aba Trust explains that is so because they also borrow from the commercial market to on-lend to their clients.

## **8.5 Module 5: Promoting the Adoption of Improved Agric-Technologies to Community Radio and Edutainment**

### **8.5.1 Community Radio Education on Value Chain Topics – A participatory Approach to Reaching Farmers and Agri-input Dealers**

Over forty-four radio discussions have, since the inception of the Projects, been aired on four radio stations i.e. Radio Kitawoln, Simli Radio, Radio Savannah and Bishara Radio to create awareness on ISFM technologies and other related topics. Topics covered include, fertilizer management, pests and disease management, water management, education on genetically modified organisms (GMO's) and harvest and postharvest management of rice, soy and maize. Beneficiary smallholder farmers of AVCMP and INTAPIMP interviewed praised the use of radio in educating them on ISFM technologies and other value chain topics because they described radio as beating distance and has immediate effect on them. The type of radio programmes undertaken by the AVCMP implementers was found to be participatory. The language of communication is mostly vernacular, which made it very easy for farmers and other target audience to understand.

*... You see, when we were given some pamphlets from AVCMP, I had to ask my son to explain to me what it was saying. I have this book from GAABIC that talks*



*about the various agro input dealers in the North. But sometimes, I have to also ask my son to explain things to me. But for the radio programmes, they are different. I don't need my son to explain anything to me because Bishara does those programmes in the local language which makes it easy for most of us to understand, appreciate and relate with the message. It is good for us the illiterates. (Baba Musah, Client of AVCMP, Tamale)*

The farmers also mentioned that they could also call into the programme, and ask questions or make necessary contributions to the topic(s) being discussed. They described radio as a very useful medium of communication from the AVCF implementers because radio is now very common, *“on our mobile phones, in public transport... and with very little money you could buy a very portable radio that you keep in your bag”* and could be listened to even when the farmers are working on their farms. The farmers point out that through the “AVCMP” radio programmes, they have received so much information and have been sensitized on improved farming methods, certified seeds, fertilizer and agro-chemical application and how to prevent post-harvest losses. Interviews with beneficiary farmers revealed that even topics such as the dangers of bush-burning, natural alternatives to improve soil fertility and prevent erosion; and protecting and planting trees, where possible, were discussed. The beneficiary farmers believe that the format of the programme (i.e. combining panel discussions with music and phone-ins) makes the programme very lively.

The main essence of creating awareness through radio programming is to get them to adopt these technologies and innovations they are sensitized on. A good number of farmers confirmed many farmers; both beneficiaries of AVCMP/ INTAPIMP and non-beneficiaries had adopted the new farming practices disseminated through radio agricultural programmes.

### 8.5.2 Breaking Farmer Conservatism through Edutainment

The study also found some elements of Edutainment in the mode of communication between the implementers and farmers. Edutainment refers to events, programs and attractions where the entertainment qualities are the primary draw, with the learning or educational content being a by-product. This is a good practice and very commended initiative. This was seen in the drama and video used by the implementers in some rural communities. The drama and video allowed different possible endings by encouraging audience participation with the aim of changing the behaviour of participants of such means of communication.

The drama script was adapted locally by the producers responsible to ensure the characters' names and phraseology was suited to the target audience. The story line and themes remained the same but the approach taken by the performers was specific to the language and group in question. The drama was recorded and shown as video using the Video Van in many other communities.

Indeed, many beneficiary FBO leadership have described the drama and video as doing “magic” in convincing farmers to accept the technologies and innovations being



Photo: A staged drama being performed in an AVCF beneficiary community



introduced by SARI.

## 8.6 Inadequate Joint Stakeholder Efforts and Participation in the Design of AVCF.

The era of top down development approach is fast gone with most development experts advocating a participatory approach to development intervention. The latter encourages the active involvement of key stakeholders such as donors, implementers and beneficiaries of a development intervention in decision making right through Project design, planning, implementation and evaluation stages. However, in designing the AVCF, AGRA relied on a Baseline Survey that was conducted in 2009/2010 to obtain initial values of Program Performance Indicators in Ghana. While the said document adequately captures relevant information on needs of farmers in the other areas, there was a deficit in terms of the financial needs of the farmers and SMEs. For example, even though the survey contains adequate information on sources and sizes of loans by households and individuals in Northern Region, their **preferred sources** as well as uses of the loans were not captured. The above, especially the size of loans, perhaps could have fuelled the assumption that farmers were already access short term credit for inputs.

When it came to the field level implementation of the AVCF, AGRA also sought proposals from IFDC, GAABIC and SARI which were already working with potential beneficiaries of the Facility in the operational area. The documenters did not capture any conscious effort by either AGRA or the implementing partners to engage the intended beneficiaries on their real needs. At best the level of participation of beneficiaries in the AVCF could be described as a Pseudo.

Some staff of implementing partners believe that AGRA could have asked the identified implementing partners to present a joint proposal or established a collective platform to put together individual proposals received together into a single grant proposal. This would have been a more preferred approach instead deciding at the level of AGRA to do so. This according to some staff of the implementing partners is the principal reason for the “forced marriage” that exists today among the AVCF implementers. The results of the above include:

- Overlapping indicators with some activities generating misunderstanding as to who's direct, focus or primary responsibility it is and leading to partners sometimes ignoring joint/common indicators.
- Poor Project visibility due to the lack of clear ownership on the part of the implementing partners of AVCF, unlike INTAPIMP, managed by only ADRA, leading to very poor or non-existent Project branding at the district/community level.
- Inability to exploit each other's staff strength to deal with the problem of limited staff under each component or implementing partner. As such low component staffing has resulted in reduced contact time with the

**Photo: Some female beneficiaries of AVCF using mobile devices during a joint training with Isoko in Doumeh**



beneficiaries (mentoring actually needs staff to spend a lot more time with the beneficiaries). The few project staff is unable to extensively cover the 16 project districts and for that beneficiary contact is reduced. Effective mentoring and coaching is thus impeded. However, this could have been reduced if there were stronger synergies between the implementing partners of AVCMP.

## **8.7 Module 7: Lessons from Project Coordination and Management Arrangements**

Comparatively, the Project coordination and management arrangement of the AVCMP as explained chapter 5 has been problematic as compared to INTAPIMP. Even though there have been some considerable improvement in recent times through a number of strategies adopted by both AGRA and implementers, it is still very easy to conclude that the AVCMP partners are struggling to fit together, especially between SARI and IFDC. These challenges are attributable to a “forced marriage” created right from the design of the Project, different institutional cultures and too much demands from donors.

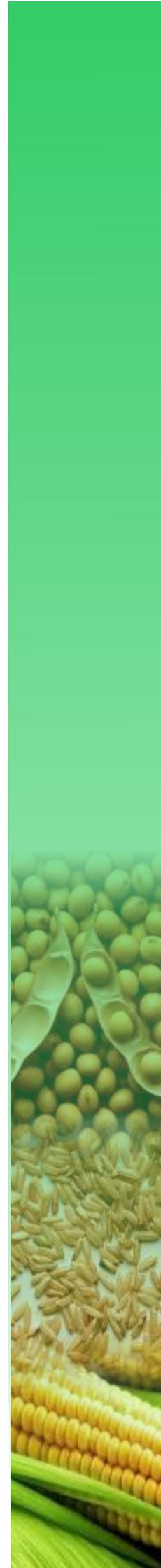
### **8.7.1 Lack of Well-Defined Power Relations and Institutional Cultures Periodically Affect Synergy of AVCMP Implementers**

A major threat to effective and efficient project coordination and management have been reporting structure/ power relationship between the AVCMP implementers coupled with their different institutional cultures. The “equal” powers given to the AVCMP partners make it impossible for the lead agency, IFDC, to approve or sanction an action or activity of the co-implementers. GAABIC and SARI directly link with AGRA on financials and other control systems thus making accountability among the implementing partners equally low. Occasionally, there are semblance of friction especially between IFDC and SARI. The relationship between IFDC and GAABIC is encouraging but this may be due to their past relationship in the implementation of the GAAD Project. Though may be unintentional, it appears that the implementing partners of the AVCMP are still reliving the moments when they presented separate proposals to AGRA to implement their own Projects. Though the situation seems to have improved, through AGRA's interventions and the monthly meetings of the three, there are still traces of a “forced marriage” among the AVCMP implementers. All three implementers agree in principle that the lead agency should have been given some sanctioning power.

These reasons have been exacerbated by different institutional cultures that exist with the three implementing partners, one wholly governmental, another being an international development agency and the other a local non-governmental agency. A critical area where this impacts project management is in the area of timeliness of presenting reports, where a partner sometimes delay submitting report due to peculiar bureaucracies.

### **8.6.2 Overwhelming Demands from Donors**

There is a general belief among the implementing partners that AGRA has not been consistent in terms of documentation between them and the implementing partners. For example, they cited the recent demand by AGRA that they present quarterly reports when what was agreed on in the grant agreement was a bi-quarterly report. At the same time, they complain of avoidable late disbursement or withholding of funds by AGRA which affects smooth implementation at the field level. For example, following lessons learnt from INTAPIMP's Starter Pack support, AGRA approved starter pack support for some selected beneficiaries of the AVCMP during the no cost extension period. Till date, ADRA has not given the go-ahead for them to proceed with the support despite the approval.





## 8.8 Module 8: Lesson from the Grant Making Process

The grant making process took quite some time to complete, with the usual bureaucratic processes at both DANIDA and AGRA levels delaying start of actual implementation at the field level. The grant was approved in July 2009 while the process of getting the grant money transferred to AGRA was completed a month or two latter. By this time, agricultural activities had already started.

Bearing in mind that AGRA could have only spend following receipt of the letter of award of grant, perhaps the grant making plan should have included a grant preparation time and time to acquire the requisite equipment needed to kick start implementation. The absence of this however led to a situation where in January 2010, DANIDA came for review expecting to see start of implementation only to find out that AGRA was still going through its internal grant making process to recruit its grantees. AVCMP, the first of the two Projects eventually started in April 2011.

Following the challenges that have arisen from the Project Coordination and Management arrangement of the AVCMP i.e. the “forced marriage” mentioned earlier, a key lesson is that it would have been more ideal for AGRA to have requested for joint proposal from the three partner institutions or merger of the three proposals jointly by the three institutions.

**Photo: A quarterly review meeting of AVCF partners in session**



# Chapter 9

## Conclusions and Recommendation

This documentation exercise was based on the qualitative methodology. The data source included some reports of the two Projects (AVCMP and INTAPIMP) under the Facility, Project appraisal documents of related Project, 16 staff of key stakeholders i.e. AGRA, IFDC, SARI, GAABIC, ADRA, DADUs and CARD-FNGO and 25 selected beneficiaries of the two Projects. As such any conclusions and recommendations should be looked at from this scope.

### 9.1 Summary of Good Practices, Innovations, Lessons and Successes under the AVCF

- Activities under the upgrading of the technical skills knowledge of farmers and their umbrella through ISFM technologies were found to be the most successful, resulting in very remarkable outputs i.e. innovations, good practices and successes, within the projects' implementation so far. A number of them have been identified through this module.
- Beneficiary smallholder farmers, project implementers and partners agree that a lot of awareness on ISFM technologies have been created by the two Projects, leading to significant enhancement in knowledge and skills of smallholder farmers as was envisaged in the design of the two Projects. However, the adoption, following withdrawal of benefits attached to participating in training and demonstrations is not encouraging.
- The adoption of a multi-channel approach for reaching target beneficiaries especially in the productivity components was found to be the reason behind the success in increased awareness and technical skills in components activities. A good number of farmers confirmed many farmers; both beneficiaries of AVCF and non-beneficiaries had “adopted” the new farming practices disseminated through radio programs and drama.
- The continuous adoption and sustainability of the ISFM technologies introduced is seriously threatened by irregular weather patterns in Northern Ghana. The declining soil health in the area is a major threat to sustaining the gains made, especially when access to credit for fertilisers is hard to come by. However, the implementing partners, specifically SARI, has introduced stronger resistant and shorter period varieties as a means of mitigating the effects. Linkage with irrigation systems is however needed.
- There is also more room for improvement in the education of beneficiary farmers on certified seeds usage.
- While there is an improvement in the sizes of farms cultivated by beneficiaries, the yields still appear too small to make very significant leaps in the incomes and livelihood of the majority of beneficiaries. This is attributable to a lot of inefficiencies within the system and inability to acquire the necessary input to support cultivation.
- The initial plan to have each farmer learning center become of a hub of integrated support to farmers, with each center having an information center and agro-input shop attached, could not materialize because no provision was made for it in the costing of Project funds.
- The implementers concede this could have been prevented if there was a joint proposal to AGRA or they had jointly sat down to discuss their intention prior to the approval of the grant.
- It appears the only mode of community entry and receiving direct support from the AVCF is through existing FBOs or ones whose formations are facilitated by the Projects.
- The sustainability of the Northern Pre-Season Forum is not in doubt as this has been widely embraced and taken over by other development partners. What is missing for these development partners who have taken over the forum to properly acknowledge the role of AGRA played in instituting the forum.
- While a number of handholding training and business formalization have been done by the implementing partners for the various SMEs under AVCF, after which the best are presented to for credit, the quality of these SMEs are being questioned by the financial institutions. This explains why only five beneficiaries of the AVCMP have so far received credit under the



AVCF. That notwithstanding, most SMEs interviewed admitted their businesses have witnessed tremendous improvement in their businesses and incomes generated. This is attributed to the improvement in management practices as a result of the AVCMP and INTAPIMP interventions.

- Most implementing partners are on-course to achieving a good number of output targets set by the project design except the ones linked to credit delivery. While most potential credit recipients have not been successful getting loans from the financial institutions under the AVCF, another very critical ingredient to translating the outputs into outcomes was missing in the credit component of the grant approved by AGRA – credit for agro-inputs for smallholder farmers, except the starter pack support under INTAPIMP. No processing SME has been able to receive credit yet.
- The definition of SMEs in the AVCF does not meet even national standards. According to the National Board for Small Scale Industries (NBSSI) of Ghana, a firm is considered an SME depending on the number of employees employed in the firm and the value of fixed assets owned by the firm. Small enterprises are required to employ a maximum number of 29 employees with a minimum fixed asset value of \$100,000 while medium enterprises employ between 30 and 99 employees with a fixed value of \$1,000,000. Most of the SMEs under the AVCF do not meet these criteria. This mis-definition could be laid at the door step of Project design.

The Starter Pack Support under INTAPIMP, is a good practice to be adopted and up-scaled. ADRA believes that more impact could have been made if the proposed 10,000 starter packs have been approved by AGRA. Plans to link the remaining 7,000 farmers to other sources for funding for the support has not yielded result. It is commendable that SARI and other AVCMP partners have proposed to AGRA to adopt the Starter pack support during the no cost extension period.

- The tractor and other machinery services support for helping farmers to have access to tractors for ploughing, shelling, planting and harvesting is a good practice. Like the provision of starter pack, this support services helps farmers circumvent the challenges encountered in securing funding for such services.
- The practice of going beyond just group formation by farmers and providing them with the necessary training to strengthen and sustain farmer organisations is a good practice that should be replicated by all development organisations, whether agric-based or not.
- Another success factor has been the factor that many of the FBOs under AAVCF, as part of strategies to maintain group members and encourage others to join, have put in place systems to seek the general welfare of their members.
- The credit component of the AVCF has not worked because of the stringent “but regular” requirement of the financial institution under the AVCF; lack of clarity in agreement signed between stakeholders attributed to some of the challenges in credit delivery under the AVCF; the quality or non-readiness of SMEs submitted to the financial institutions.
- The financial institutions also believe the implementers must show more commitment towards vouching for the ability of the beneficiaries to pay back loans. Some implementers attribute the under-performance of the credit component of the facility to the strategy adopted by AGRA and DANIDA in designing the facility. They believe that it is not enough to expect banks to on-lend credit to the tune of \$ 30 million to a risky sector, but provide a guarantee fund of only \$ 2 million.
- There is a call for an 18-month loan repayment period for all agricultural input loans instead the current 12 months. CARD believes this will allow enough time to hold on to aggregated produce and sell at the best price.
- It is also possible for AVCF implementers to look beyond financial institutions under the facility

and seek linkage with other financial institutions for loans for their beneficiaries. Another lesson is that each of the financial institutions has different processes and requirements particularly in managing risk. As such project implementers must be well abreast with the specific requirements of each of their partner FIs and tailor the preparation of their beneficiaries towards the specific requirements.

- The submission of individual proposals without a joint one or a collective platform to put these proposals together is the principal reason for the “forced marriage” that exists today among the AVCMP implementers. As a result, the three implementers are still stuck to the fact that they submitted their individual proposals and thus consciously or unconsciously try to “do things” their own way and champion their individual components. Other threats to project coordination and management have been report level/ power relationship between the AVCMP implementers coupled with their different institutional cultures.
- Implementers also believe that there are too many demands from the donors, which sometimes results in late disbursement or withholding of funds from AGRA.
- The innovations introduced through the AVCF include the ISFM Video Van, Upland rice and the Northern Pre-Harvest Forum.

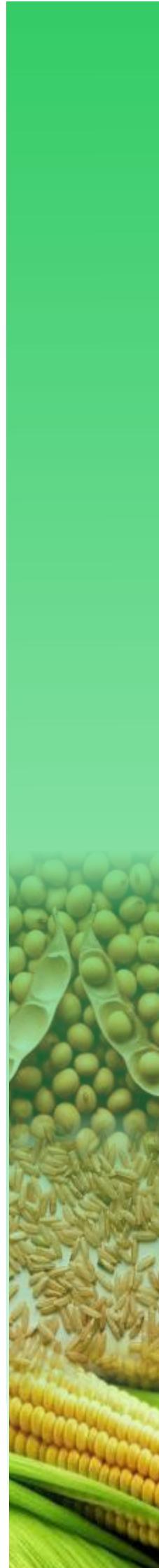
## 9.2 Conclusion

The conclusion of this exercise is that significant gains have been made through the implementation of the two projects under the AVCF i.e. AVCMP and INTAPIMP. But these achievements have been restricted to the training, awareness creation on and use of ISFM technologies; introduction and use of certified seeds and other improved varieties; market linkages of FBOs and their smallholder farmers; training of agri-input dealers and other SMEs; launch and organisation of Northern Ghana Pre-harvest Forum; and increase in acreage cultivation of smallholder farmers. Membership of farmer based organizations enhances smallholder farmers' access to technology and market information, which in turn, impacts positively on technology adoption. Generally, the documentation exercise has revealed that farmers have knowledge of the AVCMP and have also benefited from trainings and farm demonstrations on good agricultural practices. Technical competences with respect to farming as a business and the adoption of good agronomic practices by farmers have been enhanced. Farmers have also been linked to improved market sources and are reaping the benefits of alternatives in selling their products.

However, these gains made are largely being undermined by the inability of both smallholder farmers and agri-input dealers/SMEs to access credit from the partner financial institutions under the AVCF i.e. Stanbic Bank, UT Bank and Sinapi Aba Trust. It appears the innovative finance component of the AVCF has not been innovative enough in reaching the targeted beneficiaries. This has been attributed to a number of factors. The initial assumption made by development partners and their implementing agencies that long term funding needs of SMEs in the agricultural sector could be met on sustainable basis by credit from a commercial bank could have been overemphasized. A key problem has been the stringent conditions of the banks' prerequisite for receiving credit. But it is equally important to consider this vis-à-vis the hand-holding training and preparation of the prospective credit recipients before submitting them to the financial institutions.

Also, while many smallholder farmers have increased their acreage cultivations and are benefiting from the other value chain services such as the use of certified seeds, improved varieties and market linkages; the yields of the farmers are still too small to make any huge poverty reduction impact, since most of these peasant farmers still use some of the rice for home consumption.

Again, it is the conclusion of this exercise that the effects of climate change and the continuous decline in soil health have the potential of eroding most of the gains of the AVCF, if current strategies by SARI and ADRA through the introduction of resistant varieties are not complemented with linkages



to irrigation support organisations.

There are a number of innovations and good practices many of which have been captured in this report. This includes the introduction of agricultural video vans by Countrywise Communication, which has won an international award for the use of a multi-channel approach in reaching smallholder farmers, Northern Ghana Pre-Harvest Forum, and the introduction of improved varieties such as upland rice. This exercise also concludes that these innovations and good practice are sustainable and will be continued by the various collaborating partners. Indeed, some development partners have already hijacked the Northern Ghana Pre-Harvest Forum.

Project coordination arrangement under the AVCMP, though selected by AGRA bearing in mind the exigencies at the time, the conclusion is that it has been problematic. The assumption that the implementation of AVCMP would have been more efficiently and effectively delivered through one main organisation (but could hire or contract other partners to implement specific interventions), as is being done through INTAPIMP was confirmed.

### **9.3 Recommendations**

The following recommendations are made based on the lessons learnt, innovations, good practices and successes identified through the documentation exercise:

The Deposits that financial institutions take, either from the Bank of Ghana or commercial sources, come with a cost. The financial institutions are therefore willing to utilise such deposits so they can earn on them. However, before on-lending to beneficiaries of the AVCF, they would want to be certain that the principal will return, plus accrued interest. Any uncertainties about the recovery of the loans to be given out will discourage the financial institution. There is therefore the need for the financial institution to be actively involved in the plan, implementation and evaluation of activities relating to the delivery of credit to AVCF beneficiaries. The financial institution must be encouraged to own up the various processes leading to the on-lending of credit.

The mentorship programme as a pre-qualification requirement for credit delivery must be well done for every business, regardless the status to avoid the situations where “so called best clients” of the two Projects are rejected after the financial institutions also undertake their assessment. It is recommended that all implementing partners, including the financial institutions, jointly review the various training and mentorship programmes given to the prospective credit recipients and come out with new guidelines to prepare prospective credit recipients.

Many of the beneficiaries – farmers and agribusinesses - already operate bank accounts with some existing rural and community banks in their respective districts. Some of them are financed through secondary farmer groups linked to large processors and commodity buyers. It is recommended that the financial institutions implementing the innovative finance component of the AVCF be expanded to include performing rural/community banks.

The financial institutions believe that a full knowledge of the locations of credit recipients is needed to ensure proper monitoring of the usage and recovery of the credit received. It is recommended that the two projects update their clients' database to include business locations, residential address i.e. house numbers, contacts of all beneficiaries.

The financial institutions under the AVCF have attributed the cold attitudes towards funding starter packs support through the aggregators/service providers to the lack of a legal regime that binds the farmers to sell to the aggregators. This is a serious threat to the sustainability of the support. It is therefore recommended that the AVCF implementers jointly discuss this and find an antidote to it.

Discussions by the AVCMP partners with UT Bank to rollout the starter-pack intervention should proceed with considerations on whether the financial institutions will deal directly with farmers or through their FBOs or an aggregator as is done in the case of INTAPIMP. These discussions must be done bearing in mind the existing legal framework that binds beneficiary farmers to sell their

produce to the conduit for receiving starter packs. It is also recommended that the number be increased bearing in mind the huge number of farmers working with the AVCMP. Conscious efforts should be made to ensure that the “poorest of the poor” are targeted.

It appears that the only mode of community entry and direct benefiting for both AVCMP and INTAPIMP have been through existing FBOs or one whose formation are facilitated through the AVCF. Accordingly, farmers who have very great potentials to increase crop yields and contribute to the attainment of the AVCF's goal of contributing to making the Northern Ghana a breadbasket, are likely to miss out of direct Projects' supports. AVCF implementers must consider if this is an issue that requires attention and adjustment to enable non-FBO members to benefit from Project support.

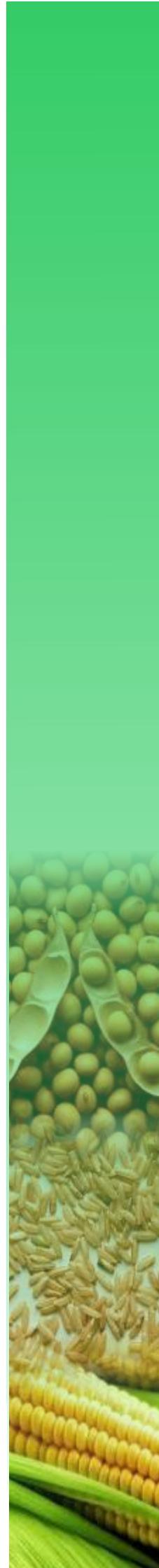
There is the need to increase awareness of farmers on the viability period of certified seeds provided them to avoid situations where farmers hold on to them because they anticipate a bad weather.

The radio programs should also incorporate other topics on alternative sources of livelihood for the farmers such as bee-keeping, guinea fowl and rabbit rearing etc. This would mean the implementers maintaining constant touch with their farmers during the dry season when farmers have the time to consider alternative strategies. Also, topics should be structured such that they coincide with the dominant farming activity within a particular period such as land preparation, planting, weeding, water management, harvesting and marketing.

The agreement between the radio stations on ISFM awareness creation, though initiated and funded through AVCMP, appears to be recognized by both radio stations and the other implementing partners as one between SARI and the former. This explains why for instance, GAABIC pays the same radio stations to undertake their sensitization campaigns. The other implementing partners must discuss this with SARI and the radio stations to address this. The other partners could also root their request for airtime through SARI to avoid paying for activity already being funded by AVCMP.

While lauding AGRA for initiating steps such as the review meetings to improve the current project coordination and management arrangement of AVCMP (which has been widely acknowledged by AVCF stakeholders not functioning optimally), the various implementing partners, with facilitation from AGRA, must continue to dialogue on how to continuously improve project coordinating activities including joint field trips and consequent reporting of results. At the same time, AGRA can take advantage of the no-cost extension period to give one of the implementing partners more powers to approve and sanction the activities of the others.

AGRA, having learnt that the best way to empower smallholder farmers to operate their farm as business is not to “spoil” them with too much hefty grants, should consider advocating among its development partners the reduction in grant amounts given to farmers. Lesser percentages of matching grants could however be continued to target persons who have genuine problems in accessing credit from financial institutions around them.



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# Appendixes

## Appendix A: Knowledge Modules under ADRA activities and Discussion Areas

Module 1: Improving entrepreneurial and business management capabilities of small holder farmers for effective agribusiness management

Module 2: Upgrading technical skills of farmers and their umbrella through ISFM technologies

Module 3: Increased farmers access to farm inputs through Warehouse Receipt/ Aggregator Systems

Module 4: Improving Access of small holder farmers to Markets

Module 5: Circumventing barriers to access to finance for small holder farmers through INNOVATIVE Finance.

Module 5: Institutional development of Farmer Based Organizations

Module 6: Increasing Technology Adoption through the

Module 7: Project coordination and management (including staffing, community entry, institutional partnership, drawing of budgeted monies from AGRA)

Module 8: Promoting adoption of improved agric-technologies to Edutainment (Video and drama)

The following will be the discussion areas under each module:

- Description of the module
  - o Specific steps / activities implemented ('outputs')
  - o Use made of specific outputs ('outcomes')
  - o Methods, tools and instruments applied
- Specific experience, knowledge and innovations gained during implementation
  - o What functioned well
  - o What did not function well (opposing views of the interviewees should be mentioned as well)
- Important frame conditions relevant for the module
  - o Promoting factors
  - o Hindering factors
- Assessment of impact of the module
- Total cost spent on specific module
- Assessment of impact on existing institutions
- Assessment of sustainability
- What innovations exist within module
- Assessment of replicability and upscaling
- Key lessons/ central messages (in single sentences)

Processes leading to application, design and award of grants by AGRA ( including participation in the design)

Some unintended benefits that have arisen as a result of Project implementation

Other relevant areas and recommendation

- **E.g.** The issue of climate change and impact on interventions delivered will be discussed

## Appendix B: Knowledge Modules under SARI Activities and Discussion Areas

Module 1: Improving entrepreneurial and business management capabilities of small holder farmers for effective agribusiness management

Module 2: Upgrading technical skills knowledge of farmers and their umbrella through ISFM technologies

Module 3: Increased farmers access to farm inputs (seeds and fertilizers) from agro-dealers

Module 4: Institutional development towards upscale of ISFM technologies

Module 5: Project coordination and management

Module 6: Promoting adoption of improved agric-technologies to Edutainment ( Video and drama)

The following will be the discussion areas under each module:

- Description of the module
  - Specific steps / activities implemented ('outputs')
  - Use made of specific outputs ('outcomes')
  - Methods, tools and instruments applied
- Specific experience, knowledge and innovations gained during implementation
  - What functioned well
  - What did not function well (opposing views of the interviewees should be mentioned as well)
- Important frame conditions relevant for the module
  - Promoting factors
  - Hindering factors
- Assessment of impact of the module
- Total cost spent on specific module
- Assessment of impact on existing institutions
- Assessment of sustainability
- What innovations exist within module
- Assessment of replicability and upscaling
- Key lessons/ central messages (in single sentences)
- Which communities did you have most difficulties in this model, and vice versa?
- Which organisations/ partners
- Has other projects/organization adopted this model

Some unintended benefits that have arisen as a result of Project implementation

Other relevant areas and recommendations:

- Eg. The issue of climate change and impact on interventions delivered ( This will be discussed if it doesn't come up in the above areas for discussions)
- Crops covered under AVCMP

## **Appendix C: Knowledge Modules under IFDC Activities and Discussion Areas**

Module 1: Improving entrepreneurial and business management capabilities of small holder farmers for effective agribusiness management

Module 3: Increased farmers access to Commercial finance by SMEs towards increased agricultural productivity and employment

Module 4: Improving Access of small holder farmers to Markets

Module 5: Increasing access to storage and processing services as a way of reducing postharvest losses

Module 6: The district/ regional pre-season networking event

Module 7: Project coordination and management (including staffing, community entry, institutional partnership, drawing of budgeted monies from AGRA)

Module 8: Farmer's Radio for SME Mentorship

Model 9: Crops covered under the AVCF intervention.

### **The following will be the discussion areas under each module:**

- Description of the module
  - Specific steps / activities implemented ('outputs')
  - Use made of specific outputs ('outcomes')
  - Methods, tools and instruments applied
- Specific experience, knowledge and innovations gained during implementation
  - What functioned well
  - What did not function well (opposing views of the interviewees should be mentioned as well)
- Important frame conditions relevant for the module
  - Promoting factors
  - Hindering factors
- Assessment of impact of the module
- Total cost spent on specific module
- Assessment of impact on existing institutions
- Assessment of sustainability
- What innovations exist within module
- Assessment of replicability and upscaling
- Key lessons/ central messages (in single sentences)

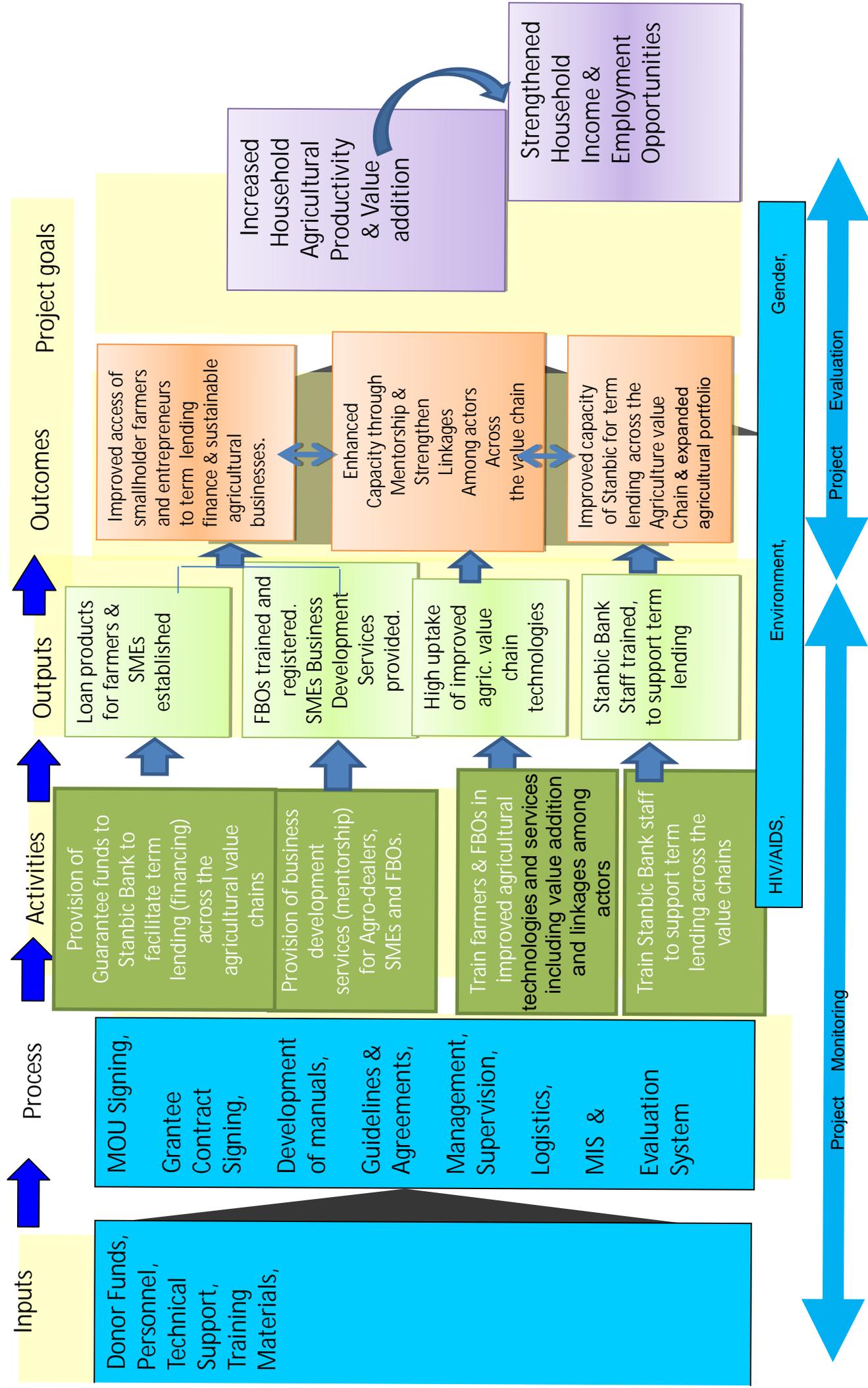
Processes leading to application, design and award of grants by AGRA ( including participation in the design)

Some unintended benefits that have arisen as a result of Project implementation

Knowledge Management and learning

Other relevant areas and recommendations

# DANIDA Project Logic Framework



## Monitoring and Evaluation Framework

Objective	Outcome	Primary Activities	Indicators	Measurement Methods
<p><b>Goal: Increase Income and Employment in Breadbasket Area of Northern Region of Ghana, through agricultural production, productivity and value addition and thereby contribute towards the Government of Ghana's objective of achieving food security and becoming an agro-industrial economy by strengthening the capacity of agro-dealers in the agricultural sector of Ghana throughout the value chain turning it to a highly productive, efficient, competitive and sustainable system.</b></p>				
Impact Level Indicators			<ul style="list-style-type: none"> <li>• % change (increase) in smallholder farmers income</li> <li>• % reduction in post-harvest losses for targeted crops</li> </ul>	<ul style="list-style-type: none"> <li>• Review of secondary sources of information – Central Banks, WB, UNDP, etc.</li> </ul>
<p><b>Facility A Objective</b></p> <p>Improved entrepreneurial and technical skills of SMEs (agro-businesses) and farmers while also strengthening linkages between actors across the agricultural value chains.</p>	<p>Enhanced capacity through mentorship and strengthened linkages among actors across the agricultural value chain.</p>	<p>Training of farmers in ISFM</p> <p>Training of volunteer extension agents</p> <p>Training of farmers in business development services</p> <p>Training of SMEs and agro-dealers in business development services</p> <p>Investments in value addition by SMEs</p>	<ul style="list-style-type: none"> <li>• % change (increase) in yield of targeted crops</li> <li>• Percentage of farmers in target area using improved agricultural technologies (ISFM)</li> <li>• Number of farmers receiving direct technical training and business development services</li> <li>• Number of farmers receiving indirect technical training and business development services</li> <li>• Number of Lead Farmers trained.</li> <li>• Number of community volunteer extension workers trained in ISFM.</li> <li>• Number of on-farm demonstration plots established</li> <li>• Number of targeted FBOs trained in contracting and supply requirements</li> <li>• Number of targeted FBOs aggregating inputs needs and produce for joint procurement and sales</li> </ul>	<ul style="list-style-type: none"> <li>• Crop cuts</li> <li>• Farmer surveys</li> <li>• Review of Project records/reports</li> </ul>

Objective	Outcome	Primary Activities	Indicators	Measurement Methods
			<ul style="list-style-type: none"> <li>Number of targeted agro-dealers and SMEs receiving technical training and business development services</li> </ul>	
<p><b>Facility B Objective</b></p> <p>Capacity of Stanbic Bank developed to lend across the agricultural value chains with a special emphasis on term lending.</p>	Improved capacity of Stanbic Bank for term lending across the agricultural value chain and expanded agricultural portfolio.	<p>Development of term lending products targeting value chain actors</p> <p>Provision of term lending finance facilities to agricultural value chain actors</p> <p>Training of Stanbic Bank staff</p>	<ul style="list-style-type: none"> <li>Value of term lending loans disbursed to agricultural value chain actors in the northern region by banks and non-bank financial institutions</li> <li>% of non-performing loans</li> <li>Number of loan beneficiaries per year</li> <li>Number of bank staff trained</li> </ul>	<ul style="list-style-type: none"> <li>Review of Project/bank records/reports</li> <li>Review of Bank and non-bank financial institutions Records</li> </ul>
<p><b>Facility C Objective</b></p> <p>Access to commercial finance (in particular term finance) for farmers and agri-businesses (SMEs) in target areas improved.</p>	Improved access of smallholder farmers and entrepreneurs to term lending finance for sustainable agricultural businesses.	<p>Linking FBOs and SMEs/Agro-dealers to banks and non-bank financial institutions.</p> <p>Training and Assisting FBOs and SMEs/Agro-dealers to develop business plans</p> <p>Processing of agricultural produce by SMEs</p>	<ul style="list-style-type: none"> <li>% targeted FBOs and SMEs with access to term financing</li> <li>Number of targeted SMEs involved in post-harvest processing</li> <li>Volume of agricultural produce(MT) processed by targeted SMEs</li> <li>Value of agricultural produce processed by targeted SMEs (USD)</li> <li>Number of targeted FBOs and SMEs/agro-Dealers accessing term financing credit</li> <li>Number of targeted SMEs investing in up-scaling value addition</li> </ul>	<ul style="list-style-type: none"> <li>Review of Project records/reports</li> </ul>

Objective	Outcome	Primary Activities	Indicators	Measurement Methods
			<ul style="list-style-type: none"> <li>• Number of targeted FBOs and SMEs/agro-Dealers receiving mentorship</li> <li>• Number of new agricultural sector related jobs created</li> </ul>	



