

Republic of Ghana

Rural and Agricultural Finance Programme (RAFiP)

Supervision report

Main report and appendices

Mission Dates: 11-Nov-2013 to 6-Dec-2013
Document Date: 23-Dec 2013
Project No. 1428
Report No: 3275-GH

West and Central Africa Division
Programme Management Department

Contents

Abbreviations and acronyms	iii
A. Introduction	1
B. Overall assessment of RAFiP implementation	1
C. Outputs and outcomes	2
D. RAFiP implementation progress	9
E. Fiduciary aspects	10
F. Sustainability	13
G. Mid-term review	14
H. Conclusion	14

List of Tables

Table 1: Key Actions Agreed to be Taken in the Next 6 Months
Table 1: Summary Of Budget Performance - 2010 to 2013
Agreed action
Table 2: Reconciliation of Designated Account as at 31 October, 2013
Table 3: Disbursement of IFAD loan as at 31 October 2013
Table 4: Disbursement by Implementing Agents and PCO as at 31 October 2013
Agreed action: Fiduciary

Appendices

Appendix 1: Summary of project status and ratings	1
Appendix 2: Updated logical framework: Progress against objectives, outcomes and outputs	4
Appendix 3: Summary of key actions to be taken within agreed Timeframes	10
Appendix 4: Planned activities against achievements	21
Appendix 5: Financial – Actual Financial Performance by Financier	40
Appendix 6: Compliance with legal covenants: Status of implementation	43
Appendix 7: Knowledge management: Learning and Innovation	47

Abbreviations and acronyms

ACCPAC	an Accounting Software)
ACDEP	Association of Church-based Development Projects
ADB	Agricultural Development Bank
AFLA	Agricultural Finance Linkage Agency
AfDB	African Development Bank
AFSAP	Agricultural Finance Strategy and Action Plan
ADF	Agricultural Development (Investment) Fund
ASSFIN	Association of Financial Institutions
BAC	Business Advisory Centre
BoG	Bank of Ghana
BSD	Banking Supervision Department
BTOR	Back to Office Report
CBF	Capacity Building Fund
CBRDP	Community Based Rural Development Programme
CPMT	Country Programme Management Team
CPV	Cheque Payment Voucher
DoC	Department of Cooperatives
EMCB	Economic Management and Capacity Building Programme
FASDEP	Food and Agricultural Sector Development Policy
FINSSP	Financial Sector Strategic Plan
FMU	Financial Management Unit
FSR	Financial Sector Reform
GAIP	Ghana Agricultural Insurance Pool
GAMC	Ghana Association of Microfinance Companies
GAS	Ghana Audit Service
GASIP	Ghana Agriculture Sector Investment Programme
GASL	Ghana Association of Savings and Loans
GCCUA	Ghana Cooperative and Credit Union Association
GHAMFIN	Ghana Micro-Finance Institutions Network
GHASALC-	Ghana Association of Savings and Loans Companies
GIZ	German Institute for Cooperation
GOG	Government of Ghana
ICB	International Competitive Bidding
IDA	International Development Association
IFAD	International Fund for Agricultural Development
IS	International Shopping

LS	Local Shopping
METASIP	Medium Term Agricultural Sector Investment Plan).
MIX	Microfinance Information Exchange
MiDA	Millennium Development Authority
MF	Microfinance
MOFEP	Ministry of Finance and Economic Planning
MoF-	Ministry of Finance
MOFA	Ministry of Food & Agriculture
MTR	Medium-Term Review
MSME	Micro Small and Medium Enterprise
NCB	National Competitive Bidding
NGOs	Non-Governmental Organizations
NIB	National Investment Bank
NRGP	Northern Rural Growth Programme
OISL	Opportunity International savings and Loans
PCMU	Programme Coordinating and Management Unit
PCO	Programme Coordinating Office
PFI	Participating Financial Institutions
RAFiP	Rural and Agricultural Finance Programme
RCB	Rural and Community Banks
RF	Rural Finance
RFWF	Rural Finance Wholesale Facility
RMFIs	Rural Micro Finance Institutions
RTIMP	Root and Tuber Improvement Marketing Programme
SEEP	Small Enterprise Education and Promotion Network
SOE	Statement of Expenditures
SPSD	Support to Private Sector Development
TA	Technical Assistance
TOT	Trainer of Trainers
TSP	Technical Service Providers

A. Introduction¹

1. In close collaboration with the Ministry of Finance (MOF), Ministry of Food and Agriculture (MOFA) and the Programme Coordination Office (PCO), the eighth Supervision/Implementation Support Mission for the Rural and Agricultural Finance Programme (RAFiP) took place from 11 November to 6 December, 2013. The main objectives of the mission were to: (i) assess the progress made in the implementation of the programmes' Annual Work Programmes and Budgets (AWPB) for 2013 and the recommendations of previous supervision missions; (ii) identify implementation challenges and propose solutions; (iii) review procurement and financial management, including audit report for 2012; (iv) discuss M&E, result and impact management; (v) review the draft AWPB and Procurement Plan for 2014; and (vi) make preparations for the Mid-Term Review (MTR), scheduled for February 2014.

2. The team spent two of the four weeks in Sunyani and neighboring Districts (Dormaa Central and Tain, for field visits to rural financial institutions and clients) engaged in a retreat with other IFAD-funded projects supporting agricultural value chains and involving rural finance components.² The mission also interacted with implementing agencies and partner programmes and institutions, in particular, ARB Apex Bank, Ghana Microfinance Institutions Network (GHAMFIN), Capacity Building Fund (CBF) Manager, Bank of Ghana (BOG), Danida Support to Private Sector Development (SPSD), and apex organizations (see Annex 1 for list of people met). The draft aide memoire of the Mission was discussed at a wrap-up meeting on December 4, 2013, chaired by Maj. (Rtd.) M. S. Tara, Chief Director, MOF, and recommended modifications will be incorporated into a final version. A management letter will be sent by IFAD to the Borrower highlighting the Mission's findings and recommendations for follow-up. The Mission would like to express its sincere appreciation to the officials of the Ministry, the PCO, Government, partners and agencies for their enthusiastic cooperation and assistance.

B. Overall assessment of RAFiP implementation

3. Implementation of activities is improving, despite some delays, and outreach to other programs and potential partners has increased substantially, building relationships that should help RAFiP to become more relevant to value chain support projects in coordinating efforts to expand access to finance. Discussions with other IFAD-funded programs during the mission helped clarify their expectations for RAFiP in a coordinating and facilitating role, which will help guide reorientation of activities and approach during the mid-term review (MTR) in February 2014. Overall implementation performance continues as moderately satisfactory, with disbursement continuing to lag, due in part to the slowdown in the first half of the year while a new Coordinator was being recruited, as well as to overoptimistic projections by implementing and beneficiary agencies. The need for direct technical assistance to Apex Bank has reduced, and a shift to more demand-driven, performance-based support will be considered during the MTR.

4. **Key risks** and constraints that may hamper implementation performance and the achievement of the expected development objectives include: (i) insufficient capitalization and liquidity the Rural and Community Banks (RCBs) to service clients of various projects and to keep pace with regulatory requirements, as well as governance issues and growing competition; (ii) low levels of commercial engagement and information-sharing between better-capitalized banks and financial opportunities in agricultural value chains; (iii) inadequate implementation, supervision and compliance with the new regulations for licensing MFIs due to limited capacity on the part of Bank of Ghana (BOG), the microfinance institutions (MFIs) and their associations; (iv) inability of clients to meet creditworthiness requirements, due to low levels of financial literacy among targeted population; and (v) lack of public

¹ Mission composition: The Mission team was composed of Mr. Ulaş Demirag, IFAD Country Programme Manager, Mr. William Steel, Rural Finance and Enterprises Expert (Mission Leader), Mr. Richard Pelrine, Agribusiness Finance Specialist, Mr. Daniel Pasos, Financial Management Specialist, Mr. Theophilus Otchere Larbi, IFAD Country Programme Officer, Mr. Niels Bossen, IFAD Associate Professional Officer, and Ms. Sarah Ashu Davis, IFAD Programme Assistant, as well as Mr. Wierish Ramsoekh, Representative of the Kingdom of the Netherlands to IFAD, Ms. Theresa Fynn, MOFA, and Mr. Edward Chonia, MOFEP, supported by the PCO.

² Northern Rural Growth Programme (NRGP), Root and Tuber Improvement and Marketing Programme (RTIMP), and Rural Enterprise Programme (REP).

understanding of the objectives, principles and strategy underlying the Programme. Key agreed actions to address these risks (see also Table 1 and Appendix 2) include:

- i. Investigate the extent of the problems of capitalization and share registries in RCBs, propose options to address them, engage with Boards, and make TA available.
- ii. Improve financial data on agricultural value chains and actors, and pursue contacts with potentially interested universal banks and other financial institutions.
- iii. Dialog with BOG and other programs to coordinate support for implementation of regulation of MFIs, and capacity-building support at all levels.
- iv. Build on work done by Responsible Finance and GHAMFIN to develop financial literacy materials through adaptation for farmer groups and support for rollout.
- v. Adopt communication strategy to disseminate better information on Programme rationale, objectives and performance to key stakeholders, including value chain support programs in particular.

C. Outputs and outcomes

5. The overall goal of the Programme is to support improved and sustainable livelihoods of the rural poor, particularly women and vulnerable groups. The specific objective is to improve the rural and agricultural population's access to sustainable financial services through enhanced outreach, sustainability and linkages. RAFiP implementation has so far been oriented toward strengthening intermediary institutions (as well as their apex bodies) to serve the targeted clients. In the last half year, increasing attention is being paid to: (i) the need to support implementation of the new regulatory framework for MFIs, especially the role of apex organizations; and (ii) building up relationships with other programs and potential partners. Going forward, new emphasis will be placed on strengthening the clients through financial literacy training and consumer protection. These concerns are already being incorporated to some extent in the 2014 AWPB and will be addressed specifically in the MTR. Many of the technical assistance (TA) activities that dominated past AWPBs have been completed, eliminated or replaced by other activities. The focus is shifting toward what is actually implementable and can provide support to other programs that depend on improving the accessibility of financing for agricultural value chains..

6. Capacity building has moved beyond apex organisations to increased training of staff of RMFIs, including RCBs through ARB Apex Bank with support from Danida, as well as other types of institutions under the RAFiP Capacity Building Fund. Financial literacy training is being carried out by GHAMFIN with support from the GIZ Responsible Finance project. Nevertheless, many activities are still in progress, and strong commitment is needed to ensure that the dates shown in Table 1 (and discussed below) are realistic and respected.

Table 2: Key Actions Agreed to be Taken in the Next 6 Months

Agreed action	Responsibility	Agreed date
Comp. IA: Capacity Building for Sustainability:		
IA.1a Undertake a short-term assignment to investigate ways of accelerating implementation of CBF (e.g. through incentives, more proactive involvement of service providers as well as apex bodies, streamlined processes); [select from short-list of core TSPs; to be part of MTR team]	PCO	Contract Dec. 2013; Report as part of MTR
IA.1b Submit TOR for no objection and procure consultant for evaluation of capacity-building (training) programmes, impact and perceptions by RMFIs	PCO	Mar. 31, 2014
IA.1c Prepare report on quality assurance (findings from participant evaluations and ex post assessments to date; proposal to improve client feedback from evaluations regarding both courses and instructors)	CBF Manager	Jan. 31, 2014
IA.2a(i) ARB Apex Bank to organize donor/stakeholder meeting to discuss Strategic Plan for 2014-18	ARB Apex Bank	Mar. 31, 2014
IA.2a(ii) ARB Apex Bank to submit proposed strategic areas/activities for future support for consideration during RAFiP Mid-term Review	ARB Apex Bank	Jan. 31, 2014
IA.3a. Transfer beneficiary contribution funds into the Training Seed Fund	ARB Apex Bank	Dec. 31, 2013
IA.3b Submit TOR for short-term consultant and/or prepare internal work program		Jan. 31, 2014

to review and update training materials for RCBs and produce standardized manuals, modules and materials to implement ARB Apex Capacity Strategy	ARB Apex Bank	
IA.4c(i) Undertake regional meetings with RCBs on mergers and capitalization/share registration study	ARB Apex Bank/ RAFIP consultant	February, 2014
IA.4c(ii) Complete field work for capitalization/share registry study and propose strategy for addressing issues (including use of Merger Fund)	RAFIP/consultant	Apr. 30, 2014
IA.4c(iii) Amend Merger Fund to include funding TA for individual RCBs to begin documenting/computerizing their share registries	ARB Apex Bank/ Danida	Mar. 31, 2014
IA.8a Develop draft strategy for financial literacy training, including incorporating financial literacy training into MOUs with GHAMFIN and other apexes and seeking collaboration with value chain projects to provide training to farmer-based organizations (FBOs) and Business Advisory Centres	PCO	Feb. 28, 2014
IA.8b Agree with GHAMFIN on staffing/consultancy to support rollout of financial literacy training, including adaptation of existing materials to FBOs and oversight (to be included in 2014 AWPB).	PCO/GHAMFIN	Feb. 28, 2014
IA.8c Draft TOR for adaptation of financial literacy materials for training to farmer groups (in consultation with other IFAD-funded programs)	PCO/GHAMFIN	March 31, 2014
IA.9 Contract with MIX to do a TOT based on new proposed data interface platform	GHAMFIN	Mar 31, 2014
IA.10a Meet with BoG and Responsible Finance to discuss increased responsibilities of apex organizations in connection with monitoring and regulation of MFIs under new regulations, and coordinate support	PCO/BOG/ GHAMFIN	Dec. 31, 2013
IA.10b Propose revisions to core and performance-based allocations to apexes in light of increased burdens with respect to MF regulation, and meet with BOG to discuss coordination of funding and oversight of apexes in utilizing funds	PCO/GHAMFIN /CBFM /BOG	Jan. 31, 2014
Comp. IB: Product Development and Innovation		
IB.2. Hold final sensitization Workshop under consultant contract for Microfinance Support Strategy (MSS) for the remaining selected RCBs	Apex Bank/ consultant	Feb. 28 2014
IB.3a Submit draft report and training manuals for agricultural VC finance training	Apex Bank/ consultant	Jan. 31, 2014
IB.3b Identify potential trainers and arrange TOT in the new agricultural VC finance training manuals	Apex Bank/ RAFIP	Mar. 31, 2014
IB.4a Begin implementing GPS mapping of farmers according to MOU and timeline agreed with OISL	OISL	Jan. 31, 2014
IB.4b Agree on revised proposal for help desk/complaint system	PCO & GAMC	Jan. 31, 2014
IB.4c Agree on TOR for consultant to assess the GAMC credit reference system and options/criteria for scaling up	PCO & GAMC	Feb. 28, 2014
IB.5 Draft criteria and procedures for reviewing grant proposals for innovations and product development	PCO	Jan. 31, 2014
Comp. II.A: Strengthening Financial and Agricultural Linkages and Support Systems		
IIA.1a To deepen financial overlay for selected VCs in the northern part of the country, PCO to negotiate with value chain facilitators in consultation with NRGP and RTIMP; coordinate with IFAD for international support.	PCO (with NRGP/RTIMP)	Feb. 28, 2014
IIA.2 Amend TOR and agree with consultant on simplified approach to cataloguing existing mechanisms in Ghana for linking financial and non-financial support to agricultural value chains	PCO/consultant	
IIA.3 Revamp the approach to deepening financial analysis to utilize value chain facilitators who are already familiar with the selected value chains	PCO	Dec. 31, 2013
IIA. 4 Begin regular, scheduled communication with NRGP, REP and RTIMP coordinators and rural finance officers to identify value chain financing opportunities, facilitate communication between Accra-based financiers and those programs' clients, and rationalize disbursement of matching grants	PCO/NRGP/ RTIMP/REP	March 31, 2014
Comp. II.B: Policy, Regulation, Supervision, Monitoring		
IIB.2a Performance Monitoring & Benchmarking report for 2008-11 ready for publication	GHAMFIN	Mar. 31, 2014
IIB.3 Provide PCO and GHAMFIN current data (e.g. Nov. 30) on RCBs re gender breakdown of clients and number of groups (for inclusion in PMB report)	ARB Apex Bank	Dec. 15, 2013
IIB.6 Publish Microfinance Newsletter featuring agricultural VC finance	PCO	Jan. 31, 2014
IIIB.7 Participate in development of national Financial Inclusion Strategy to ensure inclusion of microfinance principles, institutions and financial literacy	PCO	On-going
IIIB.8 Explore with ARB Apex Bank a system of accelerated feedback of performance to RCBs (particularly those affiliated to IFAD funded initiatives) so key performance indicators can be compared and capacity building interventions more tightly targeted	PCO/ARB Apex Bank	Feb. 28, 2014
Comp. II.C: Knowledge Development and Dissemination		
IIC.1 Hold kick-off session for development of Communication Strategy	PCO	Feb. 28, 2014

Component I.A: Capacity Building for Sustainability

7. **The Capacity Building Fund:** The total number of staff of RMFIs trained under the CBF has more than doubled since April 2013 to 2,587, representing a clear improvement, though still short of targets. During the last quarter under review, amendments to the CBF Operational Manual were agreed through a consultative process with all stakeholders to improve its responsiveness to the needs of its target audience, including streamlining procedures for accessing the fund, recruitment and exiting of training service providers. Nevertheless, there is still a lag behind even the revised projections of the apex organizations (except for the Ghana Association of Savings and Loan Companies, which has reached 70% of its estimate). Underlying problems identified include: (i) over-ambitious plans of apex organizations relative to their actual capacity to implement, availability of trainers, and capacity of members to absorb training; (ii) lukewarm attitude of many MFIs toward training, as opposed to equipment and loan funds; and (ii) lack of proactivity by training providers. Only about 8 out of 29 certified providers have been active, and they have not necessarily been proactive in promoting training to the apex bodies and their members. To prepare for the MTR in February 2014, it was **agreed to engage one of the active trainers to review the existing procedures and propose options to further improve the processes and incentives** to organize training and the awareness of MFIs of the value of training. This could include how to deepen and better implement alternative options for capacity-building, such as TA and coaching. Meanwhile, contracting for a broader evaluation of the training program would proceed, but it cannot be completed in time for the mid-term review. In addition, the CBF Manager has been requested to prepare a report on quality assurance, in particular a methodology for reporting on client feedback from the evaluations regarding both courses and instructors, as well as any findings from ex post assessments.

8. The mission noted reports that some training service providers (TSPs) are asking higher fee than the standard rates approved by the CBF, and prioritize private training arrangements rather than CBF training. It should be noted that (i) the CBF rates have recently been adjusted, and (ii) the CBF standard rates (for fees, venue costs, etc.) are simply the ceiling on the amount for which subsidies are provided (at 70-80% for MFIs), and do not preclude associations from arranging training at higher cost, as long as the participants bear 100% of the additional costs. **It was agreed that training in CBF topics with approved TSPs can be organized at higher costs than the standard rates, but CBF subsidies will be provided only up to the standard amounts, and any additional costs will be fully borne by the participants.**

9. **Apex organizations:** The performance-based approach to supporting apex organizations is generally working well, although not all apexes are proving able to meet at least four performance benchmarks a year (and hence do not receive the full results-based subventions). BOG's Microfinance Regulations are placing increasing burdens on the apex organizations; e.g., microfinance providers in Tiers 3 and 4, which are not directly supervised by BOG, are required to join their respective apex organizations, and BOG is looking to GAMC and others to help build the capacity of its members and to monitor them. In this regard, BOG has promised some funding to the apexes. Since RAFiP funds are being used mainly in support of recurrent expenditures and particular activities, it would be most desirable if BOG funds could be oriented toward capital expenses (e.g., computers). In recognition of the increased burden, **it was agreed that the levels of both core funding and results-based funding be adjusted by RAFiP in consultation with GHAMFIN and CBFM**, and tailored to the situations and responsibilities of the different apexes, including a possible increase in the number of benchmarks per annum for those apexes that are taking on additional tasks related to MF regulations and building capacity for compliance. The process should include consultation with the BOG to coordinate support for and monitoring of the apexes, to ensure effective utilization of the support provided to achieve the desired results. At MTR, consideration will be given to an exit strategy for this type of support.

10. **MIX tool training:** The planned training-of-trainers (TOT) for 30 regional trainers in the Microfinance Information Exchange (MIX) tool for data entry and analysis has been postponed into 2014 because the MIX proposed first to migrate to the MIX Market's New Dynamic Data Reporting Interface, *MIX Report Express*. Once this is in place, the plan for TOT will be resumed. RAFiP will pay for the travel expenses of MIX staff to come to Ghana for two weeks to undertake the TOT with representatives from all apexes, and implement a one-week training with some of the newly trained personnel. Apexes would be able to include participating in the TOT as a performance benchmark.

11. **ARB Apex Bank technical assistance (TA):** The ARB Apex Bank Board has recently approved its Strategic Plan for 2014-18, which will help respond to some of the issues raised in the

institutional assessment. However, it is too late in the year to hold the planned workshop to review the Plan; Apex Bank plans to organize a stakeholder workshop during the first quarter of 2014. The consultancy to develop the Microfinance Support Strategy and training manuals had delayed while the Apex Bank was considering its approach. However, it was agreed to hold the final sensitization workshop to enable the consultancy to be completed. The review and updating of other training manuals has not yet been undertaken, and the Apex Bank is considering how to proceed. Apex Bank will prepare a program for updating training manuals and materials. This may include requesting RAFiP to engage a consultant to assist in the process (in which case a draft terms of reference (TOR) should be discussed with RAFiP and submitted for no objection before the end of the year, so that this activity can be included in the 2014 work plan); alternatively, a cost-sharing approach could be proposed. Finalization of the consultancy to prepare training manuals in agricultural value chain financing was delayed awaiting completion of the value chain financial overlay study; it should be completed early in 2014. While it had been agreed that RAFiP would take the lead on a study to assess the extent of the problems of undercapitalization and incomplete share registers in RCBs, agreement of the Apex Bank was not obtained to proceed with the study in September as planned, and it is being postponed to 2014, if possible to be initiated along with sensitization of RCBs on the new capital requirement and availability of the Merger Fund (see further discussion below). Whereas the Apex Bank had previously declined a consultancy on information technology as unnecessary, in practice its systems have not been able to generate the data required. An upgrade is in process to enable retrieval of historical data; Apex Bank would inform RAFiP if any further consultancy is needed. The Apex Bank has decided not to produce a standard policy/operational manual for management of wholesale and grant funds, as these can be produced ad hoc basis on the basis of previous manuals, in accordance with the objectives of specific funders. A consultancy (funded by Danida) to develop the logical framework for a monitoring and evaluation (M&E) system was undertaken and five staff trained; the Apex Bank now has to formally adopt the framework and institute the M&E system, which is designed to be harmonized with RAFiP M&E. The mission concluded that the program of TA to Apex Bank has, on the whole, not met the expectations or needs as indicated in the original project design, due in part to changing priorities (e.g., regarding a Share Registry Dept., Microfinance Support), insufficient initial buy-in from the Apex Bank to some of the proposed activities, and postponement of TA in strategic areas until the Institutional Assessment (and now the Strategic Plan) had been completed. While the program of TA has been adjusted accordingly, the mission recommends that the upcoming MTR articulate a change to a more demand-driven, results-based approach, consistent with the way other apex organizations are treated. This means that it is essential for **ARB Apex Bank to translate its new Strategic Plan into specific requests and draft TORs for activities for which RAFiP support is desired, prior to the MTR** in February 2014.

12. **Training of RCBs** under the Capacity Building Strategy has begun to take off, with 1,527 staff of RCBs trained during May-September (more than triple the number trained January-April). During 2013, fee-based training (which is eligible for Danida funding) has been provided only in T24 eMerge and Anti-Money Laundering to 968 participants, of which 224 from RCBs classified as Fair, Marginal or Unsatisfactory, which are eligible for subsidies from the Danida program.. (The cost of training on basic banking products has been borne fully by Apex Bank during the past year, and hence not eligible for Danida funding.) With the Training Seed Fund Charter now signed, the participants' co-payments totaling GHS 223,342.50 to date, need to be transferred into the Training Fund to be utilized to continue training subsidies for weaker RCBs in the future (once Danida funding is received), and a full program of fee-based training included in the 2014 AWPB. The demand and adequacy of funding for training should be reviewed in the MTR. To increase the pool of qualified trainers, Apex Bank has provided training-of-trainers (ToT) to 20 trainers; another batch of 20 is to be trained in 2014. In addition, 110 staff of the Apex Bank have received training this year.

13. **RCB Mergers, Capitalization and Share Registries:** To date, little progress has been made on the merger of RCBs being supported by the Merger Fund, due in part to Board resistance. Nevertheless, another three RCBs (Gomaa) have undertaken the necessary steps toward merger and are awaiting licensing of the merged bank by BOG. In discussions with other IFAD-supported programs (REP, NRG, RTIMP), undercapitalization of many rural RCBs has emerged as a significant constraint on achievement of objectives for increasing finance to agricultural value chains. While the top third or so of RCBs are well-capitalized, profitable and performing well (as reported by the Danida consultants), some of the smaller, more rural RCBs that are key participating financial institutions (PFIs), especially in the northern part of the country, are already overleveraged and constrained in their ability to finance viable applications presented by project clients, even with matching grants and

access to lines of credit to reduce the amount of own funds required. Overleveraging relative to their limited capital means that they are unable to overcome liquidity constraints by utilizing the SPEED funds and Danida Rural Finance Wholesale Facility (RWF) being managed by Apex Bank, as well as its internally-generated funds available for lending. Efforts are being made to bring in other types of financial institutions (including microfinance companies that are willing to use their own funds to lend to clients eligible for matching grants), but RCBs remain the most suitable option in many rural communities, if they have adequate capital and liquidity. The RCB undercapitalization problem has been highlighted by the doubling by BoG of the minimum capital required for RCBs to GHS 300,000 (which is essentially equivalent in dollar terms to the previous amount set in 2008). Some 95 existing RCBs would fall below this benchmark. While BoG has not yet stated the time period for compliance, the imperative to raise additional capital for operations as well as for compliance in turn highlights the problem of lack of up-to-date share registers in many RCBs. It is difficult to raise investment in new shares, let alone pay dividends, when they do not know how many shares are currently held by whom. Although mergers could help overcome low capitalization in some cases, negotiating a merger also requires accurate data on current shares and ownership. Hence the problems of capitalization, share registers and mergers are closely intertwined.

14. In order to obtain empirical information on the nature and extent of the capitalization and share registry problems, and propose options to address them, it had been agreed that RAFiP would engage consultants to survey the RCBs and prepare a report in time for the MTR. The field work was scheduled for September, but agreement with Apex Bank on convening RCBs for this purpose could not be reached in time. Nor does it appear feasible to begin in December, because the Apex Bank has not yet begun the series of planned sensitization meetings with RCBs (which it has grouped into 34 zones based on the geographical proximity of the banks) on mergers in the context of the new capital requirements, and it will make sense to harmonize this with the capitalization/share registration study. RAFiP, Danida and ARB Apex Bank met to harmonize AWPB for 2014, agree on implementation of capitalization/share registry study and on short-term TA support to RCBs that want to start cleaning up their share registry. **It was agreed that Apex Bank will plan regional meetings on mergers in coordination with the capitalization/share registry study early in 2014**, and that RAFiP will work with the other IFAD programs to seek ways of addressing the issue in selected RCBs that are important PFIs in these programs. To enable some RCBs to get an early start on computerizing their share registries (while a more general approach is being developed), **it was agreed that either RAFiP funds or the Danida-funded Merger Fund could also be used to support TA to RCBs that want to hire someone to convert their written registers to a digital format**. The terms and procedures of the Merger Fund need to be amended to clarify how this option will be implemented.

15. *Reserve requirements*: The previous aide-memoire noted that the liquidity problem of some RCBs might be alleviated by implementing the proposed lowering of reserve requirements for those RCBs that have successfully completed the computerization and networking exercise and implemented eMerge. This is a subject of on-going discussions between Apex Bank and BOG to address the various issues involved.

16. **Financial literacy and inclusion**: The team met with the GIZ Responsible Finance (RF) project, which has been developing financial literacy materials and providing training in collaboration with GHAMFIN, and the World Bank, which expects financial inclusion to be part of a new project to support the Financial Sector Strategic Plan (FINSSP2). While GIZ can provide TA, it has limited budget for implementation. The World Bank may be able to support some aspects of financial literacy providing general benefits (e.g. in the schools). **It was agreed that RAFiP would prepare a TOR for adaptation of available materials to farmer groups**, consult with NRGF and RTIMP to develop a program of training of farmer-based organizations (to be piloted in preparation for rollout in the Ghana Agriculture Sector Investment Programme [GASIP], and preferably to be conducted as a randomized controlled experiment in order to obtain a comparable control group for evaluation of impact), and coordinate with GHAMFIN to support some financial literacy training in the 2014 AWPB. RAFiP will also participate in the National Financial Inclusion Strategy to be developed by MOF.

Component I.B: Product Development and Innovation

17. **Microfinance product development and training of RCBs**: The second stakeholder workshop for the Microfinance Support Strategy, which at the previous mission had been agreed to be held (using Danida funds) in the northern sector before end July, was nevertheless delayed because

of Apex Bank's desire to obtain prior commitments from Boards. However, during the mission, it was clarified that this workshop is needed to complete the long-standing consultancy, and is primarily for sensitization. Board commitments could therefore be obtained subsequently, before actually providing the microfinance training to them as part of ARB Apex Bank's training program (eligible for support using Danida funds, including subsidies to the lower-rated RCBs). **It was agreed to hold the final stakeholder workshop within the next three months** in order to complete the consultancy.

18. **Agricultural value chain finance training:** Completion of the consultancy to draft training manuals for agricultural value chain financing was delayed to await revisions in the agricultural value chain financial opportunities overlay study, so that the results could be incorporated into the training. The final report and manuals are expected by end January, 2014. In the meantime, RAFiP and Apex Bank should design rollout of the training, including identification of trainers and TOT. RAFiP has agreed to help support staff of PFIs in value chain projects to participate in agricultural value chain finance training as part of the GHAMFIN/University of New Hampshire Sustainable Microenterprise Development (SMDP) training program in March 2014. RAFiP should obtain expressions of interest from the projects for training of their PFIs and coordinate with the respective apexes, as well as SMDP.

19. **Innovations for agricultural and micro financing:** Discussions continue with GAMC to find the right modalities to develop their customer help/complaint desk to be able to service the broader microfinance industry. Agreement has been reached that the server would be housed in GHAMFIN (once it is relocated). With respect to the credit referencing system being developed by GAMC, the next step would be to engage a consultant to assess the system (in terms of reliability, security, etc.) to help determine the feasibility, options and criteria for scaling up to make it available to the wider microfinance industry.

20. The draft MOU with Opportunity International Savings & Loan (OISL) to pilot a Geographic Information System to map farm boundaries and collect attribute data has been discussed with them and is ready for signing. The mission met with a representative of Fidelity Bank to follow up on PCO discussions about possible partnership to pilot applications of information and communication technology (ICT), agency banking, and other innovations that support financial inclusion. The PCO has also held discussions with the Ghana Agricultural Insurance Pool (GAIP) about possible support for their efforts to develop risk management instruments to facilitate lending to agriculture. The PCO is in the process of drafting criteria and procedures for reviewing proposals for partial grant funding of innovations and product development for agricultural value chain financing and microfinance. Support for innovations is to come from the Italian grant.

Component II.A: Financial and Agricultural Linkages and Support Systems

21. **Catalog of linkage models:** While the consultant had proposed a significant scaling up of the study, including nationwide sampling, the mission team felt that the study should be kept simple and limited to the original objective of cataloguing the different models of linkages between financial and non-financial support in key agricultural value chains and the institutions or organizations involved. Much of the information could be compiled from documents and interviews with existing projects and partners (NRGP, RTIMP, ADVANCE, ACDEP, ACDI-VOCA, etc.). While the consultants are asked to classify and assess the various linkage agencies/mechanisms currently operating in Ghana, this could be largely qualitative. Hence the mission recommends that the PCO negotiate a more limited scope of work with the consultant.

22. **Value chain financing opportunities:** Implementation of the proposal to undertake a more in-depth financial overlay study of several value chains in the northern sector has been delayed by procurement issues and uncertainty about Danida funding. It is being reoriented to utilize the value chain facilitators that have already been engaged by projects (RTIMP, NRGF) in the selected value chains to undertake the in-depth data-gathering and analysis, with support from IFAD to provide an international expert to oversee the process. It is intended to implement this activity consistent with international best practices in such a way as to build the skill base in preparation for GASIP.

Component II.B: Policy, Regulation, Supervision and Monitoring

23. **Performance monitoring:** GHAMFIN is in the process of installing the MIX Market's New Dynamic Data Reporting Interface, *MIX Report Express* which will provide more in-house capacity for data monitoring and analysis, and serve as a basis for uploading data to the MIX Market. Training of

RMFIs in the MIX tool will resume when the new system is in place and the MIX has provided a ToT in Ghana so that apexes can assist in training their members. GHAMFIN is able to facilitate submission of reports by RMFIs to the MIX, and then download benchmarking reports from the MIX database, which it has done for 2011.

24. **Data reporting:** While it was expected that the ARB Apex Bank's software system could provide in-depth data on the portfolios at the retail level as well as sector-wide data on RCBs, it apparently can only provide current, not historical data. Hence Apex Bank is in the process of upgrading the system to be able to provide archived data and will not be able to provide 2012 data on the RCB sector until sometime in 2014. To improve feedback on relative performance of RCBs, both to programs (to better target capacity building to improve capitalization, cash flow management and agricultural finance) and the RCBs themselves (to benchmark themselves against peer performance), the mission discussed with Apex Bank the possibility of using the existing Efficiency Monitoring Unit. It was agreed that this should be feasible, as a basis for follow-up actions with weak RCBs (e.g., through peer exchanges and other capacity-building, supported by RAFiP or other projects that are working with them as participating financial institutions), and that RAFiP would prepare a draft TOR on how to proceed, for further discussion during the MTR. In the meantime, GHAMFIN is in the process of preparing a Performance Monitoring and Benchmarking Report for 2008-11. Apex Bank agreed to provide current data on the gender composition of RCB clients, to be used in that report to update the previous (2008) figure available.

25. **Regulation of MFIs.** RAFiP's 2014 AWPB will include support for implementation of BOG's regulations for MFIs. This will include capacity-building support to BOG with respect to microfinance methodologies, apex organizations with respect to their ability to set standards for and monitor members, and MFIs to improve their MIS systems and skills. RAFiP will meet jointly with BOG and GIZ Responsible Finance (which is providing TA in this area) to coordinate the respective areas of support. With respect to role of apex organizations in non-prudential regulation, the mission recommends that RAFiP seek clarification from BOG on its objectives and expectations, and agree on a coordinated system of funding and oversight, utilizing the approach of core funding and results-based support that has been developed by RAFiP.

26. **Department of Cooperatives:** Following on the previous mission, RAFiP has agreed to support the Department of Cooperatives with computer equipment and training to improve its capabilities to carry out its supervisory responsibilities with respect to Credit Unions.

27. **Microfinance/financial inclusion policy:** The MOF has appointed a Steering Committee to oversee preparation of a National Financial Inclusion Strategy. Since financial inclusion involves financial literacy training for actual and potential microfinance clients, and other measures to facilitate access to MFIs, the basic elements of a Microfinance Policy could readily be incorporated into a Financial Inclusion strategy. Rather than attempt a parallel process to update the Ghana Microfinance Policy, **the mission recommends that RAFiP participate in the Steering Committee and strategy preparation**, along with other microfinance industry representatives, to promote inclusion of the key principles and elements of microfinance into the Financial Inclusion Strategy.

Component II.C: Knowledge Development and Dissemination

28. **Communication strategy:** The contract for development of a Communication Strategy for RAFiP was signed November 15, 2013. It is expected that the strategy will be developed in time to begin rollout during 2014. In addition, RAFiP is supporting communications efforts of some of the apex organizations, and is instituting a process of coordination with the Coordinators of other IFAD-financed programs.

29. **Coordination function:** During the workshop with REP, NRGp and RTIMP, the need was identified for a central focal point to coordinate information and issues from the projects, develop solutions, and assist in problem-solving (in particular by working with Accra-based financial institutions and organizations). The Coordinator has substantially increased RAFiP's role in coordinating with other programs and organizations during the last six months, but cannot effectively both discharge his management responsibilities and take primary responsibility for the coordination function. Hence **it was agreed that RAFiP should add a Financial Services Officer** to be a focal point on rural/agricultural /microfinance issues, consolidate and disseminate information from the programs (especially on agribusiness opportunities and performance of lending portfolios). RAFiP is to prepare

a draft TOR and to propose the modalities of employment (including a possible short-term consultant while a longer-term officer is being recruited).

D. RAFiP implementation progress

30. During the last six months, the new Coordinator has actively engaged in dialogue both with current implementing partners and potential ones, to enhance both implementation and coordination. Some positive results in terms of improved implementation performance have been observed, but more importantly, the groundwork is being laid for the MTR to identify ways of accelerating implementation of RAFiP core activities and reorienting as appropriate (see section G).

31. **AWPB Performance.** As recommended in the previous mission, the 2013 AWPB was revised to take account of cancelled activities and over-optimistic projections by some of the beneficiary agencies. Expenditures as of end October, 2013, on IFAD-funded activities amounted to USD 1.43 million representing 52.3% of the revised budget amount of USD 2.74 million (Table 1). The overall disbursement rate (including Danida-funded activities) stood at 37%, due to delays in implementing the Training Seed Fund for training of RCBs and the failure of RCBs to utilize the Merger Fund.

Table 1: Summary Of Budget Performance - 2010 to 2013 (end October): USD						
Budget Year	IFAD			Programme		
	Budget	Actual	%	Budget	Actual	%
2010	1,174,200	25,966	2%	2,532,200	645,514	25%
2011	1,892,200	563,734	30%	5,798,600	671,480	12%
2012	1,934,600	1,411,700	73%	3,994,600*	1,977,519	50%
2013 Oct	2,741,190	1,432,464	52%	4,228,300	1,577,115	37%

32. **Monitoring & evaluation.** The main purpose of the M&E discussions during the November mission was preparing for the coming MTR. Key issues included: (i) Review of logframe: The logframe should be reworked during MTR mission and transferred into the IFAD logframe template. A rewording of objectives, outcomes and output is needed (e.g. should be more clear that RAFiP is not working directly with individual clients, but with MFIs), there should be fewer indicators, the linkages between objective, outcomes and outputs should come out clearer, and there should be targets at each level. (ii) The M&E system should be responsive to RIMS reporting. An IFAD consultant specialized in RIMS will be invited to the MTR mission to support the review of the logframe and M&E system to make sure that there is agreement between HQ, Country Office, and PMU on how to deal with RIMS going forward. It may be noted that an IFAD workshop on M&E/RIMS is taking place for Francophones in December 2013 and is foreseen for Anglophones during the first half of 2014. (iii) Building on the improvements that have been made in collecting client level information from each apex institution. (iv) Midline survey: The TOR for the midline survey will be developed during the MTR mission in February to reflect the foreseen changes in the programme. The midline survey should, on the one hand, draw comparisons and analyze developments on key programme indicators provided in the baseline; and, on the other hand, provide new baseline information on possible new relevant indicators not covered in the original baseline (e.g., regarding financial literacy).

33. The draft AWPB for 2014 was discussed during the team retreat in Sunyani and is being revised for submission to the POC December 9. ARB Apex Bank is having to revise its system to be able to report historical data rather than only current data, before it can be incorporated into RAFiP's M&E system. M&E targets are to be updated as part of the MTR.

34. **Human resources.** The mission reminds the PC to follow with previous recommendations on human resource management issues and **complete this year's staff assessments by December 2013.**

35. **POC:** The Programme Oversight Committee (POC) met on November 13, 2013, and plans to meet again on December 9 to review the 2014 AWPB.

36. **Compliance with loan covenants.** The mission has not noted any contravention of the loan covenants. Details of compliance with loan covenants are presented in Appendix 6.

Agreed action	Responsibility	Agreed date
Comp. III: Administration		
II.9 = IB.5 Draft criteria and procedures for reviewing grant proposals for innovations and product development	PCO	Jan. 31, 2014
III.10 Update PIM, in particular to clarify the basis for payment of core and performance-based grants to apex organizations	PCO	Jan. 31, 2014 (for MTR)
III.12 Convene POC to finalize 2014 AWPB	PCO (POC)	Dec. 15, 2013
III.13 Draft TOR for recruiting Financial Services Officer for coordination with and responsiveness to other projects and submit for no objection; consider short-term appointment in interim	PCO	Jan. 31, 2014
M&E		
III.1. Update M&E targets in view of baseline survey findings and experience to date	PCO	MTR
III.6 Modify Apex Bank data systems to be able to obtain archived data, so that baseline M&E data can be incorporated into RAFIP system for MTR	ARB Apex Bank	Jan. 31, 2014

E. Fiduciary aspects

37. **Financial Management.** The Programme Financial Management requires segregation of duties for control purposes. To this end, the PCO has conducted interviews for the selection of an accounts officer to support the financial controller, as recommended by the June 2013 mission. The interview report is ready but negotiation with the best applicant is yet to be completed. The mission agreed that the PCO will complete negotiation and submit the final report to IFAD for review by 6 December 2013. The PCO evaluated the national service intern at the end of the service period and found her satisfactory. Consequently, she was engaged as an accounts assistant on a temporary basis to support the financial controller. The PCO is the process of submitting a justification letter to appoint her as the Accounts Assistant. The mission agreed that the recruitment of the Accounts Officer and Accounts Assistant should be completed by 31 December 2013. The recruitment of these additional personnel to assist the Financial Controller will enhance the adequacy and capacity of the finance unit, as well as ensure internal checks, control, and a minimum level of continuity in the absence of the financial controller.

38. **Systems and Internal Controls:** Based on the recommendation by the June 2013 supervision mission, the PCO has arranged with the vendors of the accounting software (Sage ACCPAC System) to design automated reports that include withdrawal applications, bank reconciliation, AWPB, M&E reports, Statutory Financial Statements and other management reports. In this regard, the PCO has purchased and installed a computer server. The mission agreed with the PCO to ensure the automation of the reports by 31 January, 2014.

39. Currently the Programme's financial management systems, internal controls and procedures form part of the Programme Implementation Manual (PIM). It was agreed that during the MTR, a more detailed Programme Accounting Manual (PAM) will be developed with procedures on how to use various modules of the ACCPAC accounting software incorporated. This will serve as a reference material for the finance staff.

40. The mission recalled the delay in the implementation of end-of-year accounting system closure procedures for FY2012 and agreed with the PCO to engage the support of the vendor very early for the closure of FY2013 transactions. It was also agreed that by February 2013 **the team must be trained in the accounting software** to include (i) report designing; (ii) closure of accounts; and by 31 March 2013 in (iii) data import and export; (iv) automated bank reconciliation; and (v) automated withdrawal application.

41. The mission noted that quarterly financial statements and progress reports have been prepared in line with previous mission recommendations.

42. **Travel Authorisation and BTOR:** The PCO has adopted the use of Travel Authorisation Forms and back-to-office reports as recommended by the June 2013 mission. A back-to-office report (BTOR) for a mission by the Project Coordinator and the M&E Specialist to the 5th China-IFAD South-South Cooperation Workshop (22-28 August, 2013) in China was prepared. In addition, the PC prepared a BTOR for his attendance to the IFAD Financial Management Forum in Rome (4-8 November 2013).

43. **Designated Account (SPA).** The mission noted that the Finance Unit has adopted a monthly reconciliation of the Designated Account as recommended by the June 2013 Mission. The current reconciliation of the account is shown in Table 2.

Table 2: Reconciliation of Designated Account as at 31 October, 2013

Item	Description	Value (USD)	
1	Authorised Allocation		1,500,000
2	Balance in the Special Account	775,499	
3	Balance in the Programme Account	31,152	
4	Expenditure pending WA submission at PCO- (Draft # 8)	606,096	
5	Expenditure pending WA submission at PCO	92,362	
6	Bank Interest Received	(5,134)	
7	Exchange Gain	25	
	Total		1,500,000

44. **Disbursement.** IFAD loan disbursement to date is SDR 2.79 million (equivalent to USD 4.62 million) representing 27.9% of the total loan of SDR 10 million (Table 3). The loan utilisation will increase to SDR 3.18 million (representing 31.8% of the total loan) if WA 8 amounting to SDR 396,000 pending at MOF for authorisation and onward submission to IFAD Headquarters is factored in the disbursement. It was agreed with the PCO to follow up on the authorisation and subsequent courier to IFAD by 10 December 2013 so that the withdrawal application could be processed by the IFAD deadline of 15 December 2013 for processing 2013 payments.

Table 3: Disbursement of IFAD loan as at 31 October 2013

Category Description		IFAD Loan 761 Allocation	IFAD Loan 761A Allocation	Total IFAD Loan	Disb. as at 31/10/13	Disb. up to WA 7 as at 31/10/13	Expenditure pending submission WA8		Projected Loan Utilisation at 31/10/13	Projected Loan Utilisation	Projected Loan Balance
		SDR	SDR	SDR	SDR'000	%age	USD'000	SDR'000	SDR'000	%age	SDR'000
I	Vehicle, Goods and Equipment	70	105	175	129	73.5%	-	-	129	73.5%	46
II A	Technical Assistance- Registry Management	50	75	125	7	5.6%			7	5.6%	118
II B	Technical Assistance- Others	660	990	1,650	927	56.2%	195	127	1,054	63.9%	596
III	Studies, Training and Workshops	2,240	3,360	5,600	422	7.5%	298	194	616	11.0%	4,984
IV	Performance Based Lump Sums	290	435	725	89	12.3%	53	34	124	17.1%	601
V	Salaries and Allowances	190	285	475	143	30.1%	39	25	168	35.4%	307
VI	Operating Costs	130	195	325	122	37.5%	22	14	136	42.0%	189
VII	Unallocated	420	505	925	-	0.0%			-	0.0%	925
	Subtotal	4,050	5,950	10,000	1,839	18.4%	606	395	2,234	22.3%	7,766
	Authorised Allocation				949	9.5%					
	Total	4,050	5,950	10,000	2,788	27.9%			2,234	22.3%	
Total (USD'000)		6,000	9,000	15,000	4,278				3,429		
Exchange Rate as at 2013-11-27 13:33 UTC was USD 1 = XDR 0.65165											

45. Actual disbursement by the PCO (excluding the authorised allocation of USD 1.5 million) stands at USD 3.43 million, representing 22.3%. The Programme has disbursed 73.5% of the allocation for Category 2 (Vehicles, Materials and Equipment). It has also disbursed 5.6% and 63.9% of the allocations for Category 2A (Technical Assistance – Share Registry) and Category 2B (Technical Assistance - Others), respectively. Since the Apex Bank is no longer planning to establish a Share Registry Department, it was agreed that some of the funds can be used to respond to requests from individual RCBs for TA to clean up their share registries, as well as for the study on capitalization and

share registries. The issue of reallocation of Programme loan funds will be examined for all categories during the MTR to reflect any shifts in priorities and expenditure levels.

46. **Disbursement by Implementing Agency:** Out of total IFAD disbursement of USD 3.43m, the Programme has disbursed USD 2.03m (representing 59.1%) to or through the key implementing agencies, including the Capacity Building Fund (USD 0.78m), ARB Apex Bank (USD 0.52m), GHAMFIN (USD 0.33m), and other sub-sectorial MFI apex bodies (USD 0.39m), representing 59 per cent of total RAFIP disbursement (Table 4). The remainder (USD 1.40m) represents activities managed by the PCO and its administrative costs.

Table 4: Disbursement by Implementing Agents and PCO as at 31 October 2013

Implementing Agent/PCO	Amount Disbursed (USD)	Percentage of Total Exp.
ARB Apex Bank	524,960	15.3%
CBF	784,566	22.8%
GHAMFIN	333,385	9.7%
GAMC	102,607	3.0%
GCCUA	115,675	3.4%
GCSCA	43,926	1.3%
ASSFIN	33,396	1.0%
GHASALC	40,997	1.2%
RCBs	49,374	1.4%
Sub-Total	2,028,885	59.1%
PCO	1,404,979	40.9%
TOTAL	3,433,864	100.0%

47. **Counterpart funds:** The government has so far granted *tax exemptions* in the sum of USD 161,186 to the Programme. This consists of import waivers (USD 38,513) and VAT exemptions (USD122,673).

48. **Budgetary Support.** The Government has cumulatively provided GHC 308,010 (USD200,000) as direct budget support to the RAFIP. However, the Programme is yet to receive its request of USD250,000 to support its 2013 AWPB. It was agreed that the PCMU will make the necessary follow-up with the Ministry of Finance for the GoG's budgetary contribution to the Programme in line with the provisions of the financing agreement and the approved AWPBs.

49. **CBF Training Account.** The beneficiary contribution to the RAFIP CBF Beneficiary Training Account amounted to GHc170,223 (USD80,674) as at 31 October 2013.

50. **Statement of Expenditures (SOEs):** The mission reviewed all transactions with a face value of USD3,000 or more for WA8. In all, twenty-seven (27) transactions totalling USD 489,829 (representing 81%) of the total WA value of USD606,096.12 were reviewed. The transactions reviewed covered various categories, different MFI beneficiaries and PCO expenses, as well as different procurement methods. No major issues were identified.

51. **Procurement:** The review of the Procurement Plan for the 2013 year reflects consistency with the Programme AWPB's estimated provisions. The plan is properly prepared using the recommended template with all the key implementation milestones.

52. **Procurement Progress for 2013 financial year:** Procurement management is carried out by the Programme secretariat supervised by the Programme Coordinator with considerable support from short-term procurement specialist. The procurement activities for the year have been successfully

implemented. Goods and equipment procurement is on course to be completed as scheduled. The evaluation for the procurement of computer and office equipment and accessories is completed. Recruitments of Consultants' Services earmarked have all been undertaken.

53. **Strategic Planning for Future Procurement:** It is recommended that for future procurements for the implementing agencies under the programme, the agencies provide draft specifications and/or terms of reference for equipment and services required early enough to ensure a smooth implementation of the procurement actions. Budget should be allocated to the year in which it is likely to be spent (not necessarily the year in which the procurement process is initiated).

54. **Contracts:** The mission noted that a contract awarded on 15 May, 2013, to Empretec Ghana Foundation for the development of training materials in value chain financing is uncompleted, although the contract was due to expire on 15 August 2013. The mission agreed that the PCO will urge Empretec to submit the draft and final reports by 15 December 2013 and 15 January 2014 respectively.

55. **Audit: External Audit.** In line with IFAD's efforts to mainstream the auditing to government's system, and earlier discussions between the PCO and ICO, the mission agreed with the PCO to initiate the necessary arrangements to commission the Ghana Audit Service (GAS) to audit the Programme's financial statements for the year ending 31 December, 2013, by 30 April, 2014. Further to this, an alternative arrangement has been made for Ernst & Young to stand by for auditing the Programme in the event that the GAS is unable to meet the deadline. **Internal audit:** The mission notes that the internal audit systems have not been mainstreamed as part of the internal and oversight controls of the Programme financial management. In line with IFAD's commitment to increase the use of country systems and in consonance with the practice in other IFAD-funded Programmes in Ghana, it was agreed that the lead implementing Agency for the Programme (MOF) shall send an internal audit mission to the PCMU for post-auditing at least once a year commencing from 2014.

Agreed action: Fiduciary	Responsibility	Agreed date
III.15 Accounts Officer and Accounts Assistant in place	PCO	Jan. 31, 2014
III.16 Automate withdrawal applications, bank reconciliation, M&E and other management reports.	PCO	Feb 28, 2014
III.18 Appoint GAS as auditor for the 2013 accounts	PCO	Dec. 31, 2013
III.19 Obtain data from GIZ NRGF, RTIMP and REP on parallel funding that has been provided for financial literacy and matching grants to clients (to be added to reporting on overall RAFiP implementation at MTR).	PCO	Jan. 31, 2014

F. Sustainability

56. As a sector-wide program, RAFiP approach emphasises development of the financial system into rural areas, especially in support of agricultural value chains, in a way that is both inclusive and sustainable. Capacity building and other support for the financial institutions that are oriented toward lower-income clients, especially in rural areas, is expected to enhance their sustainability and ability to serve these markets in the long run, without special incentives and support. Support for apex organizations and the regulatory framework is part of establishing an amenable environment for sustainability. However, non-financial apex organizations typically have difficulty sustaining themselves solely on member dues and fees for services, and the issue of how they can be sustained beyond the end of the programme is an issue to be taken up in the MTR. The ARB Apex Bank appears to be financially sustainable for the foreseeable future, based largely on expected revenues from investment of the required 5% primary reserves that RCBs must keep with Apex Bank, though the institutional assessment noted that it must face the risk of falling interest rates and issues of governance, cost reduction, efficiency and increasing cost recovery on services provided. At the policy level, the POC provides an opportunity for MOF to lead and harmonize approaches to strengthening financial inclusion, particularly for agricultural value chain actors. This has proven more of a challenge than was expected at the design stage, because the anticipated co-financing did not materialize. Nevertheless, other programs have been funding many of the RAFiP activities through parallel projects (such as Danida Support to Private Sector Development; World Bank Economic Management

and Capacity Building, GIZ Responsible Finance; as well as REP, NRGp and RTIMP). Coordination with these programs is improving, and the MTR should attempt to document the extent to which they have implemented activities and achieved results anticipated in the RAFiP design.

G. Mid-term review

57. The RAFiP MTR is scheduled for February 2014, and will provide an opportunity to assess the current situation relative to the time of design, document parallel support, and propose revisions and new priorities to achieve objectives, consistent with the Medium Term Agriculture Sector Investment Plan (METASIP). In the meantime, discussions between RAFiP and other programs should review and build a consensus on the key issues for agricultural finance and what RAFiP/MOF is or could be doing to address them and enhance coordination. In particular, the MTR should propose ways of:

- accelerating implementation of core activities and reorienting or dropping those that are not performing or not central;
- re-strategizing areas of emphasis, in particular to put more emphasis on clients (through support for financial literacy and inclusion) and emphasis on financial linkages that support increased financing to proven small and medium agribusinesses;
- improving the coordination function;
- ensuring that gender issues are adequately addressed throughout program implementation;
- addressing the long-term sustainability of apexes.

58. In preparation for the MTR, the PCO should:

- develop clearer monitorable indicators of results and targets;
- revise the expenditure and cost tables by financier to include (to the extent feasible) past and expected contributions from Danida, World Bank (EMCB/FINSSP), and GIZ, as well as matching grants for agricultural value chain actors being provided through NRGp, RTIMP and REP;
- work with the CBFM to assess the effectiveness of capacity building training with respect to perceptions and application by RMFIs and apex institutions, and propose options to enhance implementation.

59. Other studies that are in process or planned that will provide further useful information to improve implementation and achievement of results (but are unlikely to be completed in time for the MTR) include:

- catalog of agricultural value chain linkage models between financial and non-financial support institutions (consultant has been contracted) (Table 1, item IIA.2);
- assessment of the situation of RCBs regarding capitalization and share registries;
- deepening the agricultural value chain finance study in collaboration with NRGp and RTIMP; and
- Initiating a study of poverty outreach, impact and sustainability of RMFIs (comparable to the one done by GHAMFIN in 2006, with the addition of some impact analysis).

H. Conclusion

60. RAFiP is steadily positioning itself to play a more of a coordinating role with respect to support for agricultural value chain financing, as well as in supporting capacity-building, institutional development and the regulatory framework to strengthen the rural and micro finance industry as a whole. Discussions with the other programs supported by IFAD (i.e., NRGp, RTIMP and REP) have suggested ways in which RAFiP can better respond to both generic and specific needs and issues, and help prepare the ground for GASIP. The MTR will provide a good opportunity to consolidate these ideas and enhance implementation and results going forward.

IFAD and the Government of Ghana endorse the findings of the supervision mission

Appendix 1: Summary of project status and ratings

Project 1428 [761] Rural and Agricultural Finance Programme - Draft

Basic Facts

Country	Ghana			Project ID	1428	Loan/DSF Grant No.	761
Project	Rural and Agricultural Finance Programme					Top-up Loan/DSF Grant	761
Date of Update	20-Jan-2014						
Supervising Inst.	IFAD/IFAD						
No. of Supervisions	6	No. of Implementation Support/Follow-up missions	2				
Last Supervision	21-Jun-2013	Last Implementation Support/Follow-up mission	28-Apr-2010				

USD million Disb. rate %						
Approval	17-Dec-2008			Total financing	29.78	
Agreement	23-Nov-2009	Effectiveness lag	16.6	IFAD Total	14.99	
Entry into force	30-Apr-2010	PAR value	-----	IFAD loan	14.99	28
First disbursement	03-Nov-2010			DSF grant		
MTR		Last amendment		IFAD grant		
Original completion	30-Jun-2016	Last audit	31-Dec-2012	Domestic Total	13.28	
Current completion	30-Jun-2016			Beneficiaries	7.53	1
Original closing	31-Dec-2016			Government (National)	3.41	6
Current closing	31-Dec-2016			Domes. Fin. Inst.	2.34	0
No. of extensions	0			External Cofinancing Total	1.51	
				Italy	1.51	0

Project Performance Ratings

B.1 Fiduciary Aspects	Last	Current	B.2 Project implementation progress	Last	Current
1. Quality of financial management	4	4	1. Quality of project management	4	4
2. Acceptable disbursement rate	3	3	2. Performance of M&E	3	3
3. Counterpart funds	4	4	3. Coherence between AWPB & implementation	3	3
4. Compliance with financing covenants	5	5	4. Gender focus	4	3
5. Compliance with procurement	4	4	5. Poverty focus	4	4
6. Quality and timeliness of audits	5	4	6. Effectiveness of targeting approach	4	4
			7. Innovation and learning	4	4
			8. Climate and environment focus	NA	NA
B.3 Outputs and outcomes	Last	Current	B.4 Sustainability	Last	Current
1. Comp I.A: Capacity Building for Sustainability	4	4	1. Institution building (organizations, etc.)	4	4
2. Comp I.B: Product Development & Innovation	4	3	2. Empowerment	4	3
3. Comp II.A: Linkages & Technical Support	4	4	3. Quality of beneficiary participation	4	4

4. Comp II.B: Policy, Regulation, Superv & Monitoring	4	4	4. Responsiveness of service providers	4	3
5. Comp II.C: Knowledge Development and Dissemination	4	3	5. Exit strategy (readiness and quality)	4	3
			6. Potential for scaling up and replication	4	4

B.5 Justification of ratings

Seven areas have been down-rated since last supervision. One of the reasons being a more critical view on some of the ratings. While project implementation has continued to improve gradually and remains moderately satisfactory overall, as MTR approaches, the lack of progress in addressing gaps in several areas is becoming notable. Despite some initial efforts with respect to Subcomponent I.B (Product Development and Innovation), little has yet been accomplished. Likewise, under Component II.C, a Communication Strategy has not yet been developed (though finally contracted). Other specific areas that have been downgraded for lack of results and need to be addressed at MTR and afterward include: Gender focus; Empowerment; Responsiveness of service providers (little proactivity under the CBF); quality and timeliness of audits, and Exit strategy (not yet being specifically addressed).

Overall Assessment and Risk Profile

	Last	Current
C.1 Physical/financial assets	4	4
C.2 Food security	4	4
C.3 Quality of natural asset improvement and climate resilience	NA	NA
C.4 Overall implementation progress (Sections B1 and B2)	4	4

Rationale for implementation progress rating

Overall implementation performance continues as moderately satisfactory. Implementation of activities continues to improve, despite some delays, and the new Coordinator has actively engaged in outreach to other programs and potential partners. Disbursement, however, continues to lag, due in part to the slowdown in the first half of the year while a new Coordinator was being recruited, as well as to overoptimistic projections by implementing and beneficiary agencies (which the 2014 AWPB is attempting to address). The CBF and support to apex associations are making steady progress, but technical assistance to Apex Bank has generally stalled, in part because they do not perceive a strong need, and a shift to more demand-driven, performance-based support will be considered during the MTR.

C.5 Likelihood of achieving the development objectives (section B3 and B4)	4	4
--	---	---

Rationale for development objectives rating

The new Coordinator's efforts to build relationships with other programs and partners should help RAFiP to become more relevant to value chain support projects and fulfil its potential for coordinating efforts to expand access to finance. Discussions with other IFAD-funded programs during the mission helped clarify their expectations for RAFiP in a coordinating and facilitating role, which will help guide reorientation of activities and approach during the mid-term review (MTR) in February 2014, as well as lay the foundation for scaling up. The results will depend in part on the outcome of several initiatives, e.g.: to assess the problems of capitalization and liquidity in Rural and Community Banks; to find ways of leveraging the universal banks to become more active in financing agricultural value chains; to develop and apply new technologies; and to enhance the financial literacy and creditworthiness of targeted clients.

C.6 Risks Short description of major risks for each section and their impact on achievement of development objectives and sustainability

Fiduciary aspects	The programme manages the funds in compliance with the Financing Agreement and the Letter to the Borrower. Recommendations of IFAD supervision missions have largely been implemented.
Project implementation progress	Direct TA to the ARB Apex Bank does not appear to have been very effective in enhancing the capacity of the Rural and Community Banks (RCBs) to enhance access to finance in rural areas and agricultural value chains, in part because it has not had a clear strategic plan, nor been able to address fundamental problems of capitalization and share registers. Hence RAFiP is shifting more toward addressing problems of RCBs directly and providing support to the Apex Bank on a more demand-driven, results-oriented basis. It will also seek other ways of improving the supply of finance, e.g., by facilitating participation of universal banks.
Outputs and outcomes	While the Bank of Ghana's (BOG) recent efforts to regulate the entire microfinance sector are long overdue, implementation is problematic in terms of the capacities of both the central bank to supervise and licensed microfinance institutions to comply. Thus RAFiP needs to explore ways of supporting the regulatory process to minimize the potential risks to the stability of the microfinance institutions. As the supply of finance expands, the quality of the demand will become increasingly important in determining the expansion of access to finance. Hence RAFiP is investigating partnerships that could better address the financial literacy and creditworthiness of clients. In this regard, in lieu of attempting to revise the Microfinance Policy by itself, RAFiP will participate in the MOF recently-announced intention to develop a National Financial Inclusion Strategy, for which development of both the demand and supply sides of rural and micro finance will be especially relevant.
Sustainability	While the prospects for the financial sustainability of the ARB Apex Bank and the leading RCBs are good, a recent increase in the minimum capital means that a substantial number of RCBs are clearly undercapitalized – many of them important partners in financing clients of value chain support projects. RAFiP's partnership with Danida is helping to address this both through training and mergers, but it needs to develop a more comprehensive strategy for addressing the problems of share registers and raising capital, in partnership with ARB Apex Bank. A mechanism to continue subsidies for the weaker

RCBs beyond the end of project funding has been established, but not for other MFIs (served by the CBF). Strategies for long-term sustainability of other apex organizations beyond the end of project support also need to be developed, and RAFiP intends to engage in dialog with the BOG regarding its expectations for them to play a role in self-regulation of MFIs.

Proposed Follow-up

Issue / Problem	Recommended Action	Timing	Status
Programme Management	Update PIM, in particular to clarify the basis for payment of core and performance-based grants to apex organizations and draft criteria and procedures for reviewing grant proposals for innovations and product development. Elaborate TOR for recruitment Financial Services Officer for coordination with and responsiveness to other projects and submit for no objection; consider short-term appointment in interim.	31 January 2014	
Fiduciary	Accounts Officer and Accounts Assistant in place. Automate withdrawal applications, bank reconciliation, M&E and other management reports.	28 February 2014	
Programme M&E	Review logframe, targets and M&E system as a part of the Mid-Term Review	28 February 2014	
Agricultural Finance	Begin regular, scheduled communication with NRGP, REP and RTIMP coordinators and rural finance officers to identify value chain financing opportunities, facilitate communication between Accra-based financiers and those programs' clients, and rationalize disbursement of matching grants	31 March 2014	
Sector monitoring	Explore with ARB Apex Bank a system of accelerated feedback of performance to RCBs (particularly those affiliated to IFAD funded initiatives) so key performance indicators can be compared and capacity building interventions more tightly targeted	28 February 2014	
Capacity building component	Submit TOR for no objection and procure consultant for evaluation of capacity-building (training) programmes, impact and perceptions by RMFIs	31 March 2014	
Capacity building component	Complete field work for capitalization/share registry study and propose strategy for addressing issues (including use of Merger Fund)	30 April 2014	
Capacity building component	Develop draft strategy for financial literacy training, including incorporating financial literacy training into MOUs with GHAMFIN and other apexes and seeking collaboration with value chain projects to provide training to farmer-based organizations (FBOs) and Business Advisory Centres	28 February 2014	
Product development and innovation	Draft report and training manuals for agricultural VC finance training and identify potential trainers and arrange TOT.	31 March 2014	

Additional observations

MTR will provide an opportunity to refocus RAFiP to play a more central role in coordinating various efforts to support increased financing agricultural value chains and developing systematic responses to common problems, as well as to apply lessons learned from implementation to date to refocus efforts and include the demand side as well.

Appendix 2: Updated logical framework: Progress against objectives, outcomes and outputs

DESCRIPTION	TARGET POPULATION AND INSTITUTIONS	OUTCOMES/OUTPUTS	VERIFIABLE INDICATORS	SOURCES OF VERIFICATION	ASSUMPTIONS AND RISKS
<u>Development goal</u> Improve the livelihoods of the rural population including smallholder farmers and rural micro-entrepreneurs with a special focus on women and vulnerable groups			<ul style="list-style-type: none"> – % decrease in prevalence of poverty compared to pre-Programme situation. – % of rural households (HHs) with improved income – % increase in HH asset ownership of poor compared to pre-Programme situation. 	<ul style="list-style-type: none"> – GLSS – GPRS and MDG Progress and Monitoring Reports – Human development statistics 	<ul style="list-style-type: none"> – GoG and Development Partners' commitment to comply with the objective of MDG

DESCRIPTION	TARGET POPULATION AND INSTITUTIONS	OUTCOMES/OUTPUTS	VERIFIABLE INDICATORS	SOURCES OF VERIFICATION	ASSUMPTIONS AND RISKS
Specific objective Access of the rural and agricultural population to sustainable financial services is increased through enhanced outreach, sustainability and linkages	<p>Small farmers, rural entrepreneurs including women, vulnerable groups and youth in the rural areas of Ghana</p> <p>Smallholder and farmer organizations, business and trade organizations, community-based organizations</p> <p>RMFIs including RCBs and FNGOs</p> <p>Commercial banks</p> <p>Linkage institutions</p>		<p>MACRO LEVEL</p> <ul style="list-style-type: none"> – % rural population with access to financial services (savings, credit); (by gender) [from GLSS data as overall indicator of overall impact] <p>INSTITUTIONAL LEVEL</p> <ul style="list-style-type: none"> – Improved outreach of RMFIs both in breadth (total No. clients, savings and loan portfolios) and depth (poor clients, women, agricultural lending) – Partnership ventures developed between FIs and Value Chain actors including PPPs – % increase of agriculture-related lending by sustainable FIs 	<ul style="list-style-type: none"> – GHAMFIN annual reports (MIX benchmarks) – GLSS – Studies on poverty outreach; – Studies on RMFIs performance – Regular studies on poverty outreach – Regular Program progress reports – Supervision reports – Mid-term review report – Agricultural Strategic Framework Review 	<p>1. Continued commitment of Government to (i) continued support to the financial and the agricultural sectors and to sound harmonization mechanisms and dialogue between both sectors; (ii) enabling policies aimed at anchoring the rural and agricultural financial sector into the financial sector; and (iii) managing the Rural and Agricultural Financial sub-sector along good practice.</p> <p>2. Commitment of all stakeholders to building up a strong rural and agricultural financial sector</p>

DESCRIPTION	TARGET POPULATION AND INSTITUTIONS	OUTCOMES/OUTPUTS	VERIFIABLE INDICATORS	SOURCES OF VERIFICATION	ASSUMPTIONS AND RISKS
Components					
Component 1: Strengthening rural financial systems					
1.1. Capacity-Building for Sustainability	<p>Meso-level: ARB Apex Bank, GHAMFIN, Apex bodies</p> <p>Micro-level: (i) RCBs, Other RMFIs, Development & Commercial Banks; and (ii) rural clients including smallholders and farmer organizations, micro-entrepreneurs and trade organizations, community-based organizations</p>	<p>Strengthening the capacity of retail services in rural and agricultural microfinance and their Apexes</p> <p>Output 1: Rural and microfinance institutions' (RMFIs) capacity improved to increase access to financial services by rural smallholder farmers, enterprises, women and other under-served target groups</p> <p>Output 2: Improved performance and sustainability of RMFIs</p> <p>Improved integration and performance of the rural banking network</p> <p>Output 3: the rural banking network has improved performance and been restructured for long-term sustainability and outreach</p>	<p>– Number of new active smallholder farmers accessing financial services (by gender)</p> <p>– % increase of women and poor beneficiaries</p> <p>– Increase in % of share of loan portfolio to agricultural value chains</p> <p>– % increase in financing to agricultural value chains targeted by Programme</p> <p>– Capacity building fund established and operational</p> <p>– Number of RMFIs that have improved their MIS, strategic planning capabilities, etc.</p> <p>– Number of RMFIs that have received training in microfinance and agricultural value chain finance</p> <p>– % of RMFIs reporting to GHAMFIN/MIX with OSS> 100%</p> <p>– % of RMFIs reporting to GHAMFIN/MIX with FSS> 80%</p> <p>– Portfolio at risk (PAR) > 30days lowers from [baseline] to [minimum performance relative to baseline]</p> <p>– % of RCBs rated "satisfactory"</p>	<p>– Bank of Ghana annual reports</p> <p>– to GHAMFIN annual Monitoring & Benchmarking reports</p> <p>– Baseline. MTR and evaluation studies</p> <p>– Quarterly reports of Capacity-building Fund manager</p> <p>– Training completion reports</p> <p>– ARB Apex Bank reports</p> <p>– to GHAMFIN annual Monitoring & Benchmarking reports</p> <p>– MIX market</p> <p>– Ghamfin annual Monitoring & Benchmarking reports</p> <p>– MIX market</p> <p>– Apex Bank reports and Board meeting minutes</p>	<p>– Increased opportunities to finance agricultural value chains</p> <p>– Appropriate new products and risk management mechanisms available</p> <p>– Sustainability of the rural banking network</p> <p>– Sound microfinance methodologies implemented to reach the poorest</p> <p>– Effectiveness and sustainability of the Apex organizations</p> <p>– Commitment of GoG and BoG to undertake changes in governance and ownership structures of the RCBs</p>

DESCRIPTION	TARGET POPULATION AND INSTITUTIONS	OUTCOMES/OUTPUTS	VERIFIABLE INDICATORS	SOURCES OF VERIFICATION	ASSUMPTIONS AND RISKS
<p>1.2. Product Development and Innovation</p>	RCBs, Other RMFIs, Development Banks & Commercial Banks	<p>Output 4: The Apex Bank to become financially self-sustainable for its service model and commercial banking activities</p>	<ul style="list-style-type: none"> – By end of year 1, strategic plan for transformation completed and approved by Apex Bank Board and Bank of Ghana – Core Services to RCBs by Apex Bank (apart from inspection) reach full cost recovery by [date, intermediate targets] – Apex Bank approved by Bank of Ghana to undertake (specified) commercial activities – Number of smallholder farmers participating in each of the selected value chains – Number of clients trained in value chains – Number of financial products developed and piloted – Number of risk management products developed and piloted – Number of FIs engaged in piloting and rolling out these new products 	<ul style="list-style-type: none"> – Apex Board meetings minutes – Bank of Ghana annual reports – Beneficiaries assessment – Training reports – Project quarterly reports – Matching grant fund reports – Training reports – Project reports 	<ul style="list-style-type: none"> – Adequate capitalization of the Apex – RFIs willingness to participate in testing, piloting and replicating innovative financial and technical products in the agricultural value chains
<p>Component 2: Strengthening financial and agricultural linkages and support systems</p> <p>2.1. Linkages and technical support</p>	RCBs, Other RMFIs, Development Banks & Commercial Banks and their clients Technical service providers (including Government and donor programs) to agricultural value chains	<p>Output 1: Increased value of output in the selected agricultural value chains</p> <p>Output 1: Improved linkages between clients and technical service providers</p>	<ul style="list-style-type: none"> - number of FIs trained in product development – Technical service providers to agricultural value chains stakeholders are strengthened through matching grant fund (if funds are available) – Increased access to quality technical services by smallholder 		

DESCRIPTION	TARGET POPULATION AND INSTITUTIONS	OUTCOMES/OUTPUTS	VERIFIABLE INDICATORS	SOURCES OF VERIFICATION	ASSUMPTIONS AND RISKS
2.2. Policy, regulation, supervision and monitoring	Macro-level: MoFEP, Bank of Ghana, MoFA and other MDAs Meso-level: ARB Apex Bank	Output 1: Ghana Microfinance Policy and AFSAP implemented Output 2: The Rural banking network is inspected by the Apex Output 3: A performance benchmarking system is developed and published for the industry on a sustainable basis	<ul style="list-style-type: none"> At least one stakeholder meeting and one workshop are held annually for the implementation and dissemination of AFSAP 100% of RCBs inspected by the Apex Inspection department by the end of the project By end of project, a new Credit Union Law is implemented and disseminated GHAMFIN and the Apex organizations prepare a comprehensive annual report including performance indicators of progress toward benchmarks to GHAMFIN to increase its costs coverage with additional internal revenues through services provided to the industry 		<ul style="list-style-type: none"> MOFEP and BoG maintain supportive policy and regulatory framework
2.3. Knowledge development and dissemination	Macro-level: MoFEP, MoFA Meso-level: GHAMFIN, ARB Apex Bank	Output 1: The Apex organizations have been provided capabilities to analyze and disseminate relevant knowledge throughout their members	<ul style="list-style-type: none"> At least five events (workshops and publications) in dissemination by the end of the project Increased linkages between agricultural value chains stakeholders and universities and research institutions At least 50 institutions reporting to GHAMFIN and the Mix 		
Component 3: Programme administration	MOFEP	Output 1: MOFEP and MOFA have improved their capacity to manage	<ul style="list-style-type: none"> Number of key officers trained in microfinance and agricultural finance 		
3.1. Training	All stakeholders				

DESCRIPTION	TARGET POPULATION AND INSTITUTIONS	OUTCOMES/OUTPUTS	VERIFIABLE INDICATORS	SOURCES OF VERIFICATION	ASSUMPTIONS AND RISKS
3.2. Administration and Monitoring & Evaluation		Output 1: Timely contracting, disbursement, accountability, monitoring, evaluation and reporting	<ul style="list-style-type: none"> – monitoring and evaluation reports produced – By the end of the first year, the Management Unit in MOFEP is reinforced by additional technical staff needed for effective implementation. – By end of year 1, M&E/MIS system is fully operational and the M&E manual is revised and circulated for application, – Implementing agencies maintain database on performance characteristics of RMFIs and value chains assisted and report regularly on progress as against baseline data – Surveys are carried out regarding critical Programme outputs and the outcome is reported in annual progress reports – Programme Implementation Status Reports receive good ratings Audit reports are prepared and delivered in time – An exit strategy from Programme assistance to rural banking network is available and implemented by end of project – Report on capacity building of RMFIs, and linkages to agricultural value chains is prepared for review at Mid term 	<ul style="list-style-type: none"> – M&E reports and data – Annual work plan and budgets – Supervision mission reports – Mid-term review report – Audit reports – 	<ul style="list-style-type: none"> – Management unit is empowered by GoG to operate in line with the national policies and rules and the PLPR strategy and approach

Appendix 3: Summary of key actions to be taken within agreed Timeframes

Appendix 3a: Key Actions Agreed to be taken in the Next 6 Months

Agreed action	Responsibility	Agreed date
Comp. IA: Capacity Building for Sustainability:		
IA.1a Undertake a short-term assignment to investigate ways of accelerating implementation of CBF (e.g. through incentives, more proactive involvement of service providers as well as apex bodies, streamlined processes); [select from short-list of core TSPs; to be part of MTR team]	PCO	Contract Dec. 2013; Report as part of MTR
IA.1b Submit TOR for no objection and procure consultant for evaluation of capacity-building (training) programmes, impact and perceptions by RMFIs	PCO	Mar. 31, 2014
IA.1c Prepare report on quality assurance (findings from participant evaluations and ex post assessments to date; proposal to improve client feedback from evaluations regarding both courses and instructors)	CBF Manager	Jan. 31, 2014
IA.2a(i) ARB Apex Bank to organize donor/stakeholder meeting to discuss Strategic Plan for 2014-18	ARB Apex Bank	Mar. 31, 2014
IA.2a(ii) ARB Apex Bank to submit proposed strategic areas/activities for future support for consideration during RAFiP Mid-term Review	ARB Apex Bank	Jan. 31, 2014
IA.3a. Transfer beneficiary contribution funds into the Training Seed Fund	ARB Apex Bank	Dec. 31, 2013
IA.3b Submit TOR for short-term consultant and/or prepare internal work program to review and update training materials for RCBs and produce standardized manuals, modules and materials to implement ARB Apex Capacity Strategy	ARB Apex Bank	Jan. 31, 2014
IA.4c(i) Undertake regional meetings with RCBs on mergers and capitalization/ share registration study	ARB Apex Bank/ RAFiP consultant	February, 2014
IA.4c(ii) Complete field work for capitalization/share registry study and propose strategy for addressing issues (including use of Merger Fund)	RAFiP/consultant	Apr. 30, 2014
IA.4c(iii) Amend Merger Fund to include funding TA for individual RCBs to begin documenting/computerizing their share registries	ARB Apex Bank/ Danida	Mar. 31, 2014
IA.8a Develop draft strategy for financial literacy training, including incorporating financial literacy training into MOUs with GHAMFIN and other apexes and seeking collaboration with value chain projects to provide training to farmer-based organizations (FBOs) and Business Advisory Centres	PCO	Feb. 28, 2014
IA.8b Agree with GHAMFIN on staffing/consultancy to support rollout of financial literacy training, including adaptation of existing materials to FBOs and oversight (to be included in 2014 AWPB).	PCO/GHAMFIN	Feb. 28, 2014

IA.8c Draft TOR for adaptation of financial literacy materials for training to farmer groups (in consultation with other IFAD-funded programs)	PCO/GHAMFIN	March 31, 2014
IA.9 Contract with MIX to do a TOT based on new proposed data interface platform	GHAMFIN	Mar 31, 2014
IA.10a Meet with BoG and Responsible Finance to discuss increased responsibilities of apex organizations in connection with monitoring and regulation of MFIs under new regulations, and coordinate support	PCO/BOG/ GHAMFIN	Dec. 31, 2013
IA.10b Propose revisions to core and performance-based allocations to apexes in light of increased burdens with respect to MF regulation, and meet with BOG to discuss coordination of funding and oversight of apexes in utilizing funds	PCO/GHAMFIN /CBFM /BOG	Jan. 31, 2014
Comp. IB: Product Development and Innovation		
IB.2. Hold final sensitization Workshop under consultant contract for Microfinance Support Strategy (MSS) for the remaining selected RCBs	Apex Bank/ consultant	Feb. 28 2014
IB.3a Submit draft report and training manuals for agricultural VC finance training	Apex Bank/ consultant	Jan. 31, 2014
IB.3b Identify potential trainers and arrange TOT in the new agricultural VC finance training manuals	Apex Bank/ RAFiP	Mar. 31, 2014
IB.4a Begin implementing GPS mapping of farmers according to MOU and timeline agreed with OISL	OISL	Jan. 31, 2014
IB.4b Agree on revised proposal for help desk/complaint system	PCO & GAMC	Jan. 31, 2014
IB.4c Agree on TOR for consultant to assess the GAMC credit reference system and options/criteria for scaling up	PCO & GAMC	Feb. 28, 2014
IB.5 Draft criteria and procedures for reviewing grant proposals for innovations and product development	PCO	Jan. 31, 2014
Comp. II.A: Strengthening Financial and Agricultural Linkages and Support Systems		
IIA.1a To deepen financial overlay for selected VCs in the northern part of the country, PCO to negotiate with value chain facilitators in consultation with NRGp and RTIMP; coordinate with IFAD for international support.	PCO (with NRGP/RTIMP)	Feb. 28, 2014
IIA.2 Amend TOR and agree with consultant on simplified approach to cataloguing existing mechanisms in Ghana for linking financial and non-financial support to agricultural value chains	PCO/consultant	Dec. 31, 2013
IIA.3 Revamp the approach to deepening financial analysis to utilize value chain facilitators who are already familiar with the selected value chains	PCO	March 31, 2014
IIA. 4 Begin regular, scheduled communication with NRGp, REP and RTIMP coordinators and rural finance officers to identify value chain financing opportunities, facilitate communication between Accra-based financiers and those programs' clients, and rationalize disbursement of matching grants	PCO/NRGp/ RTIMP/REP	March 31, 2014

Comp. II.B: Policy, Regulation, Supervision, Monitoring		
IIB.2a Performance Monitoring & Benchmarking report for 2008-11 ready for publication	GHAMFIN	Mar. 31, 2014
IIB.3 Provide PCO and GHAMFIN current data (e.g. Nov. 30) on RCBs re gender breakdown of clients and number of groups (for inclusion in PMB report)	ARB Apex Bank	Dec. 15, 2013
IIB.6 Publish Microfinance Newsletter featuring agricultural VC finance	PCO	Jan. 31, 2014
IIIB.7 Participate in development of national Financial Inclusion Strategy to ensure inclusion of microfinance principles, institutions and financial literacy	PCO	On-going
IIIB.8 Explore with ARB Apex Bank a system of accelerated feedback of performance to RCBs (particularly those affiliated to IFAD funded initiatives) so key performance indicators can be compared and capacity building interventions more tightly targeted	PCO/ARB Apex Bank	Feb. 28, 2014
Comp. II.C: Knowledge Development and Dissemination		
IIC.1 Hold kick-off session for development of Communication Strategy	PCO	Feb. 28, 2014

Comp. III: Administration		
II.9 = IB.5 Draft criteria and procedures for reviewing grant proposals for innovations and product development	PCO	Jan. 31, 2014
III.10 Update PIM, in particular to clarify the basis for payment of core and performance-based grants to apex organizations	PCO	Jan. 31, 2014 (for MTR)
III.12 Convene POC to finalize 2014 AWPB	PCO (POC)	Dec. 15, 2013
III.13 Draft TOR for recruiting Financial Services Officer for coordination with and responsiveness to other projects and submit for no objection; consider short-term appointment in interim	PCO	Jan. 31, 2014
M&E		
III.1. Update M&E targets in view of baseline survey findings and experience to date	PCO	MTR
III.6 Modify Apex Bank data systems to be able to obtain archived data, so that baseline M&E data can be incorporated into RAFiP system for MTR	ARB Apex Bank	Jan. 31, 2014

Agreed action: Fiduciary	Responsibility	Agreed date
III.15 Accounts Officer and Accounts Assistant in place	PCO	Jan. 31, 2014
III.16 Automate withdrawal applications, bank reconciliation, M&E and other management reports.	PCO	Feb 28, 2014
III.18 Appoint GAS as auditor for the 2013 accounts	PCO	Dec. 31, 2013
III.19 Obtain data from GIZ NRGP, RTIMP and REP on parallel funding that has been provided for financial literacy and matching grants to clients (to be added to reporting on overall RAFiP implementation at MTR).	PCO	Jan. 31, 2014

Appendix 3b: JUNE 2013 - SPN STATUS OF AGREED ACTIONS TO BE TAKEN IN 6 MONTHS (Updated in November 25, 2013)

Agreed action	Responsibility	Agreed date	Remarks
Comp. IA: Capacity Building for Sustainability:			
IA.2a ARB Apex Bank to prepare Strategic Plan for 2014-17, incorporating response to issues raised in the Institutional Assessment	ARB Apex Bank	Oct. 31, 2013	Strategic Plan approved by the Board. To be shared formally with partners by November 30, 2013. Management intends to come out with specific areas of collaboration by mid-December 2013.
IA.3a. Sign Training Seed Fund Charter and transfer beneficiary contribution funds into it	ARB Apex Bank/Danida	Aug. 15, 2013	Charter signed on November 1, 2013 by the Danish Ambassador and the Deputy MD of ARB Apex. Need to formalize collaboration between RAFiP/IFAD and Danida to ensure effective implementation.
IA.3b Review and update training materials for RCBs and produce standardized manuals, modules and materials	ARB Apex Bank	Oct. 31, 2013	ARB Apex Bank intends to work on this with the assistance of a short term consultant. Apex Bank has intimated it might need TA from RAFiP. Apex to develop TOR by December 31, 2013 for implementation in 2014. All parties encouraged to suggest shortlist of consultants to provide the TA. <u>On the whole, Apex Bank's responses to this activity have been ambivalent at best.</u>
IA.4c Propose strategy for dealing with the Share Registry problem at RCB level, including possible use of Merger Fund	ARB Apex Bank	Aug. 31, 2013	Consensus is to re-strategize the approach to dealing with the issue of low capitalization of RCBs through a better understanding of the extent of the problem. This will be complemented with implementable measures, for which resources would be made available, to position these registries in a manner credible enough to support measures to attract new capital. Strategy is to have a study to estimate the extent of the problem and options to resolve them (Phase 1) and implement options to support improvements in both the share registries and the capital base including the use of merger funds (Phase 2).The ToR

			for the initial assignment is completed.
IA.6 Consolidate manuals for managing wholesale and grant funds into one integrated manual (or template), including policies, criteria, procedures and reporting for managing wholesale funds and matching grants (applicable to Rural Enterprise Programme and similar projects)	ARB Apex Bank	Aug. 31, 2013	ARB Apex Bank has had difficulties with completing this assignment. The IFAD Mission team agreed with Apex Bank Management to suspend/cancel this activity.
IA.7 Prepare a background note regarding pricing of credit lines with a view toward setting guidelines for consistent pricing and mark-up among donor programmes	PCO, to discuss with POC	Sept. 30, 2013	IFAD Mission agreed with ARB Apex Management to suspend/cancel this activity.
IA.8 Sign MOU with GHAMFIN for provision of financial literacy and other training to RMFI clients	PCO	Aug 31, 2013	A new MOU has been prepared but the activity has been rescheduled to fit into the MOUs to be reviewed with Apex institutions for fiscal 2014. Will be signed by end 2013.
IA.9 Prepare TOR and budget for MIX to do a TOT and submit to PCO; Hold TOT on MIX tool	GHAMFIN	July 31, 2013 Oct. 31, 2013	The MIX proposed, and it seemed reasonable to RAFiP and GHAMFIN, to migrate to the MIX Market's New Dynamic Data Reporting Interface, <i>MIX Report Express</i> . This has necessitated the finalization of the agreed workplan and MOU, trainings (TOT and downstream training), and getting the system implemented. The target now is to report on 2014 Quarter 1 on this platform.
Comp. IB: Product Development and Innovation			
IB.2a. Submit funding proposal to Danida and hold sensitization and marketing Workshop on Microfinance Support Strategy (MSS) for the remaining 45 selected RCBs not included in the first workshop	Apex Bank with consultant	July 31, 2013	Apex Management had insisted on MoUs with RCBs prior to proceeding with this action. Unfortunately, RCBs have not expressed a keen interest in the MSS as none has signed the draft MoU yet. Apex Bank Management has now approved the implementation of the final sensitization workshop in the North so the Mel contract can be completed.
IB.2b Begin rolling out the MSS as part of the training programme (included in the Training Seed Fund)	ARB Apex Bank	Aug 31, 2013	

IB.3 Draft report and training manuals for agricultural VC finance training	Apex Bank/ consultant	Sept. 30, 2013	Consultant yet to submit draft training manuals. Assignment was delayed because of delay in completing the Financial Overlay assignment, which is a critical/required input.
IB.4 Sign MOUs and begin implementing proposals from OISL and GAMC matching grants for innovations to support lending for microfinance and agric. VCs; see N.O. to use IFAD funds initially and replace with Italian grant funds when and if available	PCO and partners	Aug. 31, 2013	OISL finally agreed to a draft MOU submitted in March 2013. The MoU has now been agreed and will be signed by 30 th November, 2013. GAMC is yet to submit its amended proposals as a result of unsatisfactory aspects of the initial proposal during the RAFiP due diligence. Activity rescheduled to 2014 but this will be subject to detailed steps to be agreed during the next Mission & GAMC performance under the AWPB.
IB.5 Draft criteria and procedures for reviewing proposals for innovations and product development for agricultural VC financing and microfinance	PCO		To be completed by end of December 2013.
Comp. II.A: Strengthening Financial and Agricultural Linkages and Support Systems			
IIA.1. Finalize report for financial overlay to 3 agricultural value chains and submit draft report	PCO (with ARB Apex Bank)/ consultants	July 31, 2013	Report has been completed and submitted.
IIA.1a Submit for no objection a TOR for consultancy to deepen and enlarge sampling of financial overlay in the northern part of the country (study to be completed before MTR)	PCO (with NRGp)	July 31, 2013	ToR completed but assignment yet to be awarded due to procurement challenges including delays in funding request feedback from Danida.
IIA.2 Draft report by consultant cataloguing existing mechanisms in Ghana for linking financial and non-financial support to agricultural value chains	PCO/consultant	Sept. 30, 2013	Final inception report submitted by Consultant proposes a significant expansion in the scope of the study. Need to re-strategize among IFAD/RAFiP/NRGp to clarify expectations among parties. Assignment likely to take off by December, 2013
IIA.3 Hold TOT in international best practice in agricultural VC financial analysis for RAFiP	PCO/Danida	Sept. 30, 2013	Activity is on hold because timelines have not been agreed on with Consultants.

consultants and shortlisted applicants			
Comp. II.B: Policy, Regulation, Supervision, Monitoring			
IIB.2a Draft Performance Monitoring & Benchmarking report for 2008-11	GHAMFIN	Nov. 30, 2013	Draft to be completed by 31st December, 2013
IIB.3 Provide data on RCBs re gender breakdown of clients, number of groups, loan recovery, and agricultural (& microfinance) loan portfolios.	ARB Apex Bank	July 31, 2013	The activity is outstanding because the Bank wants to utilize its internal human resource skills to provide the data. It would appear to be beyond their capability at this time. It was suggested that if the RCB software system could generate the gender breakdown by 30 November, 2013, that detail should be used for the overdue 2012 PMB report.
IIB.5 Hold Microfinance Forum	PCO/GHAMFIN	July 31, 2013	MFF was held on July 2, on the theme 'Microfinance Regulation and Compliance'. About 80 participants were recorded with about 20 of them being graduate students from the UCC. Next MFF planned for January 2014.
IIB.6 Issue Microfinance Newsletter featuring agricultural VC finance	PCO	Nov. 30, 2013	The next edition of the MFF Newsletter will be issued by the first quarter of 2014.
IIB.7 Draft TOR for consultants to update Microfinance Policy and facilitate the process, and establish a technical committee to guide the process	PCO	Sept. 30, 2013	This activity is to be subsumed under the Financial Inclusion Policy being developed by FSD
Comp. II.C: Knowledge Development and Dissemination			
IIC.1 Engage consultant to develop Communication Strategy	PCO	Aug 31, 2013	Contract for assignment to be signed by 31 st December.
Comp. III: Administration			
III.3 Sub-group of agencies supporting Apex Bank to review Strategic Plan 2014-17 for semi-annual meeting	ARB Apex Bank/POC	Oct. 31, 2013	Due to the delay in the approval of the Strategic Plan by the Board and the AGM programmed for 30 November 2013, this activity has been rescheduled to first quarter of 2014.
III.7 Develop a staff performance management system, with individual work objectives and targets; and assess staff	PCO	Dec. 31, 2013	To be completed on schedule. Meanwhile, the job schedules for officers have been clarified and documented.
III.8 Revise AWPB & PP in light of cancelled activities and to include RAFIP activities being supported	PCO	Aug. 31, 2013	Completed but could not include funding from Responsible Finance because data was not

by other programs, and submit for no objection			available.
III.9 Develop guidelines and criteria for matching grants	PCO, NRGP, REP, RTIMP	Sept. 30, 2013	To be completed by December 2013. Possible outsourcing is being considered. Discussions with sister programmes to be intensified.
III.10 Update PIM, in particular to clarify the basis for payment of core and performance-based grants to apex organizations	PCO	Dec. 31, 2013	To be completed on schedule for the MTR.
III.11 Begin disbursing Italian grant funds	PCO	July 31, 2013	Disbursement into RAFiP bank account at Ecobank accomplished. Implementation strategies have been completed for a possible roll out by December 2013.
III.12 Convene POC	PCO (POC)	Aug. 31, 2013	POC meeting held on 13 th November, 2013. Another POC meeting planned for 9 th December 2013 to approve the 2014 AWPB.
M&E			
III.1. Update M&E targets in view of baseline survey findings and experience to date	PCO		To be completed during MTR
III.6 Capture Apex Bank baseline M&E data into RAFiP system	PCO	Aug. 31, 2013	This is subject to the system update by Apex Bank
Fiduciary			

III.15 Prepare TOR for an Accounts Officer and Accounts Assistant and recruit them	PCO	July 15, 2013 Sept. 31, 2013	Accounts Officer interview evaluations awaiting a no objection. Likely to commence work by January, 2014.
III.16 Automate withdrawal applications, bank reconciliation, M&E and other management reports.	PCO	Sept. 30, 2013	Modular Resources submitted a proposal in October for review by POC. Activity planned for Dec. 2013
III.17 Institute procedures for regular capture and reporting of beneficiaries' contributions (including ARB Apex Bank in-kind) in connection with consultancies, training and mergers	PCO, ARB Apex Bank, CBFM	Aug. 31, 2013	Procedures are in place for reporting on beneficiary contributions
III.18 Procure new consultant for audits for 2013-5	PCO	Oct. 30, 2013	Option to engage Ghana Audit service as part of Institutional strengthening is being considered. Indeed two senior officers on Ghana Audit Service have attended an orientation at IFAD Headquarters in Rome, in November 2013.

Agreed actions to prepare for MTR

M&E			
III.13 Draft TOR and procure consultant for evaluation of capacity-building (training) programmes, impact and perceptions by RMFIs	PCO	Aug 31, 2013	Draft TOR ready for NO
III.14 Draft TOR for nationwide sample survey of relative poverty status of RMFI clients, relationship of access to finance and socio-economic indicators, and sustainability of RMFIs (update 2006 GHAMFIN study and provide impact analysis)	PCO	Sept. 30, 2013	Draft TOR ready. Will be finalised by December 31.
Fiduciary			
III.5 Undertake accounting system upgrade with new server	PCO	Nov. 30, 2013	On schedule and the activity will be completed in the first quarter of 2014.
III.19 Revise cost tables by financier to include past and expected contributions from Danida, World Bank (EMCB/FINSSP), and GIZ, as well as matching grants for agricultural value chain actors being provided through NRGF, RTIMP and REP.	PCO	Sept. 30, 2013	Draft Revised Cost Tables to be completed during MTR.

Appendix 4: Planned activities against achievements

	OBJECTIVES/EXPECTED RESULTS	PROJECT INDICATORS	TARGET	ACHIEVEMENT/REMARKS
C1	Component 1 - Purpose: TO STRENGTHEN RURAL FINANCIAL SYSTEMS			
SC1.1	Sub-Component 1.1: Capacity Building for Sustainability	% of cost recovered by type of service		
1.1.1	Output 1.1.1: ARB Apex Bank assisted to develop, implement and sustain capacity development programmes	Functional Strategic Plan from ARB Apex Bank		
1.0	Develop and submit a Business Plan on the Pension Fund unit			As a result of the new management's focus, ARB Apex Bank has signed an agreement with Enterprise Trustees to manage the pension contributions of RCBs.
2.0	Complete institutional assessment of the ARB Apex Bank	Institutional assessment document finalised		Final report submitted on schedule and Apex Bank is incorporating recommendations into its new Strategic Plan
3.0	Undertake TOT for 20 selected staff of Apex Bank and RCBs	Number of staff trained as trainers	20	Currently 40 trainees are to be trained. A TOT is scheduled for Nov. 5-9, 2013.
4.0	Sponsor 140 of Apex staff for identified local training	Number of staff trained by type of training	140	80 staff members have been trained on various topics.
5.0	Train 15 member Apex Bank board in corporate governance	Number of Board members trained	15	A two-day training in Corporate Governance was organized for BOD in March.
6.0	Attach Credit Unit and Committee members to FIs in East Africa	Number of staff trained by type of institution		A planned attachment programme in Tanzania is yet to be implemented. Difficulty in getting a suitable institution to undertake the study tour.
7.0	Sponsor 5 Apex Bank staff for identified foreign training	Number of staff trained by programme by inst.	5	Five Apex Management staff have attended courses on risk management and in foreign institutions.
8.0	Provide logistics for Professional Development and Training Dept.	Number provided by type of logistics		The following equipment were purchased for the five training centres of the Apex Bank: 5 Dell Projectors; 5 Canon Photocopiers; 2 Dell Latitude

	OBJECTIVES/EXPECTED RESULTS	PROJECT INDICATORS	TARGET	ACHIEVEMENT/REMARKS
				Laptops; 1 HP LaserJet Printer; 5 Flip Chart Easel Magnetic Dry Erase Boards; 5 Flip Chart Easel Pads.
9.0	Engage software consultant to systematise reporting format to capture data from RCBs on female clients, groups, loan recovery and agricultural loans	Contract document		The activity is outstanding because the Bank wants to utilize its internal human resource skills to provide the data.
10.0	Develop standardised procedures for managing wholesale funds and matching grants	Finalised procedures manual		Yet to be accomplished because Apex Bank Management plans to review the different existing operating manuals and harmonise them by Dec. 2013
	Output 1.1.2: Wholesale Fund established and accessed by RCBs	Long term loans available to RCBs		
1.0	Disburse term loans to 28 RCBs for on-lending to clients	Amount disbursed by number of RCBs	28 RCBs	Terms loans totaling about Gh.¢5.03m have been disbursed to 15 RCBs this year. This brings it to a total of Gh.¢9.6m since September, 2012.
2.0	Monitor performance of loans disbursed to RCBs	Amount disbursed to clients by type of loan		Ernst and Young have developed a framework for the performance monitoring of the loans.
	Output 1.1.3: Merger Fund established and accessed by RCBs	% of merger fund accessed by RCBs		
1.0	Complete pilot merger of the two RCBs	Brakwa-Breman and Agona Rural Bank merged		The Board of Brakwa-Breman are no longer interested in the merger. Thus the ARB Apex Bank is focusing on the proposed merger between the three Gomaa RCBs.
2.0	Conduct training for retained staff and Board members of merged RCBs	No. of staff trained		This activity cannot be undertaken since it is incumbent on the previous activity.
3.0	Organise sensitisation seminars for Board of Directors of RCBs on mergers	No. of seminars organized by number of Board Members attending		Powerpoint presentations on mergers have been developed for roll-out. Apex Bank Management's approval is being sought for the seminars.
	Output 1.1.4: Share Registry Management Unit established in ARB Apex Bank	A centralised Share Registry Unit in place and functional		

	OBJECTIVES/EXPECTED RESULTS	PROJECT INDICATORS	TARGET	ACHIEVEMENT/REMARKS
1.0	Establish a Share Registry Management Unit at the ARB Apex Bank			Due to the new strategic focus of Apex Bank the Share registry management Unit has been abolished. Apex Bank plans to assist the RCBs to engage Share Registrars to manage their shares.
1.0	Procure office equipment and furniture for the Share Registry Management Unit	Share registry unit equipped with required logistics		Activity could not be carried out because ARB Apex Bank has decided not to go ahead with the establishment of the Share Registry Unit.
2.0	Train Apex Bank staff to be engaged by the Share Registry Unit	No. of staff trained		Activity could not be carried out because ARB Apex Bank has decided not to go ahead with the establishment of the Share Registry Unit.
	Output 1.1.5. Capacity of RCBs strengthened and sustained	Enhanced capacity of RCBs		
1.0	Develop or review standard training manuals for RCBs	Training manuals developed		Management of Apex Bank have opted to review and update the training manuals after the TOT has taken place.
2.0	Train staff of 135 RCBs (about 10,000 beneficiaries)	No. of staff trained by type of training		Training sessions have been held for 135 RCBs covering staff.
3.0	Implement customised training for staff of fair, marginal and unsatisfactory RCBs	No. of staff trained by type of training		Activity to be undertaken after the TOT
4.0	Sponsor 45 RCB staff for foreign training in Microfinance	No. of staff trained by type of training	45	The training will be organized in-country in the year 2014.
5.0	Train 20 new graduates for Fair, Marginal and Unsatisfactory RCBs	No. of new graduates trained and at post	20	There has been a low response to the demand for nominations. As at October, only 3 nominees have been sent by two RCBs.
	Output 1.1.6: Increased competencies in management, governance, and financial performance of GCSCA members	GCSCA members reporting OSS>100		
1.0	Train 120 members of GCSCA to basic computing	Number of GCSCA members Trained in ICT	120	Did not come on because 80% of members did not have computers

	OBJECTIVES/EXPECTED RESULTS	PROJECT INDICATORS	TARGET	ACHIEVEMENT/REMARKS
2.0	Train 150 GCSCA licensed members in preparation of Prudential Returns to BoG	Number of GCSCA members	150	Training rescheduled for first quarter of 2014 to firm up initial training by BOG.
3.0	Train (300) GCSCA members in basic accounting and records management	Number of GCSCA members by type of training	300	216 members trained. To boost participation a recommendation has been made to hold training sessions on second and third Saturdays in the month, due to funerals and payment of clients in the 4 th week of 4 th Saturdays.
4.0	Train 300 members of GCSCA on risk management techniques	Number of GCSCA members trained in Savings Mobilization	300	250 GCSCA members trained
5.0	Train 15 Mgt staff and 10 member board of Trustees in HR Mgt	No. of staff trained	25	Rescheduled to the first quarter of 2014
6.0	Train 10 GCSCA Board of Trustees and 19 Mgt Staff on Corporate Governance and Strategic Planning	No. of staff trained	29	29 GCSCA Board of Trustee and Management staff trained
7.0	Train 15 Mgt staff and 10 member board of Trustees in Financial Mgt	No. of staff trained	25	Training carried out under the auspices of Responsible Finance
8.0	Develop standard operational manual for GCSCA members	Standard Operational manual prepared		Risk based Operational manual developed with funding from Responsible Finance
	Output 1.1.7: Internal capacity of GAMC built	Improved capacity of GAMC		
1.0	Train 30 Executives and Regional representatives in RAFiP data collection, RAFiP core indicators and MiX protocols	Number of GAMC Executives and Regional Representative trained	30	Activity was cancelled and it was agreed that GHAMFIN should take the lead in the process.
2.0	Organize 3 day data validation and review workshop on semi annual basis for 30 leaders and Staff on the quality of data collected	Number of Regional Representatives and Secretariat staff that attended the review workshop	30	This activity was replaced with a strategic planning training for the 22 leaders.

	OBJECTIVES/EXPECTED RESULTS	PROJECT INDICATORS	TARGET	ACHIEVEMENT/REMARKS
3.0	Organize a series of 1-day sessions for 300 Accountants and Managers of GAMC member companies on the RAfiP indicators.	Number of Accountants and Managers trained	300	482 Accountants and Managers trained at 100% funding by GAMC. This was carried out in the five zones though the mandatory quarterly meeting
4.0	Train 300 GAMC member companies on credit and risk management	Number of member companies trained	300	Training organized for 300 GAMC member companies
5.0	Organize 1day Executive forum for 300 Shareholders and Directors on microfinance governance	Number of CEOs and Directors who attend the breakfast forum	300	400 participants were hosted at the Executive Forum organized in four zones.
6.0	Train 300 member companies on financial and portfolio quality management	Number of members trained	300	70 member companies trained. The remaining training is scheduled for October 2013.
	Output 1.1.8: Improved management and governance of GAMC	GAMC members attaining OSS>100		
1.0	Develop a Risk Based Supervision Manual to guide GAMC secretariat in monitoring activities of member companies in relation to governance and prudent management	Risk Based Supervision manual developed		Rescheduled to end of year
2.0	Organize 1day training for 300 CEOs and Directors of member companies on Microfinance governance.	Number of CEOs and Directors trained	300	Rescheduled to first quarter of 2014.
3.0	Executive Secretary attend training course on management and governance		2	Two Executives attend Boulder Microfinance Training in Italy
4.0	Organize a 3 day training for 26 GAMC Executives on microfinance governance	Number of GAMC Executives trained	26	Scheduled for November, 2013
5.0	Two (2) GAMC Board members attend AFMIN Regional Microfinance Network Summit	Number of GAMC Board members who attended AFMIN conference	1	1 Board member sponsored to attend the AFMIN summit

	OBJECTIVES/EXPECTED RESULTS	PROJECT INDICATORS	TARGET	ACHIEVEMENT/REMARKS
6.0	Executives attend local and International conferences/seminars/meetings to build networks and working relationship such SEEP conference	Number of GAMC Executive members who attended conferences, seminars and meetings	2	One Executive member sponsored to the SEEP conference
	Output 1.1.9: Functional Data Management Unit established at GAMC Secretariat and Sector Offices	Industry data accessible to membership of GAMC		
1.0	Develop a standard Tier 2 microfinance operational software	A functional software developed and installed		70 companies currently using the standardized operational software
2.0	Establish an Internal Credit Referencing System to help track multiple borrowing and lower over indebtedness	Established Internal Credit Referencing System		250 member companies are on the platform of the Biometric loan verification system
3.0	Scale up the client information and compliant system			Inception report and budget completed for rollout.
	Output 1.1.10. Internal capacity of GHASALC Secretariat built	Improved data analysis skills by GHASALC membership		
1.0	Organise a 3-day training for 30 potential GHASALC trainers in Strategic Planning and Implementation	Number of GHASALC trainers trained	30	22 participants were trained in strategic planning and implementation
2.0	Train 30 GHASALC trainers in ICT/MIS for 2-days	Number of GHASALC trainers trained	30	24 trainers benefitted from a 3-day training. The participants complained of staying out of office for the three days.
	1.1.11: Improved financial and operational sustainability posture of GHASALC members	GHASALC members achieving FSS>80%		
1.0	Train 40 GHASALC members on Effective and Efficient Financial Management.	Number of officers trained	40	

	OBJECTIVES/EXPECTED RESULTS	PROJECT INDICATORS	TARGET	ACHIEVEMENT/REMARKS
2.0	Organize training for 30 GHASALC member companies on Corporate Governance	Number of member companies trained	30	52 members of staff from Sinapi Aba participated in an SME lending workshop.
	Output 1.1.12: CUA MIS Department operational	Data available for CUA membership		
1.0	Train 30 CUA staff on CuSOFT	MIS officers trained	30	Not achieved because training was scheduled after the general MIS/ICT training.
2.0	Organize 1-day ICT training for 30 CUA staff	No. of CUA staff trained	30	Difficulty in fixing a date with TSP
3.0	Train 30 MIS Staff on Data Analysis (Statistical & Financial)	No. of CUA MIS officers trained	30	Difficulty in fixing a date with TSP
4.0	Organize Leadership training for the Board members of CUA	Board members of CUA trained	30	Pre-financing challenges/ training fatigue
	1.1.13: CUA Training Department established and functional	Efficient and effective training delivery to CUA members		
1.0	Conduct three M & E workshops for members from Credit Unions	# credit unions officials trained	300	Pre-financing challenges since repayment delays.
2.0	Conduct three workshops on human Resource Management for credit Unions	# credit unions officials trained	300	211 participants participated from 7 regions. There was delay in repayment
3.0	Conduct one workshops on human Resource Management for CUA management and senior staff	# CUA management and senior staff trained	30	Pre-financing challenges/ training fatigue
4.0	Organize one training on strategic Planning for 30 CUA staff	# CUA management and senior staff trained	30	Pre-financing challenges/ training fatigue
5.0	Organize one financial management training for CUA audit team	# of staff trained	50	Pre-financing challenges/ training fatigue
6.0	organize training for supervision team of CUA	# of staff trained by type of training	30	Pre-financing challenges/ training fatigue

	OBJECTIVES/EXPECTED RESULTS	PROJECT INDICATORS	TARGET	ACHIEVEMENT/REMARKS
7.0	Plan and organize one training on Business Plan Development for CUA team of trainers	# of staff trained	30	Pre-financing challenges/ training fatigue
8.0	Train 300 CUs primary societies on various topics on demand driven basis	# of staff trained by type of training	300	Pre-financing challenges/ training fatigue
	Output 1.1.14: Skills of ASSFIN Leadership & staff of the various Units enhanced	Management of ASSFIN improved		
1.0	Furnish Secretariat, Training and M&E Units	Office furniture, basic equipment and computers		Could not be achieved because ASSFIN was looking for appropriate office space. It is suggested that core support to ASSFIN be adjusted upwards.
2.0	Engage a Consultant to assess the Training needs of ASSFIN Leadership/Board and Secretariat	A training needs assessment report		The Assessment report has been finalized and this will be reviewed annually
3.0	Organize two International training workshops for ASSFIN Leadership and Board in collaboration with Financiero sin Fronteras of Spain, Microfinance Division of MoFEP, GHAMFIN and ASSFIN	No. of International workshops organised		One international workshop organized for 80 participants. Pre-financing was a challenge and this affected the second training
4.0	Organise quarterly training workshops for ASSFIN Leadership / Board	No. of participants by type of training		Training cancelled because of restructuring ant ASSFIN
	Output 1.1.15: Skills and competencies of Board members, Heads and operating Staff of various member-institutions enhanced (ASSFIN)	Capacity of Board members, Heads & staff enhanced		
1.0	Set up a three member team to develop training time table for both technical and managerial training			A three member team has developed a training time table.
2.0	Select ASSFIN TSPs and officially engage and sign agreements with them			The selection of ASSFIN TSPs finalized

	OBJECTIVES/EXPECTED RESULTS	PROJECT INDICATORS	TARGET	ACHIEVEMENT/REMARKS
3.0	Organize one Training Program in MIS simultaneously in the Southern, Middle and Northern Zones (30 participants in each zone)	Number of Staff of member-institutions of ASSFIN Trained on the use MiX Market tools and Excel	30	Could not be implemented because of pre-financing difficulties
4.0	Organize one Training Program in M&E simultaneously in the Southern, Middle and Northern Zones (30 participants in each zone)	Number of Staff of member-institutions of ASSFIN Trained on the use MiX Market tools and Excel	30	Could not be implemented because of pre-financing difficulties
5.0	Organise refresher courses for 30 ASSFIN Training Providers two times within the year	Number of Training Providers trained by type of training	30	Achieved though there was a challenge with pre-financing
6.0	Organise refresher courses in M & E for various officers engaged in M & E at Secretariat and member-institutions two times within the year	Number of M & E officers trained		Could not be implemented because of pre-financing difficulties
7.0	Engage a consultant to review Strategic document and develop a new 5-year Strategic document	A 5-year Strategic document prepared		ASSFIN decided to set up a Strategic Focus Development team to review the strategic document. This was however not achieved.
8.0	Engage a Consultant to develop a 2-year Business Plan based on the Strategic document	A 2-year Business Plan prepared from Strategic document		ASSFIN could not complete the recruitment of the Consultant. The assignment has been rescheduled to first quarter 2014.
9.0	Organise a 3-day national learning workshop for ASSFIN member insts. to share experiences	No. of ASSFIN members attending learning workshop		Could not be implemented because of pre-financing difficulties.
	Output 1.1.16: Capacity of GHAMFIN as an Umbrella body built	Improved Governance and Technical Skills of staff of GHAMFIN		
1.0	Elect practicing RMFI members unto the Council (RCBs, Microfinance Companies and FNGOs)	RMFI Reps Elected into office	2	This activity was cancelled because stakeholders agreed to restrict Council membership to Chairmen and Presidents of Apex Bodies

	OBJECTIVES/EXPECTED RESULTS	PROJECT INDICATORS	TARGET	ACHIEVEMENT/REMARKS
2.0	Organise and lead the National Microfinance forum on quarterly bases. Topics: GHAMP Review, Regulation & Compliance, Interest Rate, Microfinance Impact, Microfinance & Social Exclusion	Quarterly forum organised on selected topical issues		One Microfinance Forum organized on Regulation and Compliance. A total of 80 participants (about 20 from UCC) participated
3.0	Train MIS manager in Networking, website dev't and Database Management	MIS Manager Trained to provide training support to Apex Bodies MIS		MIS Manager trained on Database management and general microfinance operations and best practices
4.0	Train Accountant in Financial Analysis Microfinance Best Practices, advanced Excel	Accountant Trained and equipped to provide support to Management of Training Department		Accountant sponsored to the SMDP programme in May.
5.0	Organise a TOT on at least 2 of the following for Apex Bodies Secretariat : MIX data collection tool, M&E refresher courses, microfinance best practices Tools , consumer education and social performance management	Two day training organised twice in a quarter in either of the selected programmes		MiX data collection tool training for 15 GHASALC member institutions; Social Performance Management training from GCSCA members
6.0	Organise at least 2 of the following training programmes for Board Members of the Apex Bodies: Importance of MIX data collection Tool, consumer protection and social performance management	Two day training organised twice in a quarter in either of the selected programmes		GHAMFIN interacted with Boards of institutions to enlighten them on importance of reporting on the MiX.
7.0	Train GHAMFIN's secretary & Administrative Assistant in Effective office management	Type of training	2	Secretary and Administrative staff trained in identified areas
8.0	Two Senior Management Staff/ Council Members to represent Ghana in International Conferences such as AFMIN, Micro Summit and SEEP Conference	Meeting Report and Publications disseminated		Executive Secretary and ASSFIN representative on GHAMFIN board participated in the AFMIN conference in Ethiopia.

	OBJECTIVES/EXPECTED RESULTS	PROJECT INDICATORS	TARGET	ACHIEVEMENT/REMARKS
9.0	Organise Regional 2-week training programme in Microfinance and related topics in collaboration with Carlton Institute (Univ. of New Hampshire).	Number trained by type of training		133 participants attended the SMDP – RAFIP sponsored a total of 65 participants including GAMC members who participated in the MMPP – a standardized training designed for GAMC members
10.0	Train staff to undertake research into innovations and products development in Microfinance.	Findings Disseminated/ Outcome shared with the Apexes		Could not be implemented
	Output 1.1.17: GHAMFIN MIS Department Developed	Industry data available at GHAMFIN Secretariat		
1.0	Prepare room for data centre and Procure software as a service (SaaS), Microfinance directory etc.			A server has been supplied by RAFIP and the required peripherals, especially the server racks will be supplied next year.
2.0	Engage technical support services from a firm assigned to GHAMFIN for Data Centre support services.	Support Services firm procured and engaged.		Recruitment done under GIZ funding – the TA will commence work in January 2014.
3.0	Conduct Nationwide data collection for PMB and MIX data requirement	2012 data collected, collated and published		The data has been collected though a lot of discrepancies have been identified and are being validated. Data from RCBs and Apex bank yet to be received.
4.0	Develop an RMFI Database and online Directory for Rural Microfinance Institutions	Online database Directory for RMFI developed		Some information has been received from the RMFIs but these are being verified.
	Output 1.1.18: Capacity of Apex Organisations strengthened	Number of Apex institutions by type of support		
1.0	Print 100 copies each of the 16 Training manuals for RMFIs training	Number of manuals printed and distributed	1,600	A validation workshop has been organized to review the training manuals to ensure their relevance to the industry. Printing of the manuals will be done by December 2013.

	OBJECTIVES/EXPECTED RESULTS	PROJECT INDICATORS	TARGET	ACHIEVEMENT/REMARKS
2.0	Review and sign an MOU which sets out mutually agreed responsibilities and terms between RAFIP and Apex organisations			2013 MOUs signed and implemented to a large extent (apart from GAMC which accomplished about 60% of its training programme); the other RMFIs achieved only an average of about 20% of planned activities
3.0	Provide core support to GHAMFIN to develop and implement its programs			Core support of US\$40,000 given to GHAMFIN
4.0	Provide results-based support to GHAMFIN to support implementation of activities agreed in MOU, with subventions based on achievement of at least 4 of the following benchmarks			Three results based support of a total of US\$30,000 given to GHAMFIN.
5.0	Provide core support to other Apex organisations to develop and implement programmes			All the Apex institutions received a core grant, averaging US\$2,000 per quarter per institution
6.0	Provide results-based support to Apexes to support implementation of activities agreed in MOU, with subventions based on achievement of at least 4 of the benchmarks			Performance based support amounting to about US\$39,000 paid to five apex institutions for achieving agreed benchmarks
7.0	Sponsor 10 Apex institution staff (incl. ARB Apex Bank & RCB staff) to international microfinance and rural finance programme	Number of staff trained by institution		10 participants (including 3 females from RCBs) were sponsored to the Boulder Microfinance programme in Italy. All the participants have submitted their Back-to-Office report.
9.0	Develop a training curriculum for microfinance management for the SMDP programme			Training curriculum for the MMPP developed for the GAMC member institutions
SC1.2	Sub-Component 1.2: Product Development and Innovation			
1.2.1	Output 1.2.1: ARB Apex Bank able to develop new products for different niches, especially in the area of agricultural value chains and microfinance methodologies	No of financial products developed by types of products		
1.0	Organise stakeholders' workshop on MSI strategy document	No. of participants		A stakeholder workshop was held in the Southern zone. The workshop for the Northern zone is scheduled for first quarter of 2014.

	OBJECTIVES/EXPECTED RESULTS	PROJECT INDICATORS	TARGET	ACHIEVEMENT/REMARKS
2.0	Extend roll-out of microfinance support initiative, including financial literacy to about 90 RCBs	No. of RCBs benefitting from the MSI	45	37 out of the 45 targeted RCBs have expressed interest in the training programme.
3.0	Provide logistics support to the Research, Marketing and Corporate Affairs Department	No. and type of logistics provided		This has been reprogrammed for 2014
4.0	Train Apex Bank staff in product development	No. of ARB Apex Bank staff trained		Rescheduled for 2014 as part of the TOT for selected staff trainees
5.0	Assist Apex Bank to develop financial products	No. of financial products developed by types of products		To enhance savings mobilization, an electronic financial product will be deployed by ARB Apex Bank. BOG is yet to give a license.
	Output 1.2.2 RMFIs members capacities built on product development and innovation	Number of new products developed and type of product		
1.0	Train 30 TOT GAMC members on product development and innovation technique	Number of members trained	30	Could not be achieved due to overambitious planning.
2.0	Train 100 GCSCA members on product development techniques	Number of GCSCA members trained	100	Could not be achieved due to overambitious planning.
3.0	Train 20 GHASALC potential trainers on how to develop new agric. Value chain products	Number of potential trainers trained	20	Could not be achieved due to overambitious planning.
4.0	Conduct two training for 30 members of ASSFIN member institutions in product development and innovations	Number of Staff of ASSFIN member-institutions trained	30	Could not be achieved due to overambitious planning.
5.0	Provide matching grant funds to OISL to develop a system for measuring the size of smallholder farms of loan applicants	Number of farms measured by sizes		MOU with OISL will be signed by first month of 2014.
6.0	Carry out Financial Inclusion Mapping Exercise in collaboration with GHAMFIN and RMFIs	Financial inclusion maps by locations		Assignment cancelled and may have to be redefined in the year 2014.
7.0	Carry out Feasibility study on Customer Relation Desk for RMFIs			Since the Client complaint desk was already piloted by GAMC, the planned activity was to upscale it. As such 145 front desk Officer/

	OBJECTIVES/EXPECTED RESULTS	PROJECT INDICATORS	TARGET	ACHIEVEMENT/REMARKS
				Managers/ Client Relations Officers have been trained. However PCO will explore the possibility of upscaling it to the industry as a whole and hosted at GHAMFIN.
	Component 2 - STRENGTHEN FINANCIAL AND AGRICULTURAL LINKAGES AND SYSTEMS			
Sub-comp 2.1	Sub-component 2.1: Linkages and Technical Support			
	Output 2.1.1 Technical assistance to agricultural producers and value chains operators strengthened	Number of agric. Producers and value chain operators by type of technical assistance		
1.0	Complete consultancy assignment on Financial Overlay of three agricultural value chains	Report on financial overlay of agricultural value chain		Consultancy have been completed and the report submitted to PCO. Components of the report is being studied by the Ministry of Food and Agriculture for possible adoption.
2.0	Identify and Introduce proven linkages to RCBs	Number of linkages introduced		
3.0	Identify and recommend 10-15 relatively strong RCBs for support in value chain financing	Number of strong RCBs by type of support		
4.0	Engage consultant to develop training modules on agricultural value chain financing	Modules on agricultural value chain		Consultant has completed the modules on agricultural value chain financing, and submitted same for validation by PCO and ARB Apex Bank.
5.0	Cataloguing of non-financial support linkages to Ag. VC	Consultancy report finalised		The final inception report was submitted to PCO in October. However the ISM Nov. 2013 has recommended a redefinition of the scope of the assignment; following which the PCO has advised the consultant accordingly.
	Sub-Component 2.2: Policy, Regulation, Supervision and Monitoring	Regulatory framework formulated and operationalised		

	OBJECTIVES/EXPECTED RESULTS	PROJECT INDICATORS	TARGET	ACHIEVEMENT/REMARKS
	Output 2.2.1 Policy Issues and other support in the MF Industry coordinated	Standards in operations of MFIs established		
1.0	Organise at least 2 Microfinance Forums	Number of fora organised		One MFF organized on Regulations and Compliance.
2.0	Organise Microfinance Newsletter Editorial committee meeting at least once a quarter	No. of Editorial meetings organised		There were not enough contributions from the RMFIs to warrant an Editorial Committee meeting. RAFIP new management has reignited this activity
3.0	Publish and circulate at least 1,500 copies of Microfinance Newsletter	No. of editions published and circulated		Publishing of the Newsletter to be carried out by end November 2013
4.0	Organise a semi-annual meeting of Sub-group of Insts. supporting ARB Apex Bank	Number of institutions participating in meeting		Could not be achieved because of new management at ARB Apex Bank; activity rescheduled to first quarter of 2014
	Output 2.2.2: Functional Monitoring and Supervision Directorate			
1.0	Develop Code of Conduct and Code of Ethics for ASSFIN members, with Technical Assistance	Code of Conduct and Code of Ethics		Could not be implemented because of limited funding.
2.0	Organise One workshop each in Southern and Northern zones to orient ASSFIN member institutions. On code of Conduct and Ethics	Number of staff trained in On and Off site Supervision techniques		Could not be implemented because of limited funding.
3.0	Organise one day training for members in 3 zones on preparing prudential returns for BOG	Number trained		Could not be implemented because of limited funding.
4.0	Conduct onsite visit to 100 licensed GAMC member companies, with Bank of Ghana, to monitor their compliance with regulation	Number of member companies visited		Could not be implemented because of limited funding.
5.0	Procure and supply Servers and Office equipment for apex institutions to enhance their operations, incl. data collection, analysis and reporting	Number of equipment by type of equipment		6 Apex institutions (including GHAMFIN) supplied with computers and accessories; servers; scanners; printers and other training materials. However there were no racks for the servers so these have been factored into the 2014 procurement plan.

	OBJECTIVES/EXPECTED RESULTS	PROJECT INDICATORS	TARGET	ACHIEVEMENT/REMARKS
	Sub-Component 2.3: Knowledge Development and Dissemination	Enhanced knowledge and skills in rural and agricultural finance		
	Output 2.3.1 Information on programme activities and reports made public			
1.0	Develop a communication strategy	Communication strategy document		Agreement has been signed with the winning firm to commence the assignment.
2.0	Organise at least one briefing/feedback session for members of parliament, etc.	No. of briefing sessions held		Could not come on and has been slated for 2014
	Component 3 - Purpose: Effective and Efficient Programme Administration			
	Sub-Component 3.1: Training	PCO staff trained in identified local and international institutions		
3.1.1	Output 3.1.1: Capacity of PCO Staff strengthened	No. of PCO staff trained by type of training (esp. on agricultural financing and microfinancing; MiX tool)		
1.0	Upgrade the knowledge and skills of PCO Staff on identified gaps	No. of PCO staff trained by type of training		PC trained on IFAD administrative and accounting system and procedures in Accra and Rome.
2.0	Sponsor PCO staff to at least 4 conferences and workshops on rural finance; agric. Finance and microfinance	No. of PCO staff attending conferences and workshops by type of conference		PC and M&E Specialist attend the 5 th China-IFAD South-South Cooperation summit in Beijing in August. The theme for the summit is 'Financing Pro-poor Agribusiness for Rural Development and Poverty Reduction'.

	OBJECTIVES/EXPECTED RESULTS	PROJECT INDICATORS	TARGET	ACHIEVEMENT/REMARKS
SC3.2	Sub-Component 3.2: Administration	Programme implementation status reports receive good ratings		
3.2.1	Output 3.2.1 Programme Coordination Office established and functional	Key program staff recruited and PCO operational		
1.0	Pay remuneration and allowances of PCO staff	Key Staff at post		All salaries have been paid according to contract document. The PCO recruited a new PC in June to replace the incumbent who retired from the Civil Service
2.0	Procure 4WD Pick-up for IFAD Desk (MOFEP)	One pick-up vehicle bought and allocated to MOFEP IFAD Desk		IFAD Desk Office has just provided a justification for the purchase of the vehicle
3.0	Operate and maintain PCO vehicles	PCO vehicles roadworthy and functional		All PCO vehicles were maintained on schedule
4.0	Procure 2 Comb-Binding machines, 6 Flip chart stands, 3 giant staple machines	Various office equipment purchased		Various office supplies procured for the newly established secretariat
5.0	Procure 2 giant photocopiers; 2 desktop computers; 1 laptop computer; 1 fax machine/scanner; 1 printer; 1 UPS for MOFEP IFAD Desk	Various office equipment purchased		The scope of the items changed following recommendations of the June ISM; with the inclusion of support to Department of Cooperatives and GHAMFIN.
6.0	Maintain PCO office equipment	PCO office equipment functional		PCO office equipment serviced according to schedule
7.0	Furnish Project Coordinating Office	PCO furnished with fridges, etc.		PCO furnished with required items – a new office was furnished for the PC
8.0	Maintain Project Coordinating Office	Office furniture, fixtures and fittings maintained every quarter		Not yet since these items are still in good condition
9.0	Renew Implementation Agreements with Implementing Agencies	No. of Implementation Agreements signed		Draft implementation agreements for 2014 under review. To be finalized by December 31.

	OBJECTIVES/EXPECTED RESULTS	PROJECT INDICATORS	TARGET	ACHIEVEMENT/REMARKS
10.0	Procure relevant publications and reference materials on microfinance; agricultural and rural finance, etc. for the PCO	Relevant reference materials and journals in PCO library		Supply arrangements completed and activity will commence in 2014.
11.0	Publish Performance Benchmarking and Directory of microfinance service providers	No of RMFIs and their clients reporting access to Performance Benchmark and Directory of MF service providers		One report was published by GHAMFIN
12.0	Pay consultancy fees for contracted consultants (on going assignments, incl. CBFM)			All consultancy contracts have been honoured according to contract terms.
13.0	Pay consultancy fees for CBF Manager (Renewed contract)			Contract of the CBFM has been renewed and contractual agreement being honoured by PCO.
SC3.3	Sub-Component 3.3: Monitoring and Evaluation	An effective and efficient monitoring and evaluation system in place		
3.3.1	Output 3.3.1 Monitoring and Evaluation System established and functional	Monitoring and Evaluation system providing required management information		
1.0	Coordinate, manage and supervise project activities (incl. Mid-term Review)	100% Planned Project activities are on schedule		PCO was able to supervise activities of consultants. For the 2014 planning year, the supervision will extend to the field
2.0	Carry out at least two diagnostic studies (eg. Wholesale warehousing)	Contract for diagnostic study signed		No issue of interest was identified for further studies
3.0	Conduct at least two Project Oversight Committee and Steering Committee meetings	Two project Steering Committee meetings held		POC meeting held in November 2014, and in December 2014 the second POC was held to approve the draft AWPB 2014.
4.0	Train M&E/MIS Officers of Apex Bodies (incl. GHAMFIN) and ARB Apex Bank on Results-based management and reporting	Number of staff trained		Could not come on – rescheduled for 2014

	OBJECTIVES/EXPECTED RESULTS	PROJECT INDICATORS	TARGET	ACHIEVEMENT/REMARKS
5.0	Organise at least two M&E Review sessions with M&E Focal persons (incl. AWP&B process)	At least 2 review sessions held with M&E Focal persons		One review session held to commence the planning of the AWPB 2014.
6.0	Organise Annual Review workshop to evaluate project implementation	Program activities reviewed once a year with all stakeholders		This could not come on and will be on the agenda of the POC. Because of timing and the timelines in submitting AWPBs for NO, a half-year review of implementation is recommended.

Appendix 5: Financial – Actual Financial Performance by Financier

Table 1: Summary of Budget Performance- 2010 to 2013 (End October):USD

Budget Year	IFAD			Programme		
	Budget	Actual	%	Budget	Actual	%
2010	1,174,200	25,966	2%	2,532,200	645,514	25%
2011	1,892,200	563,734	30%	5,798,600	671,480	12%
2012	1,934,600	1,411,700	73%	3,994,600	1,977,519	50%
2013Oct	2,741,190	1,432,464	52%	4,228,300	1,577,115	37%
Total		3,433,864			4,871,628	

Table 2: Disbursement by Implementing Agents and PCO as at 31 October, 2013

Implementing Agent/PCO	Amount Disb. (USD)	Percentage of Total Exp.
ARB Apex Bank	524,960	15.3%
CBF	784,566.00	22.8%
GHAMFIN	333,385.00	9.7%
GAMC	102,607.00	3.0%
GCCUA	115,675.00	3.4%
GCSCA	43,926.00	1.3%
ASSFIN	33,396.00	1.0%
GHASALC	40,997.00	83.0%
RCBs	49,373.50	1.4%
Sub-Total	2,028,885	59.1%
PCO	1,404,979	40.9%
TOTAL	3,433,864	100.0%

NB: The total actual project expenditure of **USD 3,433,864** on **Table 1 reconciles** with total expenditure amount on **Table 2: Disbursement by Implementing Agents and PCO** as at 31 October 2013.

Table 5A: Financial Performance By Component as at 31 October 2013.

Financier	Allocation at Appraisal	Revised Allocation	Disbursements	disbursed
	(USD '000)	(USD '000)	(USD '000)	%age
IFAD loan	15,001	15,000	4,329	29%
AfDB	4,935	0	0	0%
Italian Government	1,512	1,512	0	0%
World bank	7,140	0	0	0%
Danida		8,014	0	
GoG	3,412	3,016	320	9%
Beneficiaries-Apex Bank	2,337	8,586	0	0%
-Other Beneficiaries	7,529	4,096	0	0%
Total	41,866	40,224	4,649	11%

Table 5B: Financial Performance By Component as at 31 October, 2013.

COMPONENT	IFAD			DANIDA			Italian Government			APEX Bank			Other Beneficiaries			GoG			Total		
	Appraisal	Actual	%age	Appraisal	Actual	%age	Appraisal	Actual	%age	Appraisal	Actual	%age	Appraisal	Actual	%age	Appraisal	Actual	%age	Appraisal	Actual	%age
A. Strengthen Financial System	US\$'000	US\$'000		US\$'000	US\$'000		US\$'000	US\$'000		US\$'000	US\$'000		US\$'000	US\$'000		US\$'000	US\$'000		US\$'000	US\$'000	
1 Capacity Building for Sustainability	10,685	1,687	16%	8,014	2,692	34%				278			1,409	65	0	1,454	150	10%	21,840	4,594	21%
2 Product Development & Innovation	658	-	-		-			-		4,813	-			-		336	-	0%	5,807	-	0%
Subtotal Strengthen Financial System	11,343	1,687	15%	8,014	2,692	34%				5,091			1,409	65	5%	1,790	150	8%	27,646	4,594	17%
B. Strengthening Support System																					
1 Technical Support	0	679	-				1,512						2,088			0	45		3,600	725	20%
2 Policy, Regulation, Supervision and Monitoring	812	-	-							3,496			599			750	-	-	5,657	-	0%
3 Knowledge Development & Dissemination	182	1	-													21	-	-	203	1	1%
Subtotal Strengthening Support System	994	681	-	-	-	-	1,512			3,496			2,687	-	-	771	45	-	9,460	726	8%
C. Programme Management																					
1 Training	167	439	263%													0	1	-	167	440	263%
2 Administration	1,291	538	42%													304	101	33%	1,595	638	40%
3 Monitoring & Evaluation	1,206	158	13%													151	23	15%	1,357	181	13%
Subtotal Programme Management	2,664	1,134	43%													455	125	27%	3,119	1,259	40%
Total	15,000	3,502	23%	8,014	2,692	34%	1,512			8,586			4,096	65	2%	3,016	320	11%	40,224	6,580	16%
Financier Table																					
	B/F May'13	2,804		DIFF	(2,804)											B/F May'13	297				
	WA8	606														WA8	19.9				
	Oct Exp	92.4														Oct Exp					
	Balance	3,502														Balance	317				

Appendix 6: Compliance with legal covenants: Status of implementation

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Section 2.03	PCO to open and maintain a Special Account denominated in USD.	Signature of Agreement	Done/April 2010	Accounts domiciled in Ecobank Gh.
	Deposit of Authorized Allocation of USD 1,500,000.	Start of Programme	Done	Amount deposited into special Programme account in Ecobank.
	PCO to open and maintain the "Italian Special Account"	During Programme implementation	Done/May, 2013	Italian Special Account has been opened with ECOBANK
Section 3.02	Submission of AWPB each year to IFAD for approval.	Yearly	Dec. 2012	<p>AWP&B 2013 was submitted for No Objection in December, 2012. After extensive review the AWP&B 2013 was approved in March, 2013.</p> <p>Upon the recommendations of the June 2013 ISM, PCO revised the AWPB 2013 in August, which received a NO for implementation.</p>
Section 3.03	Opening and operation of a Programme Account in cedis	Start of Project	Done/April 2010	Accounts domiciled in Ecobank Gh.
Section 3.04	Initial deposit of USD 100,000 of Counterpart Funds for the first Programme year.	By date of first disbursement	Done	A total GOG funding of USD 200,000 has been expended as counterpart funding.
Section 4.01	Establishment of an effective Monitoring and Evaluation System.	90 days after effective date	Ongoing	Monitoring and Evaluation system under review to synchronise with reporting frameworks of implementing agencies. Also the M&E system will be reviewed following the MTR in January-February 2014.
Section 4.02	Submission of semi-annual progress reports to POC and IFAD	2 months after end of each reporting period	Ongoing	End of Year report for 2012 submitted in March, 2013. The semi-annual progress report for 2013 was submitted in Mid-August 2013. The end-of-year report will

				be submitted on schedule.
Section 4.03	Mid-term Review (MTR) carried out jointly by Borrower and IFAD.	Not later than 36 months after Programme effectiveness	Not yet due	Programme became effective on 30 th April, 2010. Mid-term review was initially scheduled for September 2013. MTR date now confirmed for February 2014.
Section 4.04	Submission of Completion Report		Not yet due	Programme is in its third year and the completion report is not due until December 2016.
Section 5.01	Submission of consolidated annual financial statements to IFAD	3 months after end of fiscal year	Done	Consolidated annual financial statements were submitted to IFAD; and the audited accounts were submitted in March, 2013
Section 5.02	Appointment of auditors by Borrower for each fiscal year.	Not later than 6 months after effective date	Done	The contract for Messrs. Ernst and Young Gh. Ltd. Ended after the three years audit. PCO has initiated the procurement process for a new Programme external auditor. Meanwhile IFAD has advised that PCO seek Technical Assistance from the Ghana Audit Service instead of using consultants.
Schedule 2				
Schedule 3	Establishment of National Programme Steering Committee.	Programme effectiveness	Done	Programme Oversight Committee established in April, 2010. Five POC meetings held by November 2012. The first POC meeting for 2013 came off on Wednesday, 13 November 2013. A second was held on 9 th November, 2013 to approve the draft AWPB 2014.
	Establishment of PCO and recruitment of key staff.	Start of Programme	Done	All key staff at post, including a full-time Financial Controller. The ISM recommendation for the recruitment of a Programme Accounts Officer will be complied with in November (as interviews for the position were completed on 1 November) and that of an Accounts Clerk within the same time frame as the PCO seeks approval to regularise the position of the National Service Person who has performed the function satisfactorily over the last 10 months.

	Drafting of Project Implementation Manual for IFAD's approval.	Programme commencement	Done	PIM finalised and operationalized. The June 2013 ISM recommended a review of the PIM which will be complied with after the MTR in January-February 2013.
Additional Covenants	Use of Programme vehicles and other equipment	Not specified	Ongoing	Three Programme vehicles being used for Programme activities. The vehicles are in good condition. A photocopier and scanner procured by the Programme are in good condition and have enhanced Programme operations.
Schedule 4	Procurement of goods, works and services in accordance with the procedures laid down in Schedule 4.	Ongoing	Ongoing according to Procurement Plan.	PCO prepared procurement documents following IFAD and GOG procurement guidelines. Subsequently, PCO received No Objection notices for all the goods and services procured. All goods and services have been procured in accordance with IFAD procurement procedures.

Appendix 7: Knowledge management: Learning and Innovation

1. **Internal Credit Referencing System using Biometric Device:** In recent times, multiple borrowing and over-indebtedness has become a serious challenge to operators of Microfinance in Ghana. GAMC has therefore introduced a biometric verification system to help improve due diligence of member companies. The system is referred to as the Internal Credit Referencing System (ICRS). The system is intended to expose “bicycling clients”, i.e. clients who practice multiple borrowing in the bid to pay up other loan facility they have taken from other microfinance companies. This effort is aimed at introducing credibility and sanity into the operations of Microfinance companies in Ghana. So far the client referencing system has helped to identify multiple borrowers from the various microfinance companies.
2. RAFIP, in collaboration with Ghana Association of Microfinance Companies (GAMC) piloted this new client product, i.e. internal credit referencing system using biometric device. RAFIP intends to take this innovative product, in the Ghana financial sector, to scale in this Programme year. RAFIP has already procured servers for the institutions (including GHAMFIN) to enhance this exercise. When an agreement is finalised GHAMFIN will host the system.
3. **Financial Overlay of Agricultural Value Chain Mapping of three (3) Products:** Apex Bank in collaboration with a consultant, and with inputs from the other IFAD funded Programmes, especially NRG, is assessing the financial implications of financing three selected crops – maize, cassava and soybean, along the value chain. Soya was proposed on the grounds that it feeds into both cooking oil and animal feed, and that Ghana presently is importing soya for these purposes. Also, soya is a key value chain support by both the NRG and ADVANCE projects, which are already partners for the maize value chain, as well as potential users of the results. The outcome of the assignment would be a replicable methodology for obtaining quantitative data to assess financing needs and lending opportunities in key value chains. The assignment is expected to be completed by ending June, 2013.
4. **Matching grant fund to Opportunity International Savings and Loans (OISL):** OISL is a non-bank financial institution licensed to operate in savings and loans. The institution serves micro and small entrepreneurs with loans, deposits and other financial services. OISL is currently engaged in agricultural loans to rural clients and has diversified its agricultural loans portfolio to include the financing of high valued crops like maize, oil palm, chillies, onions, pineapple, citrus, plantain, poultry and livestock. The bank's current clientele base is about 9,000 farmers across six regions of the country. To improve its lending to farmers, OISL needs data on the farm sizes which are normally under estimated by farmers. The result is that there are over or under utilization of agro-inputs which has negative impact on yield; and therefore repayment of loans. RAFIP therefore intends to support OISL to upscale the mapping of farms with GPS handsets; and to collect attribute and geo-referenced data on household details. This exercise is expected to give the banks accurate data to make informed decisions on the loan products. The data is expected to be made public for the information of the other financial institutions.
5. **Customer relation desk:** The purpose is to set-up client information and redress system to enable the GAMC protect the clients of member companies. The customer relation desk was piloted by the Ghana Association of Microfinance Companies (GAMC) with support from RAFIP. GAMC secretariat has therefore designed various client reporting formats and log books to capture client requests. This will need to be supplied to all the 400 GAMC member companies. RAFIP plans to upscale this innovation.

6. Cataloguing of linkages between financial and non-financial support in Value Chains:

The objective of this assignment is to catalogue and assess specific models of linkages between financial and non-financial support in key agricultural Value Chains. The idea is that there is virtually no literature on existing or potential non-financial linkages in the value chain financing models; but such qualitative variables are very important in value chain financing. The outcome of this assignment is to introduce the identified proven linkages to the RCBs, and to some of the other RMFIs, if need be. PCO, in collaboration with ARB Apex Bank, has initiated this assignment.