

## **Ghana**

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### **Ghana Agricultural Sector Investment Programme Supervision Report**

#### **Main report and appendices**

Mission Dates: 4-24 December  
Document Date 27/01/2020  
Project No. 1100001678  
Report No. 5329

West and Central Africa Division  
Programme Management Department

## Abbreviations and Acronyms

<b>AWPB</b>	Annual Work Plan and Budget
<b>ASAP</b>	Adaptation for Smallholder Agriculture Programme
<b>BAC</b>	Business Advisory Councils
<b>CA</b>	Conservation Agriculture
<b>CCR</b>	Climate Change Resilience
<b>COSOP</b>	Country Strategic Opportunity Programme
<b>DDA</b>	District Departments of Agriculture
<b>DVCC</b>	District and Village Coordinating Committees
<b>EOI</b>	Expression of Interest
<b>EPA</b>	Environment Protection Authority
<b>FBO</b>	Farmer Based Organisation
<b>GADS</b>	Gender and Agricultural Development Strategy
<b>GALS</b>	Gender Action Learning System
<b>GASIP</b>	Ghana Agriculture Sector Investment Programme
<b>GIDA</b>	Ghana Irrigation Development Authority
<b>GOG</b>	Government of Ghana
<b>GPS</b>	Geographic Positioning System
<b>ICO</b>	IFAD Country Office
<b>ICR</b>	Inter Cycle Review
<b>IFAD</b>	International Fund for Agricultural Development
<b>LTB</b>	Letter to the Borrower
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MED</b>	Monitoring and Evaluation Directorate
<b>METASIP</b>	Medium-Term Agriculture Sector Investment Plan
<b>MFI</b>	Micro Finance Institution
<b>MIS</b>	Management Information System
<b>MG</b>	Matching Grant
<b>MOF</b>	Ministry of Finance
<b>MOFA</b>	Ministry of Food and Agriculture
<b>MOTI</b>	Ministry of Trade and Industry
<b>NGO</b>	Non-Government Organisation
<b>NO</b>	No Objection
<b>NPC</b>	National Programme Coordinator
<b>NPSC</b>	National Programme Steering Committee
<b>NRGP</b>	Northern Rural Growth Programme
<b>OVCF</b>	Outgrowers Value Chain Fund
<b>PCU</b>	Programme Coordination Unit
<b>PDR</b>	Programme Design Report
<b>PFI</b>	Participating Financial Institution
<b>PFJ</b>	Planting for Food and Jobs

<b>PIM</b>	Programme Implementation Manual
<b>RCB</b>	Rural Community Banks
<b>VCC</b>	Value Chain Committee
<b>VCF</b>	Value Chain Facilitators
<b>WA</b>	Withdrawal Applications
<b>WIAD</b>	Woman in Agricultural Development

## A. Project Overview

Region:	West and Central Africa Division	Project at Risk Status:	Not at risk
Country:	Ghana	Environmental and Social Category:	B
Project Name:	Ghana Agricultural Sector Investment Programme	Climate Risk Classification:	2
Project ID:	1100001678	Executing Institution:	Ministry of Food and Agriculture
Project Type:	Credit and Financial Services	Implementing Institutions:	not available yet
CPM:	Hani Abdelkader Elsadani Salem		
Project Director:	Dr. John Manful		
Project Area:	National		

Approval Date:	08/04/2014	Last audit receipt:	26/06/2019
Signing Date:	18/05/2015	Date of Last SIS Mission:	24/12/2019
Entry into Force Date:	18/05/2015	Number of SIS Missions:	11
Available for Disbursement Date:	16/12/2015	Number of extensions:	0
First Disbursement Date:	21/12/2015	Effectiveness lag:	13 months
MTR Date:	22/02/2018		
Original Completion Date:	30/06/2021		
Current Completion Date:	30/06/2021		
Financial Closure:	not available yet		

### Project total financing

IFAD Financing breakdown	IFAD	\$36,600,000
	ASAP Trust Fund	\$10,000,000
Domestic Financing breakdown	National Government	\$7,628,000
	Domestic Financing Institutions	\$17,474,000
	Local Government	\$1,661,000
	Beneficiaries	\$4,625,000
Co-financing breakdown,	To be determined	\$0
Project total financing:		\$77,988,000

### Current Mission

Mission Dates: 4-24 December

Days in the field: 5 days

Mission composition:	<p>IFAD Team</p> <p>Peter Akari, Infrastructure and Technical Mission Leader</p> <p>Yaw Brantuo, Value Chains / Rural Finance Consultant</p> <p>Jonathan Agwe (IFAD Lead Technical Advisor, WCA IFAD)</p> <p>Theophilus Larbi, Country Programme Officer</p> <p>Alice Brie, WCA Technical Consultant, Gender and Youth Development</p> <p>Mohamed Abdelatif, Procurement</p> <p>Joy Afenyo, Monitoring and Evaluation</p> <p>Daniel Pasos, Financial Management Consultant</p> <p>Charles Annor-Fremong, Climate Change Specialist</p> <p>Linus Alexander Mondschein, Intern, Policy</p> <p>Government of Ghana Team</p> <p>Angela Danson, Director, PPMED, MOFA</p> <p>Klutse Kudomor, Project Coordinator, GASIP</p> <p>Stephen Debre, Value Chain Manager, GASIP</p> <p>Chelteau Baradjei, Infrastructure Manager, GASIP</p> <p>Ibrahim Alabira, M&amp;E Manager, GASIP</p> <p>Hussein Salia, Finance Manager, GASIP</p> <p>Kwadjo Gyamera-Antwi, Procurement Manager, GASIP</p> <p>Cynthia Value Chain Officer, GASIP</p> <p>Joseph Tommie MOFA</p> <p>Kingsley Amoako,</p>
Field sites visited:	<p>Asutware, Wheta, Ho, Mafi-Kumasi, Attebubu, Ejura, Afram Plains, Nabogo, Bolgatanga, Tumu, Wa</p>

## B. Overall Assessment

Key SIS Indicator #1	Ø	Rating	Key SIS Indicator #2	Ø	Rating
Likelihood of Achieving the Development Objective		4	Assessment of the Overall Implementation Performance		4

<b>Effectiveness and Developmental Focus</b>	<b>4</b>	<b>Project Management</b>	<b>4</b>
Effectiveness	4	Quality of Project Management	4
Targeting and Outreach	4	Knowledge Management	4
Gender equality & women's participation	4	Value for Money	4
Agricultural Productivity	4	Coherence between AWPB and Implementation	4
Nutrition	2	Performance of M&E System	3
Adaptation to Climate Change	4	Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)	4

<b>Sustainability and Scaling-up</b>	<b>4</b>	<b>Financial Management and Execution</b>	<b>4</b>
Institutions and Policy Engagement	4	Acceptable Disbursement Rate	3
Partnership-building	4	Quality of Financial Management	4
Human and Social Capital and Empowerment	3	Quality and Timeliness of Audit	5
Quality of Beneficiary Participation	3	Counterparts Funds	2
Responsiveness of Service Providers	4	Compliance with Loan Covenants	4
Environment and Natural Resource Management	4	Procurement	4
Exit Strategy	3		
Potential for Scaling-up	4		

<b>Relevance</b>	<b>5</b>
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## C. Mission Objectives and Key Conclusions

### Background and Main Objective of the Mission

1. **Background:** The Ghana Agricultural Sector Investment Programme (GASIP) is implemented by the Ministry of Food and Agriculture (MOFA). The overall goal of GASIP is to contribute to sustainable poverty reduction in rural areas of Ghana. The development objective is to enhance the profitability and climate change resilience of agribusinesses, including those of smallholders. GASIP was designed to be implemented in two cycles of three years each, with the current design covering a period of six years. The original design indicates that the beneficiaries of GASIP comprise at least 62,900 smallholder farmers by the end of the first cycle and 86,400 farmers by the end of the second cycle, working through 4,000 Farmer Based Organisations (FBOs) organised under value chain clusters. As at present GASIP is financed for the first cycle by an IFAD loan of US\$ 36.6 million and an ASAP grant of US\$ 10 million. The programme became effective in May 2015 and is scheduled for completion on 30 June 2021 and closure on 31 December 2021. GASIP was designed to be implemented through a Project Coordination Unit (PCU) located in Accra and three Zonal Coordination Offices (ZCOs).
2. **Mission details:** The International Fund for Agricultural Development (IFAD) and the Government of Ghana (GoG) team embarked on a Supervision Mission of GASIP (Project ID 1100001678) from 2<sup>nd</sup> to 24<sup>th</sup> December 2019. The objectives of the Mission were to review the progress made, results achieved in implementing the 2019 Annual Work Plan and Budget (AWPB) and Procurement Plan (PP) as well as progress in implementing agreed actions in previous missions in a bid to expedite programme implementation and provide guidance in addressing emerging issues. The mission began with a meeting at the ICO with the IFAD Country Director which was followed by working session with the Programme Coordination Unit (PCU) staff members who made detailed presentation to the mission about the progress and the current status of implementation of the different components. The mission held a meeting with the Honourable Minister of Food and Agriculture, Dr. Owusu Afriyie-Akoto with the Ghana Permanent Representative to the IFAD Governing Council, H.E. Mrs. Eudora Hilda Quartey Koranteng in attendance. The mission undertook two waves of field visits to communities where GASIP has invested and/or provided support to value chain clusters. The first wave field visit was to the Eastern and Volta regions undertaken from 4 to 6 December 2019. The mission was divided into two groups for the second wave from 9 to 12 December 2019 with one group visiting communities in the Ashanti and Bono East Regions and the Afram Plains, while the second group visited the Northern, Upper East and Upper West Regions. The actors met during the field visits included agribusinesses, FBOs, smallholder farmers and public infrastructure project contractors. The mission organised a debriefing meeting with the Minister of Food and Agriculture and a presentation of the key findings from the field visits were made to the MOFA Director of PPMED and the PCU. A technical wrap-up meeting was held with GASIP during which the draft Aide Memoire was tabled for discussion.

### Key Mission Agreements and Conclusions

GASIP had been affected by staffing and human resources challenges since its inception in 2015. This situation led to slow implementation progress that is reflected in low disbursements during the first four years of programme implementation with the IFAD loan and the ASAP grant combined disbursement standing at 19.2% as of February 2019. However, the pace of the programme implementation picked up following the adoption of wide ranging structural changes during the February 2019 Supervision Mission, including widening the scope of eligible activities that the matching grant scheme can support, including production finance to smallholder farmers.

A staff recruitment drive for the programme has resulted in all staff vacancies at the PCU being filled by May 2019. The Programme embarked on an outreach and full scale field implementation and succeeded in reaching about 1,200 FBOs (under 53 Clusters). About 47,500 individual smallholder farmers have received support with matching grant resources for the provision of production inputs valued at about USD 13.1 million. Following the remarkable achievements within a relatively short time span and the successful support provided to farmers with production which resulted in increasing disbursement to 38% by end of November (projected to reach 51% when the Ministry of Finance submits some pending withdrawal applications in the client portal). The intent going forward is to consolidate the gains and instituting measure to anchor the model in highly capacitated and outreach oriented FBOs. The main agreements comprise the following:

**Develop proper safeguards in an FBO-VCD Partnership Agreement to protect FBO ownership and control over savings from produce lodged with the VCDs:** To sustain input purchases in the future, a reserve should be created from this year income for repeating the partial financing of production inputs during upcoming seasons. These reserve funds shall be deposited in the FBO accounts and controlled by them.

**Links to Financing Institutions:** Fill the vacant position of Rural Finance Officer to boost creation of linkages with financial institutions to support the successful VCD and FBO partnership with the aim that financial institutions would lend to VCDs/FBOs at affordable terms to help sustain their production and enhance their operations in the next agricultural season.

**Implement Comprehensive and Accelerated Capacity Building activities for the of FBOs.** This would include capacity building to manage finances, open and operate bank accounts and develop partnerships with VCDs and banks. GASIP would need to conduct periodic monitoring to measure the results of the capacity building inputs by assessing how many FBOs move to a higher level of performance.

**Mainstream and Integrate Climate Change Resilience in all Programme Activities:** All Conservation Agriculture Groups should gradually migrate to Value Chain Groups led by a VCD and all Value Chain Groups irrespective of the location, should be trained on climate resilience by establishing demonstration/learner plots. All programme activities should be subjected to a climate resilience screening, including Infrastructure sub-projects.

**Conduct selective training for FBOs by AEAs and VCDs based on women/youth capacity and needs assessment:** the training curriculum of FBOs by AEAs and VCDs should be developed to match the specific tasks performed by women in each cluster. It is therefore necessary to conduct participatory needs assessment in each cluster involving both women and men to enable AEAs to tailor capacity building activities to meet the different needs of each cluster.

## D. Overview and Project Progress

### Component 1: Value chain development

**Sub-component 1.1: Agribusiness linkage development:** Since May 2019 GASIP has partnered with 53 VCDs which in turn have partnered with 1,200 FBOs mainly for producing rice, maize, vegetables and soya. The VCDs have purchased and supplied high quality crop production inputs to 47,509 individual FBO members. All the VCDs have signed written agreements and action plans with the FBOs with the commitment to purchase the produce after harvest. The beneficiary farmers have received improved and timely inputs and anecdotal evidence suggest 30-50% increase in yield due to good quality, climate resilient seeds, timely access to the inputs and regular technical guidance by the VCDs and government extension staff.

GASIP supplied USD 13.1 million as MG support to the beneficiaries for accessing quality and timely inputs through the VCDs. The average MG disbursed per FBO is US\$ 10,900. GASIP paid 100% of seeds and fertilizer (estimated to be 70% of the crop budget) through a ring-fenced account at the VCD level. Additional production cost related to land preparation, pesticides etc was borne by the VCDs and farmers.

To sustain input purchases in the future through the same mechanism, the VCDs plans to collect in-kind payments from the beneficiaries for the inputs they have received and create a reserve at the level of the VCDs for repeating the partial financing of the inputs costs in future seasons. The farmers are aware of the total number of bags of produce they must supply to the VCD as payment for the total cost of inputs. However, they are often unaware of how many of these bags paid in-kind to the VCDs represent their own contribution to input purchase (through the IFAD MGs scheme and how much will be for saving till next year). Due to this lack of clarity, the mechanism applied for collecting payments for inputs from beneficiaries is conflicting as the same farmers who benefited from production input support from IFAD's MG are now required to pay in-kind for the same inputs to the VCDs. GASIP and the VCDs explained that this arrangement has been developed with the knowledge of the beneficiaries, such that the reserve from the in-kind payments belong to the farmers. However, there are no specific formal agreements/clauses detailing these arrangements and there is mixed awareness amongst beneficiaries about this mechanism.

The current arrangement is also very risky given the short duration remaining for the project to monitor how the VCDs' use these reserves. GASIP should guide the future partnership between the VCDs and the FBOs related to these funds, through developing a proposal, subject to IFAD's final review and approval, along the following guidelines that will guide the relationship between each FBO and the partnering VCD; i) The funds belonging to the beneficiaries of an FBO should be deposited in a bank account in the name of the FBO. These funds will be regarded as FBO member savings; ii) the FBO will lend/invest these funds with the VCD for the purchase of inputs (and supply of these inputs to the FBOs) according to a partnership agreement between the VCDs and the FBOs. The partnership agreement will highlight the terms of the FBO's investment/loan (interest, profit sharing arrangement, if any) to the VCD including safeguards regarding the use of the funds by the VCDs for the intended purposes mentioned above iii) GASIP will intensify the capacity building support to the FBOs to strengthen their decision making and business planning related to these funds; iv) The partnership between the VCD and FBOs can evolve into a decentralized financial systems such as an Input Savings and Credit Association (ISACAs) with a good governance structure to manage the savings and loans for inputs and other farm-related services that the FBOs need to provide for its farmers. However, the implementation of this system should not be planned in the current project phase.

Based on the positive results of the MGs in the current season some of the FBOs and their partnering VCDs have requested repeat MG from GASIP for the current beneficiaries to help them to increase their acreage in the next season. However, IFAD policy considers MG as a one-off stimulus to promote the adoption of innovative technologies without repeating the same injection which can cause dependency and also limit outreach. GASIP signed MoUs with DDAs and MoFA to provide capacity building support to FBOs in the areas of food quality and safety, organizational development, good agricultural practices, youth and gender empowerment and inclusiveness. So far, GASIP's main focus has been on developing the agribusiness linkages between then VCDs and the FBOs capitalizing on the agricultural season. Consequently, the implementation of the FBOs capacity building activities needs to be accelerated.

Equipment supply under the MG to augment farmer operations are yet to be implemented fully. GASIP has received IFAD no objections for supporting seven FBOs to acquire equipment through MG support. The modalities have been developed



and finalized, and are part of the documentation for seeking NO, and subject to further refinements. The mission recommends that equipment supply should be directed to higher category FBOs. Prior to supplying the equipment, the FBO's should receive technical assistance to develop simple operational plans for using this equipment. The plans should address areas such as process for members to use the equipment, appointment of responsible members (to ensure equitable access, safety and maintenance of the equipment), payment for usage, mechanisms for collecting and accounting for payments, repairs and maintenance.

### **Sub-component 1.2: Rural financial services**

This subcomponent aims at ensuring increased and systematic access to and use of short and long term financing for value chain businesses. The key achievements under this subcomponent are the finalization and publication of the MG Manual with key clauses aimed at achieving high outreach. At the time of the mission, the MG scheme has achieved US\$ 12 million in disbursements to 47,509 households, averaging US\$10,027 per FBO and US\$ 227,000 per VCD. The MGs enabled cultivation of 65,802 acres of land comprising 44,592 acres of maize, 3,866 acres of rice, and 17,344 acres of soya. The collaboration with financial institutions at the FBO level has not yet started. The progress of this sub-component is also constrained by the departure of the rural finance officer who has not yet been replaced. The mission recommends that GASIP should consider hiring a consultant as soon as possible to fill the position of the Rural Finance Officer. The rural finance focal point should provide exposure to financial institutions about the successful VCD and FBO partnership and facilitate creating linkages for the financial institutions to lend to the VCDs/FBOs at affordable terms to help sustain their business and improve their operations in the next agricultural season.

### **Sub-component 1.3: Climate change resilience**

GASIP initially focused on CA activities using grant funding from ASAP to jump-start project implementation as the value chains development was delayed. Plans are underway to expand the scope of activities in subsequent years. The programme has made substantial progress in the implementation of the recommendations made during the February 2019 supervision mission and which formed the basis of the 2019 Annual Work Program and Budget (AWPB). Although the outreach to smallholder farmers on climate resilience agriculture has been good (87% of the target; i.e. 58,270 out of the target 67,000), mainstreaming is yet to be fully realized, especially in the broader value chain development programme and infrastructure. The mission recommends that climate resilience should be mainstreamed in all the programme components supported with IFAD loan resources. Awareness of climate change information and adaptation measures to farmers should be disseminated more widely using the local media and other awareness creation means.

The project partnered with the Centre for No-Till Agriculture (CNTA) which provided training to Agricultural Extension Agents (AEAs) and farmers in 12 Districts. In 2019, a total of 12 AEAs and 36 farmers have so far received training in basic concepts of conservation agriculture including land preparation, in-crop weed control, cover-crop, relay planting, and farm business management. The CNTA and the AEAs subsequently assisted 66 selected communities to establish 0.8-hectare demonstration plots or CA for community (a total of 53ha) demonstration/learner plots. The project has further supported application of CA for 1320 smallholder farmers directly (total of 486 ha). The recipient farmer groups were supplied with climate resilient seeds and fertilizers for the plots. Some of the challenges are short supply of jab planters, bush fires and animal grazing. Timely distribution of inputs, adequate supply of jab planters, and the passage and enforcement of appropriate by-laws and anti-bush fire campaigns are required to address the above constraints. Also, all CA groups should gradually migrate to value chain groups led by VCDs and all value chain groups irrespective of the location, should be trained on climate resilience by establishing demonstration/learner plots. All programme activities should be subjected to a climate resilience screening, such that, for example road projects should be designed to store water for recharging groundwater and later use wherever appropriate.

Seven new Water User Associations in 6 new schemes has been designated for GASIP support to establish and build capacity. An MOU with GIDA has been signed to that effect. About 800 smallholder farmers are expected to be reached. About 200 AEAs and VCDs have also been trained in GAP focusing on Climate Smart Production approaches for maize, soya, rice, cassava and vegetable. For a wider public awareness, the programme should include media personnel, input distributors and relevant stakeholders in the private sector.

Ghana Meteorological Services was contracted to install Automated Weather Stations (AWS) in 10 of the CA sites to provide weather and climate information both online and in the field to assist farmers plan and manage their farm operations. 12 DDA staff and about 300 smallholder farmers have been trained in weather information acquisition and dissemination. Weather information is currently made available to DDA officers and selected farmers weekly and daily through SMS who in turn provide same information to the community. It is recommended that the project together with GMET develop a user manual on maintenance, operations, roles and responsibilities of the various stakeholders; namely DDAs, GMET and communities; and include local radio stations in the dissemination of weather related information whenever possible. The project should consider strengthening the early warning system beyond weather information to include pests, diseases and weeds as part of the capacity building sub-component to complement the ongoing MoFA PPRSD early warning system.

### **Component 2: Rural value chain infrastructure**

The purpose of this component is to finance essential commercial and public infrastructure to optimise the benefits of the

accompanying value chains. Following the February 2019 mission, the scope of the public infrastructure was reduced as MoFA focused stressed the need to provide more direct support to the beneficiaries. While a first batch of farm tracks and feeder roads has been signed in April 2019, a second batch was delayed with the intention to implement it only in the case additional resources become available. Physical implementation progress of infrastructure under construction is about 60% for public infrastructure and 23% for commercial infrastructure. Delays with implementing commercial infrastructure were due to the general delays experienced by the programme in identifying value chain cluster for support, since the infrastructure shall be serving the value clusters selected and therefore sited within the beneficiary communities. Delays in public infrastructure (i.e. construction of feeder roads and farm tracks as well as water management delivery works) were the heavy rains this year, which disrupted the construction works.

**Subcomponent 2.1: Productive Infrastructure and Facilities:** this sub-component aims to leverage investments in commercial infrastructure and facilities for the selected value chains and comprise warehouses, pack-houses and processing facilities. A number of A number of commercial infrastructure facilities have been identified for support emanating from the actionable proposals of FBOs in the value chain clusters selected for GASIP support. The facilities comprise the following:

1. 5 rice processing facilities for 5 clusters
2. 6 warehouse facilities for construction in 6 clusters
3. 5 pack-house facilities for construction in 5 clusters
4. 35 drying floor facilities for construction in 7 clusters

Consultants have been recruited for the design of the various facilities, which has just been completed. The Programme will provide up to 90% of the cost of these facilities, matching a financial commitment from the FBOs of at least 10% of the value of the facilities. Whereas the productive infrastructure to be supported by GASIP will be owned by FBOs, management and operation of these infrastructures will be outsourced to private entities under a management contract. GASIP has engaged the beneficiary FBOs to select private operators who shall be managing the productive infrastructure right at the design stage, so the views of the prospective operators are incorporated. The prospective operators may provide a loan to the FBO representing the 10% beneficiary contribution to be recovered under the terms in the management contract. The modalities for procurement of a contractor, modalities for FBO contribution to infrastructure/facility cost are yet to be outlined. It is the convention that GASIP will be undertaking the procurement and not the FBOs. It is also expected that contributions by beneficiary FBO will have to be made to a designated account before commitments are made by GASIP to procure a contractor. It is recommended that GASIP should select higher level, active and outreach oriented FBOs based on GASIP due diligence . comprising not less than 80 farmers. The model management contract should clearly describe the business model involving the productive infrastructure. For example, it should clearly define whether the FBO is participating in a business owned by the VCD by contributing the productive infrastructure, or the VCD is contracted to manage a productive infrastructure related business owned by the FBOs. Revenue arrangements (e.g. profit sharing or service fees) should be defined according to the business model. The model contract should also clarify how the FBOs will accept and reinvest the receivables from the business involving the productive infrastructure. GASIP should develop intensified capacity building plans for the selected FBOs to strengthen their capacity to engage with the VCDs, financial institutions and other stakeholders involved in the business.

**Subcomponent 2.2: Enabling Public Infrastructure:** this subcomponent aims to finance essential public infrastructure for the growth and viability of associated value chains. These are facilities completely operated by the public sector. Although moves to implement public infrastructure were made early in the project implementation, excessive delays were experienced in the recruitment of contractors for the 72 km farm tracks and rural road construction projects identified in 2018. The road contracts, worth US\$ 4.5 million are ongoing and they are about 50% complete and projected to be completed by February 2020, following an extension of two months to the original contract completion period. The Programme has also identified suitable FBO farm sites for the construction of water harvesting contour bunds to develop 420 ha of irrigable lands within rice value chains. The procurement of consulting firms for the design of the contour bunds and preparation of tender documents is underway and the consultant is expected to be on board by March 2020. No other public infrastructure is expected to be financed from IFAD funds during the remaining project period.

### **Component 3: Knowledge management, policy support and coordination**

The main objective of this component is to promote documentation of lessons and sharing knowledge as well as dissemination of information collected during programme implementation. GASIP has developed a draft Knowledge Management (KM) strategy including a communication plan to be shared with ICO. It is recommended that GASIP should finalize the KM strategy and the communication plan, which prioritises the generation, storage, dissemination of knowledge that is aligned to the programme M&E system. Particular attention should be on highlighting the successful VCD-FBO partnership stories from the current season to increase the appetite of financial institutions to invest in expanding and strengthening these linkages in the future.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
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<b>Agribusiness linkage development</b>  Expedite FBOs capacity building with particular focus on institutional strengthening, capacity to manage finance (and bank accounts) and develop business linkages.	GASIP PCU	01/2020
<b>C1.1 Agribusiness linkage development</b>  Direct equipment support to the FBOs that are classified at a higher level.	GASIP PCU	01/2020
<b>C.1.2 Value Chain Financing</b>  Promote awareness of financial institutions about the successful business linkages created between VCDs and FBOs	GASIP PCU and VCDs	01/2020
<b>C1.2 Value Chain Financing</b>  Facilitate MG beneficiaries' access to bank financing (through development funds where relevant) through VCDs and FBOs to increase their crop acreage in the next season.	GASIP PCU	01/2020
<b>C1.3 Climate Change Resilience</b>  Train MOFA Subject Matter Specialists and VCD Staff, input distributors, mass media across the country on climate change resilience measures	GASIP PCU,MOFA	01/2020
<b>C1.3 Climate Change Resilience</b>  Develop a manual on the use of the Automatic Weather Station (AWS), its maintenance, operations, roles and responsibilities of the various stakeholder should be developed	GASIP PCU,GMET	01/2020
<b>C2.1 Productive Infrastructure</b>  Support FBOs to identify capable private operators for productive and commercial infrastructure	GASIP PCU	01/2020
<b>C2.1 Productive Infrastructure</b>  Develop model management contract agreement between FBO and private operators of productive infrastructure	GASIP PCU	01/2020
<b>C2.1 Productive Infrastructure</b>  Finalise arrangements for procurement of contractors for all productive infrastructure and outline the modalities for payment of FBO contributions to orchestrate the procurement process. Share with IFAD for final review and NO.	GASIP PCU	01/2020
<b>C1.1 Agribusiness linkage development</b>  <ul style="list-style-type: none"> <li>• Get IFAD approval on a proposal for structuring the current partnership arrangements between the VCDs and the FBOs related to the VCD's access to FBOs savings (created from the proceeds of the MGs). Refer to guidelines provided in the text above.</li> </ul>	GASIP PCU and IFAD	02/2020
<b>C1.1 Agribusiness linkage development</b>  Carry out categorization of the FBOs according to their quality.	GASIP PCU	02/2020

<b>C1.2 Value Chain Financing</b> Recruit the RF officer/expert immediately as staff or consultant	GASIP PCU	02/2020
<b>C1.3 Climate Change Resilience</b> Sign long-term contract with CNTA instead of yearly review for cost effectiveness	GASIP PCU	02/2020
<b>C2.2 Productive Infrastructure</b> Engage firms to design and supervise the construction of bunds and land development for the 420 ha within the clusters	GASIP PCU	03/2020
<b>C1.3 Climate Change Resilience</b> Gradually bring all CA groups under VCDs and provide same support as provided to farmer groups.	GASIP PCU	04/2020
<b>C1.3 Climate Change Resilience</b> Subject all project activities to a climate resilience screening	GASIP PCU	04/2020
<b>C1.3 Climate Change Resilience</b> Provide boreholes and watering systems to the youth and women	GASIP PCU	04/2020
<b>C1.3 Climate Change Resilience</b> Establish community nurseries for cashew	GASIP PCU	08/2020
<b>C2.2 Productive Infrastructure</b> Engage contractors to Construct the bunds and develop the 420ha land within the clusters	GASIP PCU	08/2020
<b>C1.3 Climate Change Resilience</b> Mainstream climate resilience in all project components (continuous action)	GASIP PCU	11/2020

## E. Project implementation

### a. Development Effectiveness

#### Effectiveness and Developmental Focus

Effectiveness

Rating: 4

Previous rating: 2

#### Justification of rating

In February 2019, GASIP implementation had achieved a disbursement rate of only 19.2%. Revised strategies were recommended to reach 62,900 food insecure smallholder farmers (50% women, 27% youth). One such strategy was to introduce production inputs to farmers on matching grants basis. In December 2019, the project reached 78,227 farmers (30% women, 18% youth). This was achieved through partnerships between 52 VCDs and 1,200 FBOs out of which 47,500 farmers had received production inputs through matching grant resources. The overall disbursements increased to 58.1% mainly through the input supply matching grant scheme. In general, the capacity of smallholder farmers and their FBOs remain low with project rollout based on the capacity of the VCD rather than that of the farmers.

## Key Issues

The pace of implementation of GASIP has ramped up appreciably through 2019. In 2018, 22% of the AWPB was implemented (based on disbursements). This year, by November 2019, progress in implementation of the workplan rollout, principally due to the drive brought to the implementation process by the new project management team from May 2019 coupled with the significant modifications to the project. The restructuring of the project introduced a one-time production input matching grant scheme to smallholders and as well as redesign of processes to allow wider targeting and compatibility with situations on the ground. In particular, the amendments to provisions of the matching grant to increase the grant contribution from 30% to 70% and the decoupling of the bank loan from the award of a grant and permitting other sources of financing to complement smallholder contribution. In the end, the 40% additional disbursement between February and December 2019 was largely due to the supply of production kits as a one-time matching grant to smallholders worth \$13.1 million. Complementing the amendments to the matching grant manual, the project developed and executed MoUs and Actionable Proposals with VCDs and FBOs as recommended by the February 2019 Mission. All the VCDs have signed written agreements and action plans with their FBOs committing to purchase farmer produce after harvest. These offtake arrangements are yet to kick in as the harvest expected from the cycle of crops supported with enhanced inputs were not due at the time of the December 2019 mission.

There appears to be emerging consensus among the parties to the MoUs and Actionable Proposals to modify the existing arrangements with a provision to collect in-kind payments from farmers at harvest into a sinking fund at the FBO level to build up towards a sustainable input purchases scheme for the supply of high quality crop production inputs for ensuing seasons. The intention of this arrangement is laudable. There is however the need to articulate clear, specific modalities and formal agreements to ensure full farmer knowledge to ensure that the informal arrangements articulated by the PCU and the VCDs do not present the avoidable risks to the development of the FBOs and their farmers. In response to this, the mission recommends proper safeguards to be deployed to empower the FBOs by asserting their ownership and control over the funds and building their confidence in the management of their resources in a sustainable manner. The measures proposed include improving FBOs knowledge and management of their financial resources by activating their bank accounts, encouraging savings and managing their acquisition of high quality inputs in cooperation with various partners. GASIP will intensify its capacity building activities for these FBOs to ensure their maturity towards formalized business units operating confidently as they navigate factor and output markets. In the long run, the mission envisions the partnership between the VCDs and its FBOs can evolve into a decentralised financial system such as an Input Savings and Credit Association (ISACA) with a good governance structure to manage the savings and loans for farmer inputs and other farm-related services.

## Log-Frame Analysis & Main Issues of Effectiveness

The programme underwent some restructuring, (Level 2), to accommodate changing realities and new directions given the limited time available for implementation. This has also necessitated a review of the Logical Framework. Currently, most of the vacant staff positions within the PMU have been filled.

The objective of the programme is that smallholder farmers have enhanced their profitability and climate change resilience. Following the re-structuring, the programme is now on track to achieving a good proportion of its expected outcomes and objectives. Based on recommendations following the re-structuring, the programme now focuses strongly on increasing smallholder farmers' access to production inputs & equipment. Funds have been reallocated to increase grants to farmers; through Financing innovative crop production kits (one time matching grants) sub-component, about 5,000 farmers have been provided with inputs (Hybrid seeds and fertilizer) through 53 VCDs and 1200 FBOs. These farmers are reporting significant yield increases and with the support of the VCDs many have been linked to markets with positive impacts on their income levels.

Activities relating to conservation agriculture are also progressing well. About 66 demonstration sites have been established in 12 districts furnished with automatic weather stations to provide weather information to more than 1200 farmers. FBOs have accessed production inputs through one – time matching grant scheme and are making efforts to also access machinery services however, their capacities remain weak. They are yet to receive requisite trainings to build their capacities.

### Development Focus

#### Targeting and Outreach

**Rating: 4**

**Previous rating: 3**

#### Justification of rating

GASIP targets food insecure poor smallholder farmers. The project is expected to strengthen market linkages for about 62,900 farmers cultivating small areas of less than two ha, of which 50% should be women and 27% youth. This target for youth has been recently revised from the 50% originally planned. Over the past 6 months, the project finally achieved the selection of 53 clusters driver for GASIP funds to be delivered to approximately 1200 FBOs. Some efforts were made to select VCDs working with youth and women groups. However, the project still has no targeting strategy and profiling of beneficiaries still need to be done. Very little self-targeting occurred and no appropriate consultation methodologies has been used to target all groups within the community, including vulnerable ones.

## Main issues

By the end of 2019, the project had surpassed the beneficiaries' target, reaching (124%) of which 30% are women and 15% youth. Through the collaboration with 53 VCD, the project has supported so far 1200 FBO - working mainly in the rice, maize, and soya - by inputs provision and some technical trainings CA practices. All selected FBO are based in the intended areas but the characteristics of the FBOs varied in many aspects. Women and youth are still underrepresented while analysis on gender based constraints and opportunities within selected value chains and FBOs are yet to be integrated into project interventions. In order for GASIP to clarify targeting mechanisms to be adopted, mission recommends that the targeting strategy should be enhanced to include selective criteria's to be applied systematically, to guide farmer's, FBO and value chain selection, is made available.

The project mainly leverages its beneficiaries on a demand-driven approach including those who were part of two rounds of two expressions of interest as well as those migrating from Youth in Agriculture Programme (YIAP) to GASIP. Validation workshops were held. In some instances, FBOs were supported to submit MG proposals for equipment. Overall, very limited activities have been implemented so far to ensure full participation and development of capacities of FBOs, especially women and youth members.

The VCDs selected were identified mainly through EOIs, previous governmental programme, or direct targeting (youth and women groups). In view of limited time available to identify clusters, those that were finally selected mostly came from the Youth in Agricultural Programme (YIAP). In 2018, GASIP undertook due diligence procedures and impact assessment to assess the quality of EOI submitted so as to select clusters to be supported, however the process yielded little success. A subsequent screening process was carried out following the February 2019 mission to include direct targeting of clusters from big and successful VCDs. Out of the 45 clusters selected (Eoi processes), it was found many lacked capacity. Consequently, only a few out of the above initial process were included in the current 53 VCDs supported by GASIP. It is recommended to streamline the criteria for selection of value chain clusters in the future to include selective targeting, track record, appreciable number of farmers, opportunities for empowering women and youth groups etc.

Targeting should also be better aligned with Gender and Youth action plans to ensure that GASIP technical and business capacity building activities and VCDs agreements with FBOs, addresses the specifics needs and capacity gap of young and women. In the same line, since the project has a specific focus on the 15-24 age cohort, namely the ones that face the biggest challenges in many different terms (access to education, assets, finance, etc.), activities need to be more tailored to each of the specific youth age groups in order to avoid treating them as a homogenous group.

In term of geographical targeting, GASIP has expanded to include value chains that are prevalent in the northern regions to have better impact on poverty reduction (Maize, rice and soy). Currently, 45% of the VCDs identified and supported are located in the northern regions. A small number of larger farmers (owning 5 to 10 acres) were inadvertently supported to cultivate 2-3 acres as members of an FBOs. However, as stipulated in IFAD targeting policy, the mission recommends that in the future targeting should include only smallholder farmers on a maximum area of 1-hectar.

M&E system is not yet fully functional and given that the project is ending in 18 months, it is urgent that GASIP undertakes the beneficiary assessment survey to collect relevant socio-economic information of the beneficiaries before the next intervention.

### Gender equality & women's participation

Rating: 4

Previous rating: 3

#### Justification of rating

The Programme aims to target 50% women. As of November 2019, women reached were 30% of total persons reached. The Programme has initiated direct targeting to women groups with training in food processing. Gender and youth action plans have been developed and an agreement with WIAD signed. There is need to complete strategic documents with clear TOR and adequate financial resources to roll out the gender/youth activities. Finally, capacity building activities and quantitative effort to increase women's participation in rural organisations should be complemented by clear mechanisms to support their access to decent rural employment and economic empowerment.

## Main issues

The Project has initiated the implementation of some good practices to improve women economic empowerment and access to productive resources. These comprise: (i) training on processing and use of productivity and quality enhancing equipment, mainly in rice and maize; (ii) VCD partnership development with women groups, (iii) development of block farming approach to get more women to assess productive land and assets. The mission recommends replicating those practices, and to extend the partnership with VCDs and FBOs for 2020, within value chains that have good opportunities for engaging and empowering women and youth.

The recruited Gender/Youth specialist has worked on the development of a Gender and Youth action plans based on research studies and successful approaches developed by other organisations. To reduce the risks that could hamper the

ability of the M&E system to track youth and women involvement in project activities, the mission recommends to enhance the Gender and Youth action plans by : i) using project components as gender/youth activities main entry point; ii) limit the number of activities to be undertaken in 2020; (iii) allocating specific budget per activity and performance indicators; (iv) complement the action plans with short written strategies with clear outcomes and outputs. For 2020, the mission recommends to focus mainly on: i) AEAs capacity building to identify and address identified gender gaps; ii) GALS implementation; iii) building women groups technical and business capacities; iv) elaborating clear mechanisms to ensure that the FBOs' gains are also benefiting women economic activities.

GASIP signed an MoU with the MoFA, including the Women in Agricultural Directorate (WIAD). WIAD expected deliverables focus on AEAs capacity building and empowerment of women within the FBOs. While the signing of the MoU is an important step, the mission recommends that GASIP should develop a detailed plan that outlines WIAD deliverables and AEAs capacity building program by cluster.

In terms of training delivered so far: (i) the PCU and MoFA key staff were sensitized by the gender specialist; (ii) the VCDs have received a one-day gender training; (iii) the AEAs are currently being trained by WIAD. To date, no capacity building activities have been undertaken at FBO level to support gender equality and women empowerment. The mission recommends that the training curriculum to be delivered to FBOs by AEAs are made relevant to the specific tasks performed by women and to take into consideration the prevailing condition at the cluster level. Conducting participatory needs assessment involving both women and men could be the starting point for AEAs to better tailor their service provision. In addition, the business skills development should be targeted in priority to potential and existing women leaders within FBOs/women groups and adapted to their specific constraints and market challenges.

There are no specific indicators for measuring gender equality and women's empowerment in the latest version of GASIP's logical framework. The mission recommends adding outcome WIAE indicator. As recommended in February 2019 mission, the WAEI indicator should be incorporated in the outcomes study to capture the required set of data. Prior to and during the mission, IFAD has supported the revision of the ToRs for the recruitment of international GALS expert. The role of the GALS expert will be to support the implementation of the Catalyst Phase 1 (pilot) from January to December 2020 (pilot). The following next steps for GASIP should be: (i) Start the recruitment process of GALS expert based on Oxfam Novib consultants' recommendations; (ii) agree with the PCU on the two pilot communities to be selected; (iii) use the support of Empowerment Learning Centre programme to recruit facilitators; (iv) secure a budget of 150 000 USD in the 2020 AWPB for GALS implementation.

<b>Agricultural Productivity</b>	<b>Rating: 4</b>	<b>Previous rating: 3</b>
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#### **Justification of rating**

The mission observed that the beneficiaries have received improved and timely inputs through the VCDs in coordination with their FBOs. Anecdotal evidence suggest that the beneficiaries have experienced 50% to 100% increase in yields due to good quality, climate resilient seeds and timely access to inputs followed by technical guidance by VCDs and government extension staff during the season. Agricultural Productivity is expected to be impacted with: continuous supply and use of high quality crop production inputs, development of value chain clusters anchored by the VCDs; and the planned strengthening of the FBOs through capacity building including business and financial management and GAP training.

#### **Main issues**

By the end of November 2019, \$13.1 million worth of high quality production inputs had been supplied and used by 47,500 farmers during the second half of the year (that is, the minor season in some parts of the southern ecological zones and the major season in the northern savannah areas). Even though anecdotal evidence from farmers and VCDs point to improvements in production, the harvest is yet to be realised to confirm the extent of the impact on productivity.

GASIP has in place tripartite agreements with 53 VCDs which are partnering with 1,200 FBOs. This exceeds the target of 20 VCDs set by the February 2019 supervision mission. GASIP has signed MoUs with DDAs and MoFA to provide capacity building support to FBOs in the areas of food quality and safety, organizational development, good agricultural practices, youth and gender empowerment and inclusiveness. The actual implementation of these capacity building activities are lagging behind. The mission has recommended that GASIP should carry out periodic categorization of the FBOs and measure their adoption of mind-set changing interventions and related practices such as assessing how many FBOs move to a higher level of (productivity) performance and ability to manage their financial affairs and contractual relationships with business partners including the VCDs. To the extent these training interventions are yet to kick in to any meaningful extent, their impact on productivity so far has been minimal. The GAP training of 200 AEAs and VCDs as trainers under the Climate Smart Production approaches for maize, soya, rice, cassava and vegetable is also yet to filter down to the farmers and FBOs who would have to adopt and implement these to register any positive impact in the near future.

<b>Nutrition</b>	<b>Rating: 2</b>	<b>Previous rating: 2</b>
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#### **Justification of rating**



The nutrition is rated as unsatisfactory (2).

Adaptation to Climate Change	Rating: 4	Previous rating: 3
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#### Justification of rating

The Climate Change Resilience is rated moderately satisfactory with significant progress made towards the attainment of the sub-component objectives. Almost all the recommendations of the February 2019 mission have been implemented; namely: (i) the supply of climate resilient seeds through the value chains to about 58,270 farmers representing approximately 87 percent of the targeted 67,000 farmers.; (ii) conduct of Trainer of Trainers (ToT) for 12 AEAs and 36 lead farmers on "Good Agricultural Practices" (GAP) particularly, "Climate Smart Production Approaches" for maize, soya, rice, cassava and vegetables; and (iii) establishment of 53ha of demonstration plots and 486 farmer fields in ASAP funded pilot "conservation agriculture" (CA) communities in the northern parts of the country

#### Main issues

The Climate change resilience subcomponent is being implemented through a three-pronged approach:

**(i) Demonstration of Conservation Agriculture:** In partnership with CNTA, 12 AEAs and 36 farmers from 12 districts received training on concepts of conservation agriculture, land preparation, planting, in-crop weed control, fertilizer application, cover-crop, relay planting, harvesting, farm business management and gender. A total of 53ha CA demonstration/Learner plots and 486ha farmer fields having been established covering 1320 smallholder farmers directly.

The concern is the over concentration of climate change resilience activities on conservation agriculture in the northern parts of the country when the main goal is to mainstream resilience into all project components and activities. To increase coverage and impacts, the mission **recommends** the following: (i) all CA groups should be gradually migrated to existing or new value chain clusters facilitated by VCDs, in which case the Climate Change Manager will oversee the implementation of such activities across the components; (ii) all VC clusters should be trained on climate resilience and establish a demonstration plot; (iii) training should be extended to all AEAs in the project districts<sup>[1]</sup>; (iv) all project activities must be screened for climate resilience and appropriate measures taken for compliance; (v) all machinery imported and acquired by the project should meet internationally acceptable emission standards; and (vii) all post-harvest processing activities should be environmentally friendly.

**(ii) Efficient water-use techniques within new and existing irrigation systems:** Capacity building for WUAs and provision of small water pumps for dry season farming by the youth and women have been delayed. The mission was informed that another project was providing similar support to the WUAs at the irrigation sites that was selected initially for the capacity building activities whilst the procurement of the pumps are delayed. The project has selected 7 new WUAs at 6 new schemes and plan to complete the training by June, 2020 with a target of 800 smallholder farmers.

The mission **recommends** to expedite the training of WUAs and the procurement of water pumps and also provide support for the establishment of community-based cashew seedling production. Initial support in the form of regular water supply, seedlings and training in the maintenance of seedling production will be required.

**(iii) Capacity building and public awareness:** Additional 200 AEAs and VCDs as well as newly recruited Facilitators have also been trained on Good Agricultural Practices. They are expected to train farmers prior to the commencement of next farming season. Awareness on climate resilience is however, limited to public sector stakeholders. For a wider public awareness creation, the mission **recommends** the inclusion of the private sector especially, input distributors and the media in the training programmes.

**Climate Information Services:** To provide accurate, timely, localized and regular supply of in-situ weather data weather information, 10 AWS have been installed. The mission **recommends**: (i) the preparation of a manual on the use, maintenance, operations, roles and responsibilities of the various stakeholders; (ii) the manual should then be used to train and inform all stakeholders; (iii) include radio stations in the dissemination of weather related information; (iv) establish additional AWS in districts covered by the project.



<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Mainstreaming</b>  All project components should be screened for climate resilience. Bring all CA groups under VCDs and provide same support as provided to VC farmer groups.	PCU	08/2020
<b>Expand AWS network</b>  Establish additional AWS in districts covered by the project to ensure climate information dissemination through all clusters.	PCU	08/2020
<b>Reducing Climate change vulnerabilities</b>  Provide boreholes and watering systems to the youth and women for dry season farming	PCU	08/2020

## **b. Sustainability and Scaling up**

<b>Institutions and Policy Engagement</b>	<b>Rating: 4</b>	<b>Previous rating: 3</b>
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### **Justification of rating**

An improvement in the rating is recommended to reflect the improvement in the collaboration with MoFA directorates and institutions. Whilst no discernible changes in the laws, statutes, regulations and norms within the socio-economic environment for GASIP's activities occurred during the period under review, GASIP's relationship with MoFA, has improved at the executive level. This has led to a revamping of the PCU under MoFA guidance. Now the PCU has its full complement of staff resulting in the improved pace of implementation. More needs to be done though at the MoFA district level where the link with the project would benefit from better coordination and collaboration. Furthermore, GASIP is yet to engage more deliberately with policy and research oriented institutions.

### **Main issues**

MoFA's ownership of GASIP has evolved for the better over the course of the year, particularly through strengthening relationship and follow-up at the executive level. There has been more regular high-level engagement with MoFA. This has resulted in greater commitment to addressing the implementation challenges that had immobilized the project. A key result of this increased collaboration has been (a) the recruitment of the full complement of key staff of GASIP in May 2019 to do away with the temporary roles for staff seconded from MoFA in care-taker capacities several of whom had additional responsibilities outside of GASIP; (b) revamping of the Steering Committee to oversee the project and getting it to meet more regularly; (c) establishment of a Technical Committee which continues to provide guidance to the PCU on major technical matters. This level of collaboration and coordination has better aligned the project to government policy priorities and generated synergies with MoFA. For instance, relevant MoFA Departments have been engaged with partner District Departments of Agriculture and Regional Departments of Agriculture to undertake training of Agricultural Extension Agents in a ToT arrangement with a view to expediting the eventual training of FBOs and farmers on good agricultural practices. In the field, however, it was obvious that GASIP needs to do more to achieve greater effectiveness through the MoFA structures at the district level and to create awareness of its activities.

GASIP was intended to leverage the experiences of previous value chain development interventions and the trends emerging from policy and research institutions in order to draw in lessons for good practices, new technologies and know-how in sustainable value chain development. But no such engagement has occurred in a structured manner in order to build on approaches that worked or otherwise in its respective zones. Thus, the risk is that the project is not benefiting from lessons which can enhance its outcomes and impacts as desired.

<b>Partnership-building</b>	<b>Rating: 4</b>	<b>Previous rating: 3</b>
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### **Justification of rating**

The rating of partnership-building has improved to moderately-satisfactory. Clear progress has been made with mixed results.. Partnership with the VCDs has successfully delivered production inputs for farmers under the matching grant arrangements. Other key private sector partners expected to partner GASIP to deliver sustainable financial services linkages for scaling-up and sustainability are yet to be realised. GASIP has partnered with Nestle to build the capacity of selected clusters in food quality to access higher end food processing markets.. Partnerships with MoFA central directorates and DDAs has seen some progress since the February 2019 mission.

## Main issues

GASIP achieved more than double its set target for engagement of value chain drivers, relying on this network of VCDs to deliver production support to a significant number of farmers and their FBOs. The need to consolidate the relationship with the VCDs is imperative, especially in the absence of additional GASIP production grants to farmers in the ensuing seasons. GASIP's relationship with the FBOs and the farmers is relatively weak as it is indirect, reaching the ultimate beneficiaries through the VCDs. Whilst this arrangement was reasonably effective in distributing inputs to farmers, it is yet to be tested to deliver critical capacity building services. A sustainable farmers' relationship with financial institutions was bypassed by channelling project grant resources through the VCDs' accounts in payments to input suppliers to expedite the overall implementation. This approach only required about 50 bank accounts for VCDs rather than over 1,200 accounts needed for FBOs which would have had the potential to build longer term relationships between farmers and banks, especially with a potential for greater access to credit to these FBOs. Without any credible alternative source for financing their activities, the farmers and the FBOs are lobbying for more grant resources for production inputs in the coming seasons. This is not sustainable and contrary to the transformational agenda of the project. The mission recommends activation of the relationship with financial institutions, preferably at the local level, to enable the farmers save and access loans to invest especially in production inputs. This is expected to help the farmers to improve the quality of outputs, attract higher prices and expand acreage to meet market demand as needed.

GASIP has entered into partnerships with Nestle and GIZ to build capacity of selected FBOs in quality control and value addition so farmers can access higher end markets to benefit from higher prices. Partnerships were developed between GASIP and different central departments of MoFA for ToT and other technical support activities and DDAs for delivering critical training modules to the FBOs. MoUs have been developed and signed to govern such collaboration. The mission observed the need for developing further details regarding the expected deliverables into some of these MoUs, such as the one with WIAD. Similarly, GASIP has revamped cooperation with other government affiliated programmes with particular focus on MoFA Youth in Agriculture Programme (YIAP). Similar formality and clarity would have to be replicated for GASIP's relationship with the YIAP to ensure more focused results from this partnership.

GASIP's ability to leverage knowledge management and policy dimensions of its activities to enhance project impact, particularly with potential for scaling up, as noted by the mission, is limited by the absence of a knowledge management strategy. Such strategy will advocate for a more intentional collaboration with relevant institutions to share know-how and lessons to deepen project impacts and potential for scaling up.

### Human and Social Capital and Empowerment

**Rating: 3**

**Previous rating: 3**

#### Justification of rating

GASIP has now developed a strategy and action plan for building the capacity of the FBOs - including the development and signing of MoUs with District Departments of Agriculture and MOFA Directorates, for AEAs to receive training and to organize on-field trainings to smallholder farmers and VCDs. The capacity building of activities for AEAs have started in some districts but has not yet reached FBOs. GASIP should also ensure that capacity-building activities to be undertaken at FBOs level are targeted and differentiated so that content and modality delivery are adapted to each type and quality level of FBOs.

## Main issues

GASIP has formalized partnerships between 53 VCD and 1200 FBOs, which has facilitated smallholder's farmers positioning and integration into the value chains that are targeted by the project. GASIP undertook training for the PCU and implementing partners on gender - to ensure their support for target groups in general, and for women and youth's active participation in the programme. Those trainings are yet to be applied in the field and to GASIP beneficiaries.

To support social capital empowerment, GASIP is to implement information dissemination campaign, leadership training especially to women, and support strengthening of the management structure FBOs. All these measures are yet to be implemented.

To promote fair and equitable decision-making at the household level to improve gender equality, and ensure effective participation by smallholders in value chains activities, GASIP has started applying the GALS methodology. This activity is expected to start in January 2020.

### Quality of Beneficiary Participation

**Rating: 3**

**Previous rating: 3**

#### Justification of rating

In general, the capacity of smallholder farmers and their FBOs in organizational, business and funds management is very low which reduce considerably their active participation. The GASIP gender and youth action plans are yet to be rolled out in practice to ensure effective women and youth participation in project activities. GASIP should also strengthen its mechanism for obtaining and taking on board the beneficiaries feedback.

## Main issues

Selected EOIs submitted by VCDs has enabled the FBOs to access project services and support while increasing the business volume of the VCDs. Through such partnerships at the VCDs level, the FBOs were also supported to submit matching grant proposal for equipment based on their needs. However not all farmers were informed properly about GASIP grant and further communication effort should be made to ensure that the beneficiaries are fully aware of the modality of project support.

At the FBOs level, little activities have been implemented to ensure building their capacity and ensuring their effective participation. In general, FBOs capacities seems to be low and needs to be strengthened. In the meantime, the effective women and youth participation in FBOs activities and decision making remain uncertain. GASIP should explore getting the support of TA for FBOs institutional development.

GASIP should also develop a mechanism for collecting feedback and ensuring that vulnerable groups are fully on board. The above mechanism would also cater for ensuring that FBOs are in full control of their savings, which was created from input supply matching grants mechanisms, which were established during the current season and that these savings are equally benefiting all members.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Quality of Beneficiary Participation</b> Engage TA for institutional development of FBOs	PCMU	02/2020
<b>Quality of Beneficiary Participation</b> Identify constraint limiting women and youth participation in FBOs	PCMU	02/2020

**Responsiveness of Service Providers**

**Rating: 4**

**Previous rating: 3**

## Justification of rating

The significant ramping up of implementation activities by GASIP since the last supervision mission in February 2019, necessitated the formal engagement of a range of service providers including government agencies (MoFA Directorates, GIDA, GMET, etc), NGOs and civil society organisations, financial institutions (such as Fidelity Bank), consulting firms (for consulting services and works) and other private sector entities providing allied services to project beneficiaries.

## Main issues

Government ministries, departments and agencies have provided services to project beneficiaries. MoFA has done so through District Departments of Agriculture at district level, as well as central directorates such as Women in Agriculture Directorate (WIAD) for gender oriented training for VCDs and project staff, and the Directorate of Crop Services. GASIP is starting to collaborate with NGOs such as Oxfam on gender-related activities. Financial institutions such as Fidelity Bank played a key role in providing services for the operationalization of the matching grant for the implementation of the production inputs package to farmers. A range of private sector firms continue to provide advisory and contractual services, supply goods (such as input suppliers) and implements works/infrastructure contracts aimed at improving the linkages along the identified value chains. In comparison to earlier stages of project implementation when the firm providing value chain services to the project were separated for poor performance, the current crop of service providers have largely provided acceptable services to GASIP and its clients, albeit with some delays and intermittent implementation challenges which requires the vigilant guidance of the GASIP team.

**Environment and Natural Resource Management**

**Rating: 4**

**Previous rating: 3**

## Justification of rating

The project has no significant impact on the environment or natural resources management. It is also contributing to building resilience to climate change. Road construction has in place environmental and social impacts management plans that are being adhered to. Rice processing on the other hand has some negative impacts on the environment and natural resources that require project attention.

## Main issues

Two main project activities are likely to impact negatively on the environment and natural resources. These are the roads construction and postharvest processing of products. An environmental and social impact assessment and management

plans are prepared and at road design stage and monitored through the construction phase. So far the plans have been implemented and no adverse effects have been reported. Post-harvest operations supported by the project include par-boiling of rice which involves the use of firewood as energy source. Tree harvesting for firewood negatively impacts on the environment. It is recommended that the project encourages the: (i) replacement of wood harvested from the wild; and (ii) planting of woodlots for future use by women engaged in parboiling. Another post-harvest operation that leads to environmental pollution is the burning of rice husks after dehulling. The project should encourage rice processors to turn the rice husks into briquettes or other forms of energy.

<b>Exit Strategy</b>	<b>Rating: 3</b>	<b>Previous rating: 2</b>
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#### **Justification of rating**

The exit strategy of the project is linked to developing successful partnerships between the private sector VCDs and the FBOs. The increase in the rating is a reflection of the successful VCD-FBO linkages established during the current season. The partnerships support improved crop production activities and GASIP plans to extend the same partnership approach for supporting agricultural equipment and productive infrastructure investments in the next year. Unfortunately, the quality of the exit strategy is diluted by the project's inability so far to engage financial institutions to strengthen the agribusiness linkages. Moreover, the FBOs are weak and still lacking the capacity to bargain and negotiate advantageous deals in these partnerships.

<b>Potential for Scaling-up</b>	<b>Rating: 4</b>	<b>Previous rating: 2</b>
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#### **Justification of rating**

The rating is increased as the project has rapidly increased its outreach through the production related matching grant support. Financial institutions involvement needs to be strengthened to increase the potential of the VCD –FBO partnerships scaling-up. There is high potential for scaling up the results if the project succeeds to engage financial institutions and if another phase of the project is supported.

### **c. Project Management**

<b>Quality of Project Management</b>	<b>Rating: 4</b>	<b>Previous rating: 4</b>
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#### **Justification of rating**

The recruitment processes to fill staff vacancies of the PCU was completed in May 2019, and the full complement of staff have since been at post. MOFA has revamped the GASIP Steering Committee and established a Technical Committee that provides ongoing guidance to the programme. The Steering Committee and Technical Committee have helped resolve implementation challenges. The MoFA Directorates have engaged partner DDAs and RDAs to undertake train AEAs who in turn are building the capacity of FBOs and farmers on GAPs. The greatest challenge with Programme Management is over centralisation of the PCU in Accra. The PCU needs to strengthen their awareness of relevant IFAD policies and focus on building the capacity of the FBOs and ensuring better quality of beneficiaries' participation.

#### **Main issues**

GASIP has been affected by staffing and human resources management challenges since its inception in 2015 and consequently led to slow programme implementation progress. Most staff positions at the PCU became vacant in 2018, following performance review that resulted in termination of staff contracts as well as resignations by other staff. The programme was implemented by seconded staff from MOFA during 2018 and part of 2019 until a recruitment drive to revamp the PCU resulted in filling the most important staff vacancies at the PCU by May 2019. With the full complement of staff at post, the Programme embarked on an outreach strategy and has succeeded in expanding its smallholder farmer base who were provided with matching grant resources to purchase production inputs.

The biggest programme management challenge is over-centralisation of PCU in Accra with very low implementation capacity in the field. Only 4 staffs comprising 3 VC Officers and 1 Infrastructure Officer have been posted in the regions. This situation has created lack of awareness about GASIP and its policies among the target beneficiaries. The Value Chain Facilitators that should assist to create greater awareness and build capacity of FBOs and smallholder farmers to access GASIP support have not been recruited (recommended action from February 2019 mission).

The PCU needs to undergo team building and project management training to improve on their capacity for joint work planning, strategic delivery and monitoring. Inadequate planning has resulted in a number of key activities not implemented under the 2019 AWPB. These include FBOs capacity development; implementation of Commercial Infrastructure and gender mainstreaming activities. The programme failed to engage and explore ways to collaborate with BACs in the respective districts as enshrined in the AWPB.

<b>Knowledge Management</b>	<b>Rating: 4</b>	<b>Previous rating: 3</b>
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## Justification of rating

The AWPB includes KM activities such as (1) capacity building for DDAs and VCDs in Mobile Data Collection and management (2) knowledge sharing and learning platforms with implementing partners, to share success stories and challenges etc. A Knowledge Management Strategy has been developed. However, the project experiences are not being sufficiently well documented and shared and there is room for improving the learning systems.

## Main issues

Based on experiences, lessons learned and best practices, rural smallholder farmers are then expected to be able to access all kinds of information that could help them better develop their activities and improve their resilience to climate variability and other shocks.

The programme has developed a KM strategy to guide its activities. Knowledge sharing activities have been planned in the AWPB; however, several of the planned activities have not been executed.

The VCDs through whom the programme is delivering its services to farmers are observed to use varying models in their interactions with the farmers and the FBOs i.e. variations of out-grower schemes or nucleus estate approaches etc. These models should be documented as part of the programme knowledge management to better inform programme implementation strategy. There is also the need to document innovations and lessons such as experiences of trainings in Good Agricultural Practices (GAP) and experiences working with women in rice parboiling.

Working through the VCDs in reaching out to farmers with project support seems to be working well but efforts need to be intensified to ensure that these activities are better coordinated between GASIP, VCDs and FBOs to ensure clarity of support and mechanisms. It may be also necessary to conduct a profiling of FBOs to assess their strengths and weaknesses to better inform the kinds of support packages that each would need going forward.

Value for Money	Rating: 4	Previous rating: 2
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## Justification of rating

There have been significant progress in field implementation of value chains development activities and Public Infrastructure. The programme provided about USD 12 million in matching grant support to about 47,509 smallholder beneficiary farmers to ensure their access to quality and timely inputs (mainly improved seed and fertilizer). The average matching grant disbursed per beneficiary is US\$ 252. This amount is well within the limits of matching grants to beneficiaries envisaged in the design report. Anecdotal evidence suggests that beneficiaries have experienced 50% to 100% increase in yields due to timely access to quality inputs and technical guidance by the VCDs and AEAs.

## Main issues

**Production Finance:** Since May 2019 GASIP has partnered with 53 VCDs which in turn have partnered with 1,200 FBOs. Through GASIP MG support, the VCDs have purchased and supplied high quality crop production inputs to 47,509 individual FBO members that cost about USD 12 million in matching grant support. The average MG disbursed per VCD is US\$ 227,000 (US\$ 100,000 to 4.7 million) and this translates to US\$ 10,000 per FBO or US\$ 252 per farmer. The amount per beneficiary is well within the limits of matching grants envisaged in the design report.

**Public Infrastructure:** GASIP has awarded contracts for the construction of 72 km farm tracks and rural road at a total cost of US\$ 4.5 million (Consulting Costs US\$ 0.44 million; Construction US\$ 4.06). The average unit cost of these Infrastructure are \$56,400 per km for construction and US\$ 62,500 per km for design and construction costs. The standard unit rate for rural road improvement works is about US\$ 75,000 per km (World Bank).

Coherence between AWPB and Implementation	Rating: 4	Previous rating: 3
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## Justification of rating

The coherence between AWPB and implementation is rated moderately satisfactory. There has been an overall increase in implementation because recruitment of key programme staff has been completed, the matching grant manual has been finalized and is providing guidance to disbursements of grants, clusters and cluster drivers have been identified through which programme investments are reaching farmers and other beneficiaries. Implementation of various planned activities within the work programme is either at various stages of implementation or preparations are underway for commencement of implementation.

## AWPB Inputs and Outputs Review and Implementation Progress

Project implementation against the 2019 AWPB has improved significantly following recommendations of the February 2019 supervision mission. With the recruitment of most of the critical project staff, the project now has the capacity to deliver on its work programme. However, implementation capacity is still very much centralized.



The programme has engaged 53 Value Chain Drivers to support implementation of some key activities under Component 1. farmers have been provided with production inputs – hybrid seeds and fertilizer. Support of clusters with equipment grants has however not taken place due to some budgetary and procurement challenges. These could be resolved in the 2020 AWPB.

Certain key activities are still pending and may not be implemented under the current AWPB, especially with regards to FBO capacity development; the programme was to have engaged value chain facilitators and explore ways to collaborate with BACs in the respective districts. In the meantime, the programme signed MoUs with key MoFA directorates and DDAs for ToT on GAPs and gender aspects.

Under component 2, the AWPB includes the construction 5 rice processing facilities, 6 warehouses, 5 pack house facilities and 35 drying floor facilities. To date, on the implementation of these activities are estimated to be about 25% complete (selection and designs have been completed). The component also includes the construction or rehabilitation of feeder roads and farm access tracks; construction or rehabilitation of water harvesting schemes. These are also estimated to be 50% complete.

Under component 3, a knowledge management strategy has been developed; some data collection is also on-going in the field. However, the web-based M&E system has not been developed yet, procurement processes are still on-going. Planned *ad-hoc* and yield studies under the current AWPB have also not taken place and are expected to be executed in the next work programme.

The Appendix - *Physical progress measured against AWP&B (December 2019)* provides data on the AWPB implementation indicators and the overall activities implemented by the PCU as of December 2019. Based on the activities implemented and the synergies with the 2019 AWPB, the mission concludes that there is coherence between implementation and the 2019 AWPB.

<b>Performance of M&amp;E System</b>	<b>Rating: 3</b>	<b>Previous rating: 3</b>
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#### **Justification of rating**

The performance of the M&E system is rated moderately unsatisfactory. The programme has a full complement of M&E staff at the PCU and an M&E manual has been developed. However, the full M&E system comprising a web-based system with mobile devices for data collection is not yet in place and given the limited time to completion of the programme, action needs to be expedited to ensure that the system is developed and made useful for the programme. Currently the system reports on progress mainly at the level of physical targets. Data and information gathered is not being used sufficiently for planning and decision-making. Acceptable measures are however being taken to address these issues.

#### **M&E System Review**

An M&E manual has been developed to guide the implementation of related activities of the programme. The PMU has a full complement of M&E staff comprising a manager and two officers. Regarding monitoring, data collection, evaluation and reporting on GASIPs activities in the field, the plan is to collaborate with MoFA staff at the district level i.e. agriculture extension agents (AEA) as well as the various value chain drivers (VCDs) to monitor the progress and performance of FBOs and farmers. The presence of AEAs in the field in supporting the FBOs in various agronomic practices has been noted. However, there is need for more work specifically in collecting data on GASIP beneficiaries and field activities. Mobile devices (30 pieces) have been procured for data collection; these have only been deployed in some areas for data collection. The mission recommends that the M&E team of GASIP expedites action to collect data on beneficiaries especially now that they have started harvesting their crops.

Plans are underway to engage a consultant to develop a web-based M&E system for GASIP. By the time the procurement processes are completed and the system developed, the project might just be nearing completion, the programme has 18 months to implement activities till June 2021. The mission recommends, that the GASIP management team comes out with an action plan to get the system running by the first quarter of 2020. The programme should also focus on the planned *ad-hoc* studies: (i) Net farm income for (maize, Rice, Soya, Cassava in GHS/ha) (ii) Additional volume of crops marketed by smallholders (in MT) (iii) Number of agribusinesses experiencing sustainable growth (iv) Number of FBOs reaching category four (4) status (sustainability) (v) Percentage of households reporting improved physical access to markets, processing and storage facilities and (vi) Yield from conservation farming for maize, Soya, vegetables (in tons/ha). There is the need to expedite action to conduct the baseline survey building on the experiences of the work done on some of the clusters.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>M&amp;E</b> Prepare the TORs for the baseline survey and hire a firm/consultant to conduct it	GASIP PCU	12/2019
<b>M&amp;E</b> Develop action plan towards development of the web-based M&E system by first quarter 2020	GASIP PCU	12/2019
<b>M&amp;E</b> Develop reporting templates and forms to support VCDs, AEAs in data collection in the field	GASIP PCU	12/2019

**Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)**

**Rating: 4**

**Previous rating: 4**

**Justification of rating**

SECAP related guidance is being monitored and the quality of the implementation of mitigation measures is adequate both for the climate change compliance and the Environment and natural resource management with outcomes as described above. Nevertheless, full implementation of the SECAP key recommendations to address potential risks is recommended

**d. Financial Management & Execution**

**Acceptable Disbursement Rate**

**Rating: 3**

**Previous rating: 2**

**Justification of rating**

The project is in its fourth year of implementation (completion date 30th of June 2021) and the combined disbursement rate for both the IFAD loan and ASAP Grant as at 31 October 2019 was SDR 11.4 million, representing 37.68% (Loan: 36.29%; Grant: 42.71%). 2. Projected disbursement as at 30 November 2019 stands at SDR 12.6 million, representing 58.1% (Loan: 60.06%; Grant: 50.98%).

**Main issues**

**Overall Disbursement Performance:** As at November 2019, the project had disbursed USD 25.5 million out of the available USD 75.6 million (all financiers included), yielding a financial performance rate of only 34%. The IFAD Loan has disbursed approximately USD 19.6 million while the ASAP grant disbursed approximately USD 4.2 million.

**IFAD Disbursement rate and status of funds.** As at end of November 2019, IFAD has fully processed 18 Withdrawal Applications of the loan facility amounting to SDR 8.6 million (USD 11.9 million); and 21 WAs under the grant facility for an amount of SDR 2.8 million (USD 3.9 million) yielding an overall disbursement of SDR 11.4 million (USD 15.7 million), representing 37.7% of the combined IFAD financing in SDR terms.

After factoring in the pending withdrawal applications in the IFAD Client Portal, the status of funds under the IFAD loan, reveal that the project has achieved 88.8% and 67.9% for Category VI (Grants and Subsidies) and Category VII (Salaries and Allowances) respectively. The balance left for the Grants and Subsidies is SDR 1.1 million (approximately USD 1.5 million). All other expenditure categories show weak draw down rates ranging from 23.4% to 31.5%.

**Reallocation.** In October 2019, IFAD approved the government's request for reallocation of the project's loan funds.

**IFAD Client Portal (ICP).** ICP is active. However, the programme encountered some delays in processing WAs due to policy directives by the Ministry of Finance. There were eighteen (18) withdrawal applications valued at approximately (GHs 42.5 million (USD 8 million) pending approval in the ICP. That had negatively affected the disbursement ratings of the project. The mission kindly requested MoF to approve the outstanding WAs which included payment for input supplies to GASIP clients as far back as June 2019.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>AWPB - Submit 2019 AWPB for NO</b>  (Update - SM 4 Feb 2019): The approval process of the AWPB 2019 is still ongoing.	PC	02/2019
<b>Funds reallocation</b>  A request for funds reallocation needs be submitted to IFAD approval	PCU and MOF	03/2019
<b>Approval of pending WAs in the ICP</b>	MOF	01/2020
<b>Submit 2020 AWPB &amp; Procurement Plan for NO</b>	PC	01/2020
<b>Improve the efficiency by focusing in the AWPB on investment activities and by introducing cost savings with regards to operating costs.</b>	PCU	

### **Fiduciary aspects**

**Quality of Financial Management**

**Rating: 4**

**Previous rating: 3**

#### **Justification of rating**

Overall, the Programme's financial management system is adequate and could reliably be used to discharge the fiduciary requirements of IFAD, GoG and other stakeholders. The finance unit is fully staffed with no vacant positions. Previous mission recommendations have been implemented with few exceptions. Financial reports are submitted on time and the quality is acceptable. Withdrawal applications are prepared regularly. The use of systems is maximised, including bank reconciliations. Manual transactions minimised. Substantial risks associated to funds flow arrangements.

#### **Main issues**

**Human Resources Management:** Implementation arrangements of GASIP have been changed due to the evolving needs. All Programme Accountants are all based in project Head Office in Accra. All zonal bills are paid from Accra while three subject-matter specialists who are have been out-posted to the three zonal offices have been given accountable imprest to manage emergency needs. Current arrangements are adequate. The mission also recommended that mid-year and full-year staff appraisal (as applicable) to staff should be conducted.

**AWPB:** The projected disbursement of the 2019 AWPB totalling USD37.5 million was 80% at at the end of November 2019. The Value Chain Development Component disbursed 91% of the targeted USD 28.2 million while the Rural Value Chain Infrastructure Component disbursed 37% of the budgeted USD 7 million. The Knowledge Management, Policy Support and Coordination Component achieved 81% of the planned USD 2.6 million. The team was preparing the draft 2020 AWPB at the time of the mission and were reminded that the due date was already past; thus the activity should be prioritized. The Programme had commitments amounting to USD 9.75 million as at 30 November 2019. The total budget for the 2020 AWPB is estimated at USD 13.9 million with a Disbursement outlay of about USD 9.9 million from the Loan Account. To enable the Programme reduce lead times in paying for Programme activities, particularly the payment of mobilization for civil works, the mission recommended an increase of the authorised allocation of the original loan from 1.5 million to USD 3 million. The project has requested for approval of equipment purchases valued at USD 1.4 million for the FBOs under the matching grant facility. This brings the total matching grant request by the project to USD 15.1 million. This exceeds the allocated resources for matching grants which is estimated at USD 13.3 million (SDR 9.7 million). If the entire payment request for inputs and equipment were approved, the grant expenditure will exceed the resources allocated to grant and subsidies amount from SDR9.7 million to SDR 10.96 million representing 46% of the GASIP Loan of SDR 23.7 million.

**Accounting and Financial Reporting:** The project prepared and submitted all the Interim Financial Reports on time during the year and has targeted to complete the Unaudited Project Financial Statements by end of February. All finance staff have completed the e-learning course in IFAD Financial Management Practices and Procedures; and have received training in IFAD FM. Contract monitoring and payment certification forms are in use to justify contracts payments and monitoring. The iSCALA Accounting Software generates Payment Vouchers, Withdrawal Applications, and customized financial reports. Bank reconciliations are done through the system. The mission recommended an additional customized report to be designed that will show integrated disbursement by categories and components.

**Flow of Funds to VCDs and FBOs.**Fifty-two (52) Value Chain Drivers (VCDs) received input supplies worth GHS 77.8.4



million (USD 13.1 million) for onward distribution to farmers. Twelve VCDs had received payment for their supplies worth GHS 25.6 million (USD 4.8 million) with an outstanding of GHS 37.8 million (USD 7.1 million) to be paid. With the long delay in the payment of suppliers, the risk of non-participation of the input suppliers in subsequent years is high which could jeopardize project implementation.

The mission was unable to review flow of funds at the VCDs level for payments of agro inputs supplied through the VCDs to the FBOs. The VCDs had not obtained any payment alert or bank statement from Fidelity Bank at the time of the mission. Under the tripartite agreement among the GASIP, VCDs (representing FBOs), and Fidelity Bank, the bank has to inform all the parties when payments are effected. The VCDs have not been informed of payments made. The mission recommended that VCDs should be timely informed when payments are made to input suppliers.

**Incomplete Narrations on Bank Transactions.** Some narrations of transactions relating to payments made to agro input suppliers were insufficiently stated on Bank Statements of the Ring-fenced (Escrow) Accounts obtained from Fidelity Bank. This was brought to the attention of the bank and the bank agreed to provide full and complete narrations of all the transactions to GASIP and IFAD.

**Flow of Information to VCDs and FBOs.** Most of the VCDs visited during the mission stated that most of the participating FBOs in the GASIP grant and subsidy programme have bank accounts. They were also not in the knowledge of how much is the total package available to them as FBOs if they could justify their needs with the project. The VCDs who were representing the FBOs also did not know that they were to request for their priority needs instead of tractors and tarpaulins that were recommended to them by the project. In one instance, the Tumu Cooperative and Credit Union strongly indicated that the priority need for their FBOs is a warehouse, but they were not informed about the options available to them to choose from. The lack of information flow hinders the maximization of support to farmers based on priority needs.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Internal controls - to ensure that in all cases the payments of contracts are processed upon receipt and acceptance of activity reports.</b>	PC/FMgr	02/2019
<b>Staffing</b>  Recruit to fill in vacant positions  (Update - SM 4 Feb 2019): The absence of a full time Finance Manager undermines the overall quality of FM at PMU level. The recruitment process of the new Finance Manager is ongoing. The finance unit is sufficiently staffed with three accountants; two of them should be decentralized to the zonal office when these are revamped.	PC	03/2019
<b>Ineligible expenditures</b>  Settle ineligible expenditures and inform IFAD on the outcomes of the litigation	Finance Team	03/2019
<b>Refund</b>  Refund USD 60 000 to IFAD Loan account and communicate it to IFAD	Finance Team	03/2019
<b>Ensure that project's payables are properly monitored</b>  Ensure that project's payables are properly monitored	Finance Team	03/2019
<b>log-books and monitoring of fuel consumption.</b>  Improve the use of project's vehicles, with proper use of log-books and monitoring of fuel consumption.	Finance Team	03/2019

<b>Fixed asset register set-up</b>  Set-up of a proper fixed asset register and perform a detailed fixed assets verification to be signed off by management.  This action is being recommended for the second time (it was already flagged during SM of 22 Feb 2018).	Finance Team	04/2019
<b>Interim Financial Reports submission</b>  Regular preparation and quarterly submission to IFAD of Interim Financial Reports	Finance Team	04/2019
<b>FM e-learning</b>  Finance team to undertake the FM e-learning training to increase understanding of IFAD FM procedures and transmit certificates to IFAD.	Finance Team	04/2019
<b>Conduct Staff Appraisal</b>	NPC	01/2020
<b>Obtain Updated Bank Statements from Fidelity Bank</b>	FMgr	01/2020
<b>Provide complete information about GASIP's Grant Scheme to FBOs</b>	NPC/VCM	01/2020
<b>Request for increase in Authorised Allocation</b>	NPC/FMgr	01/2020
<b>Inform VCDs when payments are made to input dealers or equipment suppliers</b>	NPC/FMgr	06/2020

**Quality and Timeliness of Audit**
**Rating: 5**
**Previous rating: 5**
**Justification of rating**

The audit of the fiscal year 2018 accounts were conducted by the Ghana Audit Service in accordance with INTOSAI- Standards (ISSAI) and submitted on time. The auditor expressed unqualified opinions on the SOE, PSF, FA on both financial instruments and compliance with the loan covenants. The auditors also issued a management letter including follow-up on prior audit recommendations. The quality of the auditwork is in line with expectations.

**Counterparts Funds**
**Rating: 2**
**Previous rating: 3**
**Justification of rating**

GoG's contribution to the project by way of counterpart funding is GHS 2.1 million (USD0.49 million); beneficiaries contributed for USD 0.63 million equivalent. This represents 9.2% of the expected Government's contribution to the project amount of USD 5.3 million.

**Main issues**

Government's budgetary support to the project has not been forthcoming. A follow up on the issue indicated the Ministry of Finance has approved an amount of GHS200,000 to be paid out of the budget of Ministry of Food and Agriculture. The said amount was being processed by the Controller and the Accountants' General Department (CAGD) at the time of the mission. The mission requested the government to support the project with counterpart funding.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>To start the accounting for in kind-contribution at GoG and beneficiaries level</b>	Finance team	03/2019
<b>Follow up on the CAGD for payment of counterpart fund.</b>	GASIP/MOFA	01/2020
<b>Counterpart funds to be provided on a timely manner</b> Continuous action - this action has been repeated for the second time.	PCU and MOF	02/2020

#### **Compliance with Loan Covenants**

**Rating: 4**

**Previous rating: 4**

#### **Justification of rating**

The government has complied with majority of the covenants covering the programme.

#### **Main issues**

As per the Financing Agreement, the project is to submit its 2020 AWPB to IFAD for No Objection by October 31, 2019. However, this condition was not met. The mission urges the project to submit its 2020 AWPB and Procurement Plan for IFAD's NO Objection.

#### **Procurement**

#### **Procurement**

**Rating: 4**

**Previous rating: 3**

#### **Justification of rating**

Implementation rate has improved significantly, however procurement processes are yet to pick up. Overall, there is some progress in the Project's procurement function with a strengthened team following the recruitment of a Procurement Manager from the open market. However, there is still room for further improvement, notably, a) delays in initiating procurement processes especially for consultancy services; b) use of less competitive procurement methods due to time constraints; c) improving compliance with IFAD Procurement Guidelines and National Regulations especially thresholds for prior review as indicated in the LTB and National Regulations and IFAD prior review requirements. There is need for greater compliance with procedures for selection of procurement method and evaluation process.

#### **Procurement Review**

**Structure of the Procurement Unit.** The PCU Procurement Unit is consisting of one procurement manager who joined the unit as of April 2019 replacing the former Procurement Manager who worked in the project on part term basis since early 2018. Prior to that, the project was without procurement officer for good part of 2018. He has got experience in managing procurement activities especially at the level of planning and process management. Some gaps are identified at the level of the application of standard procedures for procurement methods and evaluation process.

**Procurement Planning.** The format of 2019 procurement plan was found to meet the basic requirements. However, the Mission noted the following areas for improvement: (i) number of low-value procurement activities can be grouped together under one tender for purposes of economies of scale; (ii) improper procurement method for non-consulting services was specified (iii) the plan does not include summary page; (iv) occasional use of less competitive procurement methods (due to time limitations and usually with IFAD concurrence); and (v) the procurement plan is currently not used as a monitoring and tracking tool to measure implementation performance against the initial planning as it is not periodically updated.

**Procurement Process.** The Project has adopted the National Standard Bidding Documents (SBDs) for the procurement of goods, works and non-consulting services under National Procurement Methods. The National SBDs were found satisfactory and meet the basic requirements. For ICB method, the correct version of the World Bank SBDs was utilized. The following gaps need to be addressed: (i) in some cases, the bidding documents were issued with inadequate technical specifications; (iii) in several cases, the post qualification criteria were missing; (iv) failure to adhere to the thresholds for procurement method specified in the National Regulations; (v) in several cases the evaluation procedure eliminated the application of technical and post qualification criteria;; and (vii) need to improve contract management and administration.

**Procurement Progress.** The 2019 procurement plan has included 17 Goods, works and Non-consultancy procurements, and 12 consultancy assignments with total cost estimate USD 7,970,738. As of November 29, 2019, the procurement process for 15 packages worth USD 4,880,259.38 was completed constituting about 61% of the planned amounts. The

procurement process for two transactions with total cost estimate USD 1,017,238 was initiated but not completed yet.

**Contracts Register.** The mission reviewed the project register of contracts –on sample basis. The register was not consistent with IFAD standard format. Moreover, it includes the recently signed contracts only. As part of the mission activities, the correct version of the contract register was presented to the PCU to be adopted.

**The procurement filing system.** The mission is pleased to find out that the PMU established a dedicated procurement filing system. However, the filing system includes the recent activities only. Furthermore, it was noted that some important documents related to contract management are missing.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Procurement</b> Update the register of contracts to reflect the above-mentioned comments.	PMU	12/2019
<b>Procurement</b> Amend the Project Procurement Manual to ensure compliance with the procurement methods thresholds stipulated by the LTB and the National Regulations,	PMU	12/2019
<b>Procurement</b> Organize a tailor-made Procurement Training for the Project Procurement staff and other technical persons involved in the procurement process covering the areas of compliance with IFAD Procurement Guidelines, preparation of bidding documents, evaluation processes and contract administration.	PMU	02/2020
<b>Procurement</b> Adhere to IFAD guidelines with regard to preparation of bidding documents and evaluation procedure.	PMU	
<b>Procurement</b> Continuous update of the procurement plan	PMU	
<b>Procurement</b> Organize a monthly meeting between the Procurement Officer and originators.	PMU	

#### e. Key SIS Indicators

**Likelihood of Achieving the Development Objective**

**Rating: 4**

**Previous rating: 3**

#### Justification of rating

Good progress has been made over the past few months, albeit with some important gaps; such as building capacity of FBOs and firming up arrangements for ensuring sustainability such as linkages with financial institutions and ensuring that plans for FBOs savings mechanisms are done in transparent manner, in agreement with the FBOs and in accordance with matching grant policy.

**Assessment of the Overall Implementation Performance**

**Rating: 4**

**Previous rating: 3**

#### Justification of rating

Implementation has picked up significantly in 2019 with implementation pace and disbursement over the second half of 2019 almost double what has happened since project start up in 2014/15 to the first half of 2018.

## F. Agreed Actions

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Overview and Project Progress</b>		
<b>Agribusiness linkage development</b> Expedite FBOs capacity building with particular focus on institutional strengthening, capacity to manage finance (and bank accounts) and develop business linkages.	GASIP PCU	01/2020
<b>C1.1 Agribusiness linkage development</b> Direct equipment support to the FBOs that are classified at a higher level.	GASIP PCU	01/2020
<b>C1.1.2 Value Chain Financing</b> Promote awareness of financial institutions about the successful business linkages created between VCDs and FBOs	GASIP PCU and VCDs	01/2020
<b>C1.2 Value Chain Financing</b> Facilitate MG beneficiaries' access to bank financing (through development funds where relevant) through VCDs and FBOs to increase their crop acreage in the next season.	GASIP PCU	01/2020
<b>C1.3 Climate Change Resilience</b> Train MOFA Subject Matter Specialists and VCD Staff, input distributors, mass media across the country on climate change resilience measures	GASIP PCU,MOFA	01/2020
<b>C1.3 Climate Change Resilience</b> Develop a manual on the use of the Automatic Weather Station (AWS), its maintenance, operations, roles and responsibilities of the various stakeholder should be developed	GASIP PCU,GMET	01/2020
<b>C2.1 Productive Infrastructure</b> Support FBOs to identify capable private operators for productive and commercial infrastructure	GASIP PCU	01/2020
<b>C2.1 Productive Infrastructure</b> Develop model management contract agreement between FBO and private operators of productive infrastructure	GASIP PCU	01/2020
<b>C2.1 Productive Infrastructure</b> Finalise arrangements for procurement of contractors for all productive infrastructure and outline the modalities for payment of FBO contributions to orchestrate the procurement process. Share with IFAD for final review and NO.	GASIP PCU	01/2020

<b>C1.1 Agribusiness linkage development</b> <ul style="list-style-type: none"> <li>• Get IFAD approval on a proposal for structuring the current partnership arrangements between the VCDs and the FBOs related to the VCD's access to FBOs savings (created from the proceeds of the MGs). Refer to guidelines provided in the text above.</li> </ul>	GASIP PCU and IFAD	02/2020
<b>C1.1 Agribusiness linkage development</b> Carry out categorization of the FBOs according to their quality.	GASIP PCU	02/2020
<b>C1.2 Value Chain Financing</b> Recruit the RF officer/expert immediately as staff or consultant	GASIP PCU	02/2020
<b>C1.3 Climate Change Resilience</b> Sign long-term contract with CNTA instead of yearly review for cost effectiveness	GASIP PCU	02/2020
<b>C2.2 Productive Infrastructure</b> Engage firms to design and supervise the construction of bunds and land development for the 420 ha within the clusters	GASIP PCU	03/2020
<b>C1.3 Climate Change Resilience</b> Gradually bring all CA groups under VCDs and provide same support as provided to farmer groups.	GASIP PCU	04/2020
<b>C1.3 Climate Change Resilience</b> Subject all project activities to a climate resilience screening	GASIP PCU	04/2020
<b>C1.3 Climate Change Resilience</b> Provide boreholes and watering systems to the youth and women	GASIP PCU	04/2020
<b>C1.3 Climate Change Resilience</b> Establish community nurseries for cashew	GASIP PCU	08/2020
<b>C2.2 Productive Infrastructure</b> Engage contractors to Construct the bunds and develop the 420ha land within the clusters	GASIP PCU	08/2020
<b>C1.3 Climate Change Resilience</b> Mainstream climate resilience in all project components (continuous action)	GASIP PCU	11/2020
<b>Development Effectiveness</b>		
<b>Mainstreaming</b> All project components should be screened for climate resilience. Bring all CA groups under VCDs and provide same support as provided to VC farmer groups.	PCU	08/2020

<b>Expand AWS network</b>  Establish additional AWS in districts covered by the project to ensure climate information dissemination through all clusters.	PCU	08/2020
<b>Reducing Climate change vulnerabilities</b>  Provide boreholes and watering systems to the youth and women for dry season farming	PCU	08/2020
<b>Sustainability and Scaling up</b>		
<b>Quality of Beneficiary Participation</b>  Engage TA for institutional development of FBOs	PCMU	02/2020
<b>Quality of Beneficiary Participation</b>  Identify constraint limiting women and youth participation in FBOs	PCMU	02/2020
<b>Project Management</b>		
<b>M&amp;E</b>  Prepare the TORs for the baseline survey and hire a firm/consultant to conduct it	GASIP PCU	12/2019
<b>M&amp;E</b>  Develop action plan towards development of the web-based M&E system by first quarter 2020	GASIP PCU	12/2019
<b>M&amp;E</b>  Develop reporting templates and forms to support VCDs, AEAs in data collection in the field	GASIP PCU	12/2019
<b>Financial Management &amp; Execution</b>		
<b>AWPB - Submit 2019 AWPB for NO</b>  (Update - SM 4 Feb 2019): The approval process of the AWPB 2019 is still ongoing.	PC	02/2019
<b>Internal controls - to ensure that in all cases the payments of contracts are processed upon receipt and acceptance of activity reports.</b>	PC/FMgr	02/2019
<b>Staffing</b>  Recruit to fill in vacant positions  (Update - SM 4 Feb 2019):The absence of a full time Finance Manager undermines the overall quality of FM at PMU level. The recruitment process of the new Finance Manager is ongoing. The finance unit is sufficiently staffed with three accountants; two of them should be decentralized to the zonal office when these are revamped.	PC	03/2019

<b>Funds reallocation</b> A request for funds reallocation needs be submitted to IFAD approval	PCU and MOF	03/2019
<b>Ineligible expenditures</b> Settle ineligible expenditures and inform IFAD on the outcomes of the litigation	Finance Team	03/2019
<b>Refund</b> Refund USD 60 000 to IFAD Loan account and communicate it to IFAD	Finance Team	03/2019
<b>Ensure that project's payables are properly monitored</b> Ensure that project's payables are properly monitored	Finance Team	03/2019
<b>log-books and monitoring of fuel consumption.</b> Improve the use of project's vehicles, with proper use of log-books and monitoring of fuel consumption.	Finance Team	03/2019
<b>To start the accounting for in kind-contribution at GoG and beneficiaries level</b>	Finance team	03/2019
<b>Fixed asset register set-up</b> Set-up of a proper fixed asset register and perform a detailed fixed assets verification to be signed off by management.  This action is being recommended for the second time (it was already flagged during SM of 22 Feb 2018).	Finance Team	04/2019
<b>Interim Financial Reports submission</b> Regular preparation and quarterly submission to IFAD of Interim Financial Reports	Finance Team	04/2019
<b>FM e-learning</b> Finance team to undertake the FM e-learning training to increase understanding of IFAD FM procedures and transmit certificates to IFAD.	Finance Team	04/2019
<b>Procurement</b> Update the register of contracts to reflect the above-mentioned comments.	PMU	12/2019
<b>Procurement</b> Amend the Project Procurement Manual to ensure compliance with the procurement methods thresholds stipulated by the LTB and the National Regulations,	PMU	12/2019
<b>Approval of pending WAs in the ICP</b>	MOF	01/2020
<b>Submit 2020 AWPB &amp; Procurement Plan for NO</b>	PC	01/2020
<b>Follow up on the CAGD for payment of counterpart fund.</b>	GASIP/MOFA	01/2020



<b>Conduct Staff Appraisal</b>	NPC	01/2020
<b>Obtain Updated Bank Statements from Fidelity Bank</b>	FMgr	01/2020
<b>Provide complete information about GASIP's Grant Scheme to FBOs</b>	NPC/VCM	01/2020
<b>Request for increase in Authorised Allocation</b>	NPC/FMgr	01/2020
<b>Procurement</b> Organize a tailor-made Procurement Training for the Project Procurement staff and other technical persons involved in the procurement process covering the areas of compliance with IFAD Procurement Guidelines, preparation of bidding documents, evaluation processes and contract administration.	PMU	02/2020
<b>Counterpart funds to be provided on a timely manner</b> Continuous action - this action has been repeated for the second time.	PCU and MOF	02/2020
<b>Inform VCDs when payments are made to input dealers or equipment suppliers</b>	NPC/FMgr	06/2020
<b>Improve the efficiency by focusing in the AWPB on investment activities and by introducing cost savings with regards to operating costs.</b>	PCU	
<b>Procurement</b> Adhere to IFAD guidelines with regard to preparation of bidding documents and evaluation procedure.	PMU	
<b>Procurement</b> Continuous update of the procurement plan	PMU	
<b>Procurement</b> Organize a monthly meeting between the Procurement Officer and originators.	PMU	

## Ghana Agricultural Sector Investment Programme

### Logical Framework

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility	
Outreach Ghana Agricultural Sector Investment Programme	1.b Estimated corresponding total number of households members									PCU Estimation	
	Household members	300 000	374 000	514 200	365 421	365 421	71.1				
	1.a Corresponding number of households reached									PCU Estimation	
	Households	44 000	55 000	75 600	53 738	53 738	71.1				
	1 Persons receiving services promoted or supported by the project									Value Chain Facilitator	
	Females	25 000	31 450	43 200							
	Males	25 000	31 450	43 200							
	Young	25 000	31 450	43 200							
	Total number of persons receiving services				46 989	78 227					
Project Goal Contribute to a sustainable poverty reduction in rural areas of Ghana	% decrease in the incidence of rural poverty in Ghana							Ghana Statistical Services			Favourable macro-economic environment (A)
	Rural population below the poverty line	29									
	Increase in the agricultural GDP							Ghana Statistical Services			
	Increase in the agricultural GDP (GHS million)	16 687									
	% of children under 5 suffering from malnutrition weight for height)							Multiple Indicator Cluster Survey (MICS) - UNICEF			
	Children underweight	14									

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility	
	Average crop yields for cassava (in MT/ha)							Farmers book tracer study			
	MT/ha	9.4	18	16.4							
	Average crop yields for maize (in MT/ha)							Farmers book tracer study			
	MT/ha	2	3.8	3.5							
	Net farm income for cassava (in GHS/ha)							Farmers book tracer study			
	GHS/ha	212	425	875							
	Net farm income for maize (in GHS/ha)							Farmers book tracer study			
	GHS/ha	37	362	875							
	Additional volume of cassava marketed by smallholders (in MT)							Farmers book tracer study			
	MT	0	36 000	216 000							
	Additional volume of maiz marketed by smallholders (in MT)							Farmers book tracer study			
	MT	0	7 000	40 000							
	Poor smallholder household members supported in coping with the effects of climate change									Value Chain Facilitator	
	Females				660	4 943					
	Males				660	4 857					
	Total household members		5 000	10 000	1 320	9 800	98				
Development Objective											

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility	
<b>Outcome</b> Outcome 1: Smallholders have formalized commercial linkages to factor and output markets, including small agribusinesses, and have access to essential private and public infrastructure	Number of agribusinesses experiencing sustainable growth							Tracer study			
	Agribusinesses		180	270							
	Number of farmers linked to markets by programme										
	Farmers	45 000	55 000	80 000							
	Number of FBOs reaching category four (4) status (sustainability)									Value Chain Facilitator	
	FBOs	0	300	800							
	% of VCCs established fully functional and sustainable									Value Chain Facilitator	
	VCCs			100							
	Number of hectares under improved production techniques									Value Chain Facilitator	
	Hectares of land	0	30 000	74 300	86 192	86 204	116				
<b>Output</b> 1.1. Value Chain Committees (VCCs) and FBOs are established/capacitated and value chain actors are linked	Number of VCCs established									Value Chain Facilitator	
	VCCs established	43	34	180							
	Number of agribusinesses supported									Value Chain Facilitator	
	Agribusinesses	105	200	300	56	56	18.7				
	Number of FBOs involved									Value Chain Facilitator	
	FBOs	0	3 100	4 300	1 200	1 200	27.9				
	Number of farmers trained (Men)									Value Chain Facilitator	
	Males	0	15 000	30 000	660	4 857	16.2				
	Females	0	15 000	30 000	660	4 943	16.5				
	<b>Output</b> 1.2 Commercial infrastructure is improved	Km of rural roads rehabilitated (RIMS)							ZPO		
Length of roads		0	1 000	1 200							
Km of rural electrical connections							ZPO				

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility	
	Length of roads	0	450								
	Number of storage facilities constructed/rehabilitated							ZPO			
	Storage facilities		50	100							
<b>Output</b> Output 1.3. Essential, enabling public infrastructure are constructed in support of growth and value chains' viability	2.1.6 Market, processing or storage facilities constructed or rehabilitated							ZPO			
	Market facilities constructed/rehabilitated	0	50								
	Processing facilities constructed/rehabilitated										
	Storage facilities constructed/rehabilitated										
	2.1.5 Roads constructed, rehabilitated or upgraded							ZPO			
	Length of roads	0	1 000	1 200							
	Number of water harvesting and management systems constructed (ASAP)										
	Systems constructed										
	Number of livestock watering points constructed (ASAP)										
	Watering points										
	Number of km of rural electrical connections							Value Chain Facilitator			
	Rural electrical connections	0	450								

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility	
<b>Outcome</b> Outcome 2: Increased and systematic access to and use of short and long term financing for value chain businesses	Value of loans facilitated by GASIP with tenure <=1 year								PFIs quaterly reporting		Low capacity of programme to interest PFIs in financing value chains (R) PFIs have liquidity (internally or through credit lines (A))
	Loans		1 500	1 500							
	Value of loans facilitated by GASIP with tenure > 1 year								PFIs quaterly reporting		
	Loans		500	750							
	1.2.5 Number of persons reporting using rural financial services								Funds and PFIs quaterly reporting		
	Clients accessing leasing, equity, investments or other products	0	4 000	10 000							
	Clients using structured trade financing	10 000	30 000	50 000							
	1.2.6 Partner financial service providers with portfolio-at-risk ≥30 days below 5%								PFIs quaterly reporting		
	Percentage										
	Percentage of supported PFIs reaching operational self-sufficiency								PFIs quaterly reporting		
	Households										
<b>Output</b> Output 2.1. Rural and community banks receive strategic and operational development support and linked with commercial banks	1.1.6 Financial service providers supported in delivering outreach strategies, financial products and services to rural areas							ZPO			
	Service providers	50	100	150							
	Number of PFI staff trained (men and women)							ZPO			
	Men and Women	0	500								
<b>Output</b> Output 2.2. A matching grant scheme is established and operated to support value chain actors	Value of loans leveraged by matching grants							ZPO			
	Loans	0	7 000	20 000							

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility	
	1.1.5 Persons in rural areas accessing financial services								Funds and PFIs quarterly reporting		
	Total persons accessing financial services - savings	30 000	50 000	70 000							
	Total persons accessing financial services - credit										
	Value chain actors supported through the matching grant mechanism										
	Males										
	Females										
<b>Outcome</b> Outcome 3: Value chain stakeholders and local production systems increase their resilience to climate change	Land under climate-resilient practices										Low capacity of Programme to mainstream commercial climate change technologies (R )
	Land area	0	7 500	10 000	539	541	5.4				
	Irrigated land using efficient technology									Value Chain Facilitator	
	Hectares of land	0	200	1 000							
	Yield from conservation farming for maize (in tons/ha)									Value Chain Facilitator	
	Yield	1	2.5	3							
	Number of direct beneficiaries having improved water management practices (ASAP)									Value Chain Facilitator	
	Beneficiaries	0	1 000	4 000							
	Yield from conservation farming for soja (in tons/ha)									Value Chain Facilitator	
	Yield	0.7	1.6	2							
	1.1.2 Farmland under water-related infrastructure constructed/rehabilitated										
	Hectares of land	0	250	350							
	Households supported with increased water availability or efficiency										
	Households			1 081							

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility	
	Production and processing facilities supported with increased water availability and efficiency										
	Facilities			50							
<b>Output</b> Outputs: 3.1 Adaptative trials and demonstrations of modern conservation agriculture and water-efficient irrigation techniques are undertaken	Number of demonstrations undertaken (ASAP)									Value Chain Facilitator	
	Demonstrations	0	30	50	36						
	Number of WUAs trained/supported									Value Chain Facilitator	
	WUAs	0	30	50	36	66	132				
	Individuals engaged in NRM and climate risk management activities									Value Chain Facilitator	
	Males	0	5 000	7 500							
	Total	0	10 000	15 000	1 320	1 320	8.8				
	Females	0	5 000	7 500							
<b>Output</b> Output 3.2. Climate change resilient production technologies and practices are promoted among rural producers	Number of agricultural/livestock production groups formed/strengthened										
	Production groups			4 300							
	Number of persons in these agricultural/livestock production groups (men/women)										
	Males										
	Females										
	1.1.4 Persons trained in production practices and/or technologies										
	Men trained in crop			30 000							
	Women trained in crop			30 000							
	Young people trained in crop										
	Not young people trained in crop										



Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility	
	Indigenous people trained in crop										
	Non indigenous people trained in crop										
	Men trained in livestock										
	Women trained in livestock										
	Young people trained in livestock										
	Not young people trained in livestock										
	Indigenous people trained in livestock										
	Non indigenous people trained in livestock										
	Men trained in forestry										
	Women trained in forestry										
	Young people trained in forestry										
	Not young people trained in forestry										
	Indigenous people trained in forestry										
	Non indigenous people trained in forestry										
	Men trained in fishery										

Results Hierarchy	Indicators							Means of Verification		Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility
	Women trained in fishery									
	Young people trained in fishery									
	Not young people trained in fishery									
	Indigenous people trained in fishery									
	Non indigenous people trained in fishery									
	Total persons trained in crop									
	Total persons trained in livestock									
	Total persons trained in forestry									
	Total persons trained in fishery									
<b>Outcome</b> Outcome 4 : The policy framework for smallholder farmers has improved	General satisfaction with the policy framework among value chain actors (scale 1 - 6)							Participatory outcome assessment		
	General satisfaction (scale 1 - 6)			5						
<b>Output</b> Outputs: Policy development supported	Number of policy forums held									PCU
	Policy forums	0	3	6						
	Number of white papers addressing key policy issues									PCU
	Papers	0	3	6						

## **Ghana**

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### **Ghana Agricultural Sector Investment Programme**

#### **Supervision Report**

#### **Appendix 1: Financial: actual financial performance; by financier by component and disbursements by category**

Mission Dates: 4-24 December  
Document Date 27/01/2020  
Project No. 1100001678  
Report No. 5329

West and Central Africa Division  
Programme Management Department

## Appendix 1: Financial: Actual financial performance by financier; by component and disbursements by category

Table 1A: Financial Performance by Financiers (USD'000) as at 30 November 2019

Financier	Appraisal (USD '000)	Disb. (USD '000)	Per cent disb.
IFAD Loan	36,600	19,612	53.6%
ASAP Grant	10,000	4,172	41.7%
Government 1	5,300	1,677	31.6%
District Assemblies	1,661	0	0.0%
PFI	17,474	0	0.0%
Beneficiaries	4,625	3,963	86.3%
<b>Sub-Total</b>	<b>75,660</b>	<b>29,454</b>	<b>38.9%</b>
IFAD Loan 2	35,000	0	0.0%
Government 2	2,328	0	0.0%
<b>Sub-Total</b>	<b>37,328</b>		<b>0.0%</b>
<b>Grand Total</b>	<b>112,988</b>	<b>29,454</b>	<b>26.1%</b>

**Table 1B: Financial Performance by Financiers by Component (USD'000) as at 30 November 2019**

	IFAD LOAN I				ASAP GRANT			Government			Domestic			Total		
Component Description	Appr.	Revised	Actual	%age	Appr.	Actual	%age	Appr.	Actual	%age	Appr.	Actual	%age	Appr.	Actual	%age
Value chain development	16,479	13,985	12,664	91%	7,750	3,365	43%	1,462	96	7%	20,533	3,993	0%	46,499	20,118	<b>44%</b>
Rural Value Chain Infrastructure	15,768	13,952	1854	13%	1,510	7	0.5%	2,944	7	0%	3,227	0	0%	23,450	1868.22	8%
Knowledge Management, policy support and Coordination	4,353	8,663	3,594	41%	740	0	0%	894	1,574	176%	0	0		5,987	5,168	<b>86%</b>
<b>Total</b>	<b>36,600</b>	<b>36,600</b>	<b>18,112</b>	<b>49%</b>	<b>10,000</b>	<b>3,372</b>	<b>34%</b>	<b>5,300</b>	<b>1,677</b>	<b>32%</b>	<b>23,760</b>	<b>3,993</b>	<b>0%</b>	<b>75,660</b>	<b>27,154</b>	<b>36%</b>
Authorised Allocation			1,500			800								0	<b>2,300</b>	
<b>Total IFAD Financing</b>	<b>36,600</b>	<b>36,600</b>	<b>19,612</b>	<b>54%</b>	<b>10,000</b>	<b>4,172</b>	<b>42%</b>	<b>5,300</b>	<b>1,677</b>	<b>32%</b>	<b>23,760</b>	<b>3,993</b>	<b>0%</b>	<b>75,660</b>	<b>29,454</b>	<b>39%</b>

**Table 1C.i: IFAD Loan Disbursement by Category (SDR) as at 30 November 2019**

<b>Cat</b>	<b>Category description</b>	<b>Original Allocation</b>	<b>Revised Allocation</b>	<b>Disbursed</b>	<b>W/A Pending</b>	<b>Available Balance</b>	<b>Per cent disb.</b>
I	Works	7,590,000	4,300,000	986,924	120,003	3,193,073	25.74%
II	Equipment And Materials	770,000	650,000	195,748	0	454,252	30.12%
III	Goods, Services And Inputs	-	0	0	0	0	
IV	Consultancies	4,350,000	3,250,000	726,289	34,892	2,488,819	23.42%
V	Training	3,900,000	1,100,000	378,660	14,194	707,146	35.71%
VI	Grants And Subsidies	2,090,000	9,700,000	3,186,823	5,404,152	1,109,025	88.57%
VII	Operating Costs	400,000	1,870,000	568,576	19,850	1,281,574	31.47%
VIII	Salaries And Allowances	2,230,000	2,230,000	1,475,580	38,427	715,994	67.89%
	Unallocated	2,370,000	600,000	0	0	600,000	0.00%
	Authorised Allocation	-	-	1,083,306	0	-	
<b>Total</b>	<b>Total IFAD Financing</b>	<b>23,700,000</b>	<b>23,700,000</b>	<b>8,601,906</b>	<b>5,631,517</b>	<b>9,466,576</b>	<b>60.06%</b>

**Table 1C.ii: ASAP Grant (Actual and Projected) Disbursement by Category (SDR) as at 30 November 2019**

<b>Cat</b>	<b>Category description</b>	<b>Original Allocation</b>	<b>Disbursed</b>	<b>W/A Pending</b>	<b>Available Balance</b>	<b>Per cent disbursed</b>
		<b>SDR</b>	<b>SDR</b>	<b>%</b>	<b>SDR</b>	<b>%</b>
I	Works	900,000	-	-	900,000	0.00%
II	Equipment and Materials	1,590,000	667,524	178,306	744,169	53.20%
III	Goods, Services and Inputs	880,000	884,238		(4,238)	100.48%
IV	Consultancies	510,000	391,917		118,083	76.85%
V	Training	1,970,000	254,730	48,185	1,667,086	15.38%
VI	Grants And Subsidies	0	-		0	0.00%
VII	Operating Costs		-		0	0.00%
VIII	Salaries And Allowances		-		0	0.00%
	Unallocated	650,000	-		650,000	0.00%
	Authorised Allocation	-	577,763		(577,763)	0.00%
<b>Total</b>	<b>Total IFAD Financing</b>	<b>6,500,000</b>	<b>2,776,172</b>	<b>226,491</b>	<b>3,497,337</b>	<b>46.19%</b>

Figure 1: IFAD loan disbursement, comparisons between original and revised allocations and actual disbursement as at 30 November 2019

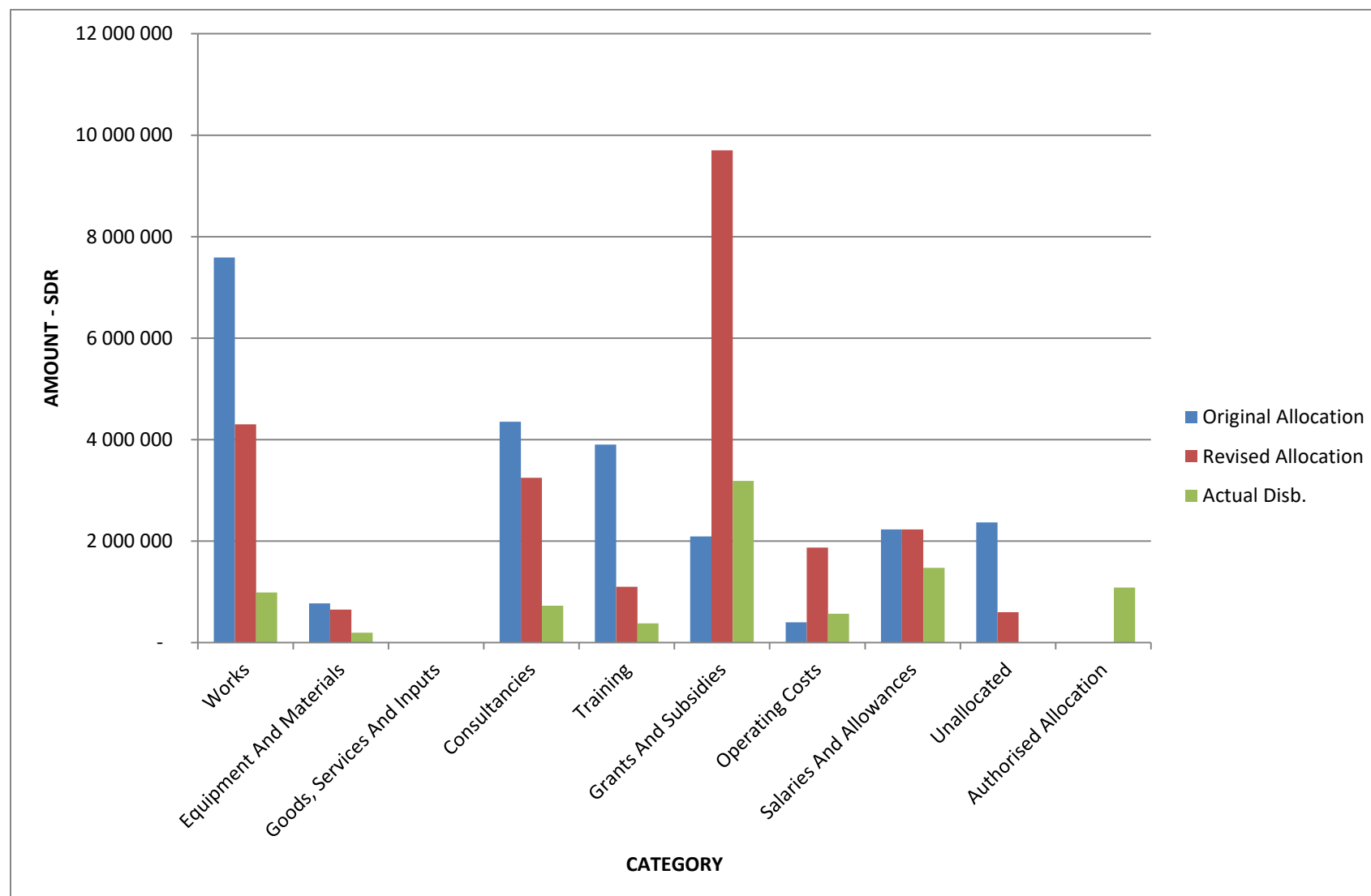
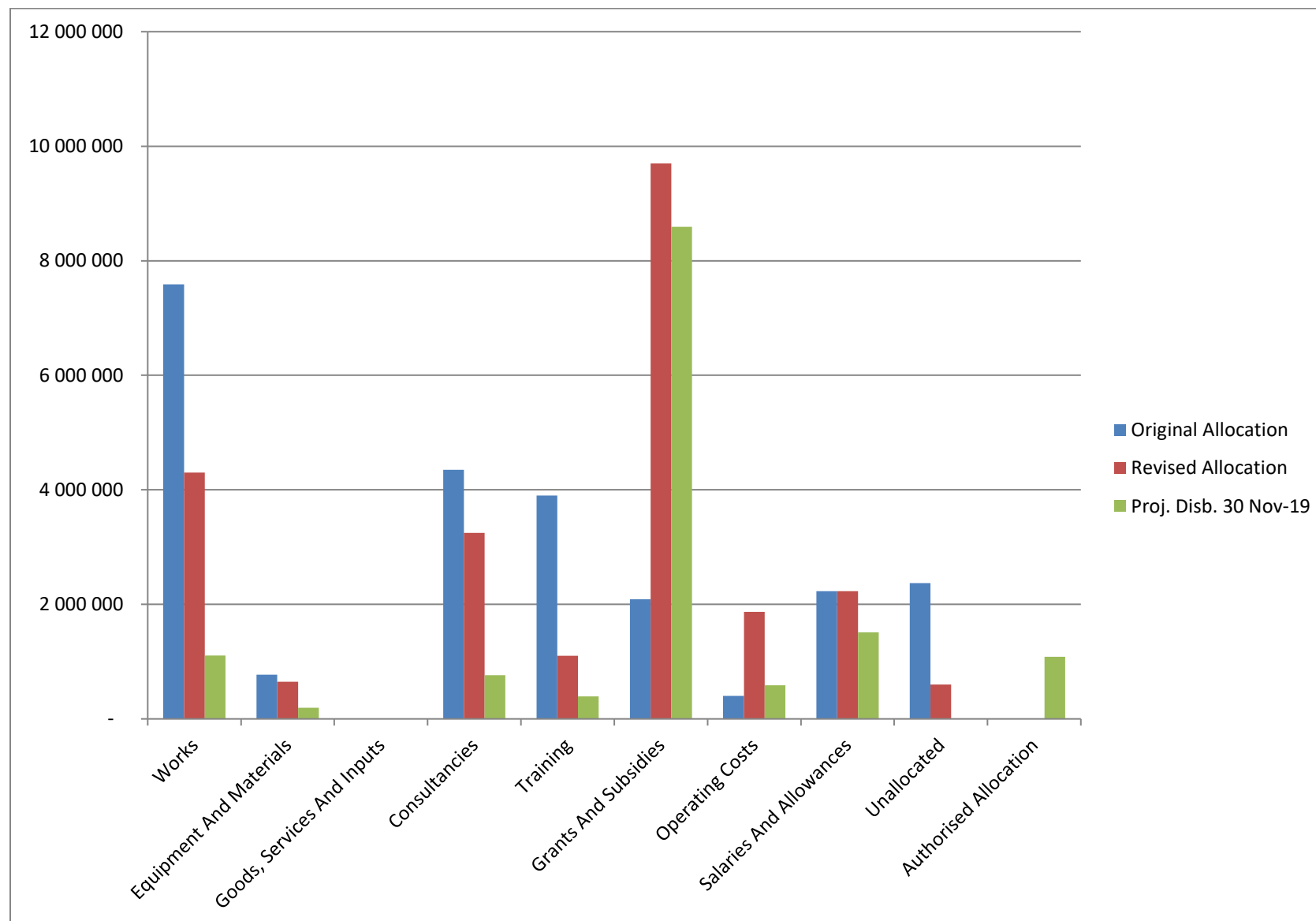
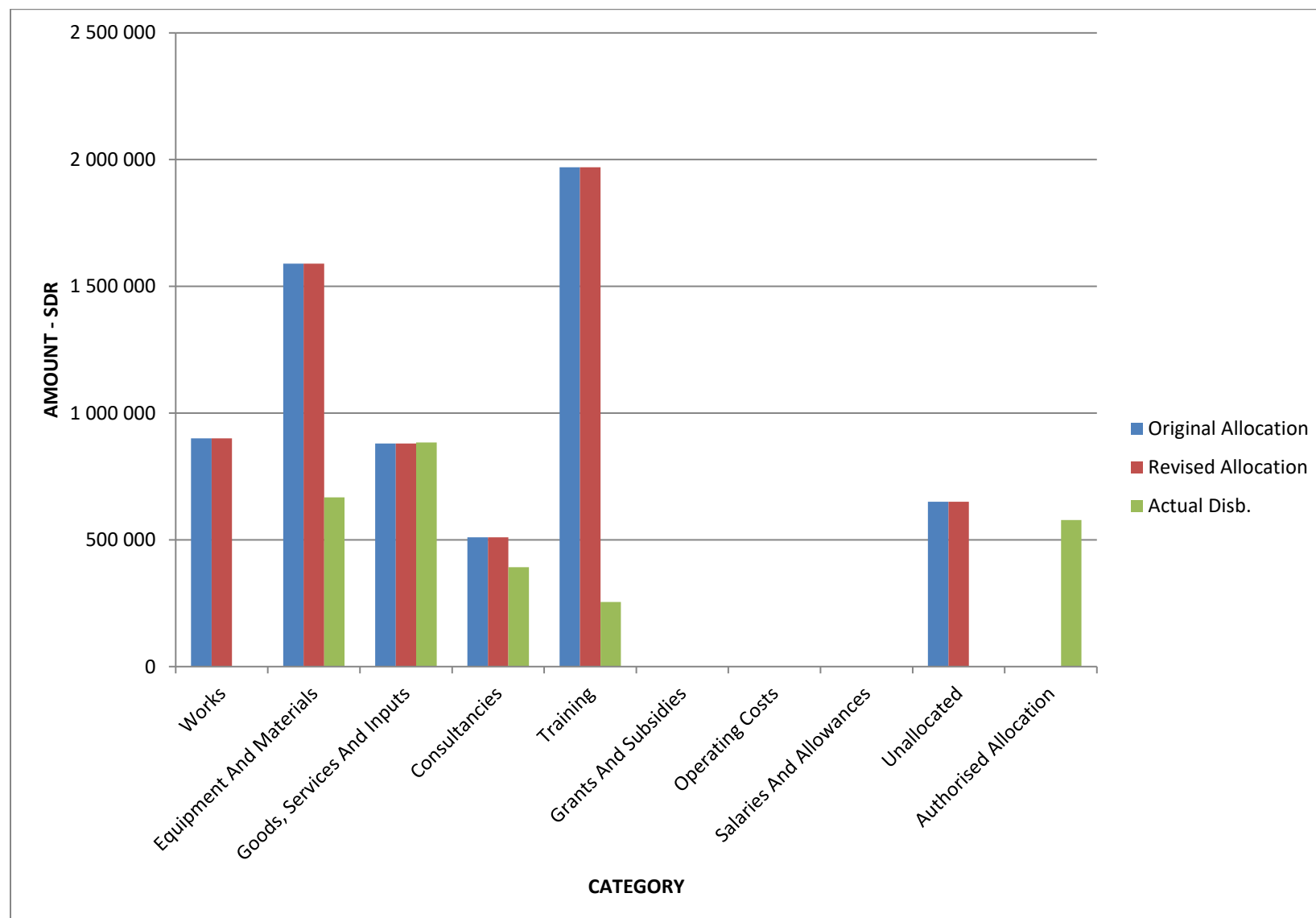




Figure 2: IFAD loan disbursement, comparisons between original and revised allocations and **Projected** Disbursement as at 30 November 2019



**Figure 3: ASAP grant disbursement, comparisons between original and revised allocations and actual disbursement as at 30 November 2018**



## **Ghana**

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### **Ghana Agricultural Sector Investment Programme Supervision Report**

#### **Appendix 2: Physical progress measured against AWP&B**

Mission Dates: 4-24 December  
Document Date 27/01/2020  
Project No. 1100001678  
Report No. 5329

West and Central Africa Division  
Programme Management Department

## Appendix 2: Physical progress measured against AWP&B

		Indicator	Unit	Period: 1 <sup>st</sup> Jan. to 31 <sup>st</sup> December 2019			Appraisal Target	Cumulative Actual	%	Remarks
				AWP&B	Actual	%				
<b>Component 1: Value Chain Development</b>										
<i>Sub-component 1.1: Agribusiness Linkages and Development</i>										
1.		Number of agribusinesses experiencing sustainable growth	No. of businesses	-	-	-	180	-	-	To be completed by 2 <sup>nd</sup> quarter of 2020 through outcome survey
2.		Number of farmers linked to markets by programme	Farmers	-	46,941		55,000	46,941	85%	To be completed by 2 <sup>nd</sup> quarter of 2020 through outcome survey
3.		Number of FBOs reaching category four (4) status (sustainability)	FBOs	3100	1200	39%	3100	1200	39%	To be completed by 2 <sup>nd</sup> quarter of 2020 through outcome survey
4.		Number of hectares of land under improved production techniques	Land size	30,000	86,192	287%	30,000	86,204	287%	
5.		Number of Agribusinesses supported	VCDS & Input dealers	200	53	27%	200	56	28%	
6.		Number of Rural Producer organizations supported	FBOs	3100	1200	39%	3100	1200	39%	
7.		Number of rural producers accessing production inputs and/or technological packages (CI)	Farmers (FBOs)	50,000	46,941	94%	50,000	46941	94%	
8.		Number of persons/ farmers trained in production practices and/or technologies	Farmers trained	15,000	12938	86%	30,000	12,938	43%	Modules: food safety, processing, Marketing GAPs and climate smart agriculture
<i>Sub-component 1.3: Climate Change resilience</i>										
9.		Number of Hectares of land brought under climate-resilient management	Land size	7500	3,300	227%	7500	3300	227%	
10.		Yield from conservation farming for maize, Soya, vegetables (in tons/ha)	Yield estimates		YTD		M: 2.5t/ha S: 1.6t/ha			To be determined through outcome survey by 2 <sup>nd</sup> quarter of 2020
11.		Number of groups supported to sustainably manage natural resources and climate related risks	No of WUAs, banded fields, CA Demo Plots	30	0	0%	30	0	0%	Activity not commenced yet
12.		Number of clients trained in Climate Change Resilience production practices and/or technologies	Farmers trained	10000	1,320	13%	10,000	9800	13%	
13.		Number of persons provided with NRM and climate risk management information services	Farmers	10000	1,320	13%	10000	1320	13%	
<b>Component 2: Rural Value Chain Infrastructure</b>										
<i>Sub-component 2.2: Enabling Public Infrastructure to support selected value chains</i>										

14.	Percentage of households reporting improved physical access to markets, processing and storage facilities	Households				50%			To be updated with results of outcome survey by 2 <sup>nd</sup> quarter of 2020
15.	Length of rural roads constructed, upgraded or rehabilitated	Km	72km	50% completion of road works	50%	900km	50% completion of road works	5%	Outstanding works to be completed by February 2020
16.	Length of rural electrical connections installed	Km	0	0	0	450km	1	0%	No related activity was planned this period
17.	No. of markets, processing or storage facilities constructed or rehabilitated	No.	50% completion of 51 commercial facilities	Designs completed	25%	50	0	0%	Construction to commence April 2020
18.	Hectares of land with reliable access to water	Ha	Design of contour bund for 420ha of rice valleys	Firms shortlisted for the design	50%	250	0	0%	Design of water harvesting schemes to commence March 2020
<b>Component 3: Knowledge Management, and Coordination</b>									
19.	General satisfaction with the policy framework among value chain actors (scale 1-6)	Score							
20.	Number of policy-relevant knowledge products completed	Policy forums	3	0	0%	3	0	0%	Not started
21.	Number of functioning multi-stakeholder platforms	No. of stakeholder advocacy platforms	3	0	0%	3	0	0%	Not started

## **Ghana**

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### **Ghana Agricultural Sector Investment Programme Supervision Report**

#### **Appendix 3: Compliance with legal covenants: status of implementation**

Mission Dates: 4-24 December  
Document Date 27/01/2020  
Project No. 1100001678  
Report No. 5329

West and Central Africa Division  
Programme Management Department

### Appendix 3: Compliance with legal covenants: status of implementation

Section	Loan Covenant	Target/Action Due Date	Compliance Status/Date
<b>Section B. Par 6</b>	Opening of 2 Designated Accounts with BoG in USD	October 2015	Done
	Deposit of Authorized Allocation of USD	22 December 2015	Done
<b>Section D. Par 17</b>	Programme GHS Account	27 January 2016	Done
	Programme Zonal GHS Accounts		Not Done
<b>Section B. Par 7</b>	GoG Counterpart Account Opened	27 January 2016	Done
<b>Section E. Par 2(c)</b>	National Programme Coordinator has been duly appointed	1 December, 2014	Done
<b>Section E. Par 2(c)</b>	Financial Manager has been duly appointed	10 April, 2015	Done
<b>Section 7.01</b>	Submission of AWPB each year to IFAD for approval	Annual (by 31 Oct)	Submitted with delays
<b>Section 7.08</b>	Insure all goods and buildings.		Partially Done
<b>Section 8.03</b>	Submission of Project Periodic Progress report to IFAD	Annual	Done
<b>Section 8.03</b>	Mid-Term Review (MTR) carried out jointly by Borrower, IFAD	May 2018	Done
<b>Section 9.02</b>	Submission of Annual Financial Statements to IFAD	30 April each Year	Done for FY2015 to FY2018. 2019 not due
<b>Section 9.03</b>	Audit of Programme financial Statements in accordance with	30 June each Year	Done for FY2015 to FY2018.
	Programme guidelines by an independent Auditor		NB: 2019 Not Due

## **Ghana**

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### **Ghana Agricultural Sector Investment Programme Supervision Report**

#### **Appendix 5: Mission preparation and planning, TORs, schedules, people met**

Mission Dates: 4-24 December  
Document Date 27/01/2020  
Project No. 1100001678  
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West and Central Africa Division  
Programme Management Department



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Supervision report - Mission dates: [click here and insert mission dates](#)

## Appendix 5: Mission preparation and planning, TORs, schedules, people met.

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Below is the mission schedule and travel plan for the IFAD-GASIP December mission.

### IFAD-GASIP JOINT SUPERVISION MISSION 2<sup>nd</sup> – 24<sup>th</sup> December 2019 Tentative Itinerary and Programme of Work

DAY	DATE	Time				
Mon	2-Dec	13.00 – 14.00 14.00 – 17.30	<ul style="list-style-type: none"> <li>Entry meeting – introduction, Terms of Reference for Mission</li> <li>GASIP PCU Presentations on Status of Programme Implementation</li> </ul>			
Tue	3-Dec	08.00 – 10.00 10.00 – 10.30 10.30 – 12.00 12.00 – 13.00 13.00 – 13.00 13.00 – 14.00 14.00 – 15.30 15.30 – 17.00	<ul style="list-style-type: none"> <li>Internal Institutional level office work</li> <li>Review of Day One</li> <li>Review of Feb 2019 Supervision Mission Agreed Upon Actions and discussions on way forward</li> <li>Lunch Break</li> <li>Review of Feb 2019 Supervision Mission Agreed Upon Actions and discussions on way forward (continued)</li> <li>Joint GASIP-IFAD meeting with the Hon. Minister for Food &amp; Agriculture</li> <li>Internal Institutional level office work</li> </ul>			
			TEAM ONE		TEAM TWO	
DAY	DATE		Location	Approximate Travel Distance & Time from location to the next	Location	Approximate Travel Distance & Time from location to the next
Wed	4-Dec		Asutuare - Qualitrace	50 km, 1 hr from Accra		
			Asutuare (Kpong Irrigation Scheme)	30 mins from previous location	Weta (Avalavi Irrigation Scheme)	155 km, 2.5 hrs drive from Accra
			Bame	2 hrs from previous location	Dekpor Adzotsi- Agbadome	30 min from pervious location
Thu	5-Dec	•	• ROAD INFRASTRUCTURE CONNECTED TO VCDs and FBOs			
Fri	6-Dec	•	• FARMERS' DAY			
Sat	7-Dec					
Sun	8-Dec					
Mon	9-Dec	•	• FLY FROM ACCRA TO TAMALE		• FLY FROM ACCRA TO KUMASI	
			Tolon	38Km, 40 mins	Woraso (Road infrastructure)	2 hours
			Gingaani, Kumbungu DDA	10 km, 30 mins	Atebubu - Amanteng	117km, 2 hours 30 minutes
			Nasia (West Mamprusi)	109 Km, 1h 20 mins	Afrefreso - Duabone Feeder Road	
			Janga (West Mamprusi)	60 km, 40 mins	Atebubu - Amanteng	18.2km, 19 minutes
			Loagri No.2		Department of Agriculture (Brief stop at CA Weather Station)	
		•	• SPEND NIGHT IN BOLGATANGA (130 km, 2 hrs)		• TRAVEL BACK TO SPEND NIGHT IN KUMASI: 165km, 3 hours 17 min	
Tue			Sherigu, Bolgatanga	20 km, 30 mins	Adidwan	2 hours

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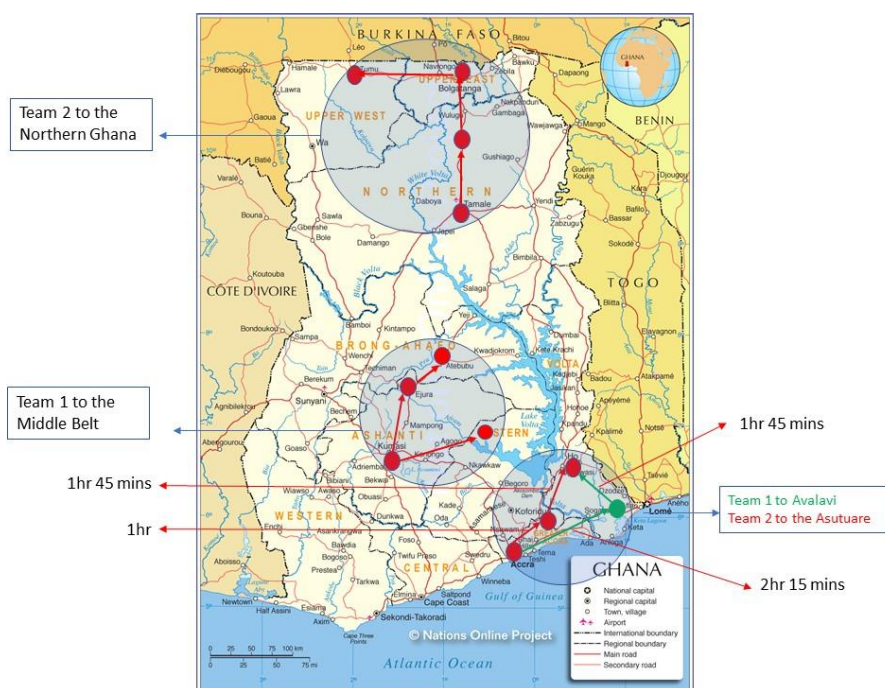
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Supervision report - Mission dates: [click here and insert mission dates](#)

We d  Thu  Fri  Sat  Sun  Mo n	10- Dec		Abempingo, Navrongo Road	16 km, 30 mins	Jato Zongo	16.6km, 19 minutes	
			Saboro, Paga	20 km, 30 mins			
			Nangalikinia, Navrongo	20 km, 30 mins			
	11-Dec	●	● SPEND NIGHT IN TUMU (115 km, 2 hrs 30 mins)			● SPEND THE NIGHT IN KUMASI (Konongo if possible)	
			Taffesi, Tumu	10 Km, 21 mins	Kawin	155km, 3 hours 7 minutes	
			Pieng, Tumu	14 Km. 31 mins	Afram Plains		
			Gwollu, Gbal / Zini	74 Km, 2 hrs			
		●	● SPEND THE NIGHT IN WA			● SPEND THE NIGHT IN NKWETI, KWAWU	
	12- Dec	●	● Team One to return to Accra from WA			RETURN TO ACCRA BY ROAD	
	13- Nov	●					
14- Dec							
15- Dec							
16- Dec	●	● WRAP UP					

\*Departure point for the Volta trip is 7am from the Accra Mall

\*Charles Annor-Frempong and Edmund Akoto-Danso to continue to Tamale for two more days.



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