

Republic of Ghana

Northern Rural Growth Programme (NRGP)

Supervision report

Main report and appendices

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Abbreviations and acronyms

ACDEP	Association of Church-Based Development NGOs in Northern Ghana
AEA	Agricultural Extension Agents
AESD	Agricultural and Engineering Services Directorate
AfDB	African Development Bank
AWPB	Annual Work Plan and Budget
AWM	Agricultural Water Management
BD	Bidding Document
BER	Bid Evaluation Report
CA	Conservation Agriculture
CMEF	Country M&E Framework
DRF	Disability Rights Fund
DSA	Daily Subsistence Allowance
DVCC	District Value Chain Committees
EDAIF	Export Development and Agricultural Investment Fund
EPA	Environmental Protection Agency
ESMP	Environmental and Social Management Plans
FA	Facilitation Agency
FC	Financial Controller
FBB	Farmer Business Book
FBO	Farmers-based Organizations
FMM	Financial Management Manual
FNGO	Financial Non-Governmental Organisation
GASIP	Ghana Agricultural Sector Investment Programme
GAP	Good Agricultural Practices
GCAP	Ghana Commercial Agriculture Project
GHS	Ghanaian Cedi
GIDA	Ghana Irrigation Development Authority
GOG	Government of Ghana
ICO	IFAD Country Office
ITN	Insecticide Treated Nets
IFAD	International Fund of Agriculture Development
IFDC	International Fertilizer Development Center
IPBs	Inter-Professional Bodies
MES	Monitoring & Evaluation Specialist

M&E	Monitoring and Evaluation
MG	Matching Grant
MLG&RD	Ministry of Local Government & Rural Development
MOFA	Ministry of Food & Agriculture
MOU	Memorandum of Understanding
MWW	Minow Willies and Wiers
NGO	Non – Governmental Organization
NRGP	Northern Rural Growth Programme
MTR	Mid-Term Review
NPC	National Programme Coordinator
NSA	National Soya bean Alliance
OVCF	Outgrower Value Chain Fund
PC	Project Coordinator
PFI	Participating financial institutions
PMU	Programme Management Unit
POA	Participatory Outcome Assessment
POS	Point of Sale
PP	Procurement Plan
PPP	Public Private Partnership
RAFiP	Rural and Agricultural Finance Investment Programme
RCB	Rural Commercial Bank
REP	Rural Enterprise Programme
RFSS	Rural Financial Services Sector
SADA	Savannah Agricultural Development Authority
SFMC	Savannah Farmers Marketing Company
TOR	Terms of Reference
SDR	Special Drawing Rights
SOE	Statements of Expenditure
SPA	Special Programme Account
SPV	Special Purpose Vehicles
UA	Unit of Account
VCC	Value Chain Committees
WA	Withdraw Application

A. Introduction¹

1. A joint Government of Ghana (GoG), African Development Bank Mission, IFAD and undertook joint supervision of Northern Rural Growth Programme (NRGP) from 13 to 28 November, 2014. The main objective of the mission is to monitor and report on the Programme's progress in line with actions specified in the appraisal report, loans and grants agreements and supervision and/or mid-term review mission reports. The specific objectives of the mission are:

- (a) To review progress made implementing the AWPB for 2014, and the recommendations of the mission in April/May 2014;
- (b) To identify solutions and remedial actions to address implementation constraints and improve implementation performance. The mission specifically intended to conduct a review of progress with public-private partnership linkages, the appointment of key Facilitating Agents, increased financing within the value chains supported by the programme, and progress in appointment of key staff.
- (c) To undertake an inspection of procurement and contract management, financial management, the audit reports for 2013, staffing and programme coordination and M&E.
- (d) To conduct a review of disbursement levels for both IFAD and AfDB loans, and assist the programme staff to commence preparation of the AWPB and Procurement Plans for 2015.

2. The methodology for the mission included an initial detailed joint briefing from the PMU,

3. detailed discussions with staff involved with the management of each component, M&E and overall programme management, some field visits to review progress in key activities, joint formulation of findings and proposals and discussion of these in a joint "mini wrap-up" meeting. The mission continued the previously adopted methodology of a joint approach between mission members and programme management and specialists, to ensure that consensus is reached on the main issues and agreement on future plans.

4. **Programme Outline.** NRGP takes a private sector, demand-driven approach for development of both rain-fed and irrigated food and industrial crop commodity chains selected to have the capacity to meet local and international demand. Very important to the development of value chains is the creation and strengthening of producers' organizations (Farmers-based Organizations, FBOs) and linking them to inter-professional bodies (District Value Chain Committees, DVCCs). The programme stimulates investment in facilities and human resources along the value chains and supports value chains by facilitating access to financial services and providing irrigation and marketing infrastructure. The programme consists of the following components:

- (a) **Component A (Commodity chain development):** strengthening, enhancing and empowering of the producers' organizations, by providing capacity building and technical and financial support;
- (b) **Component B (Rural infrastructure):** developing and strengthening small-scale irrigation systems, water and flood control management, rainwater management, feeder roads and farm tracks as well as storage facilities; and,
- (c) **Component C (Access to Financial Services):** strengthening of financial institutions and financial NGOs with view to enabling an improved access to credit and other financial services for smallholder farmers.

¹ Mission composition: Mr Andrew MacPherson, Value Chain Expert; Mr Ulaş Demirag, IFAD CPM, Mr. Theophilus Otchere Larbi, Country Programme Officer, Joy Selasi Afenyo, Programme Management Specialist, Masahiro Kishi, Procurement Specialist, Mr Richard Pelrine, Rural Financial Services Expert; Mr Godfrey Wanjohi, Financial Management Specialist, Dr. Lawal Umar |Chief Livestock Specialist, AfDB, Mr Tabi Karikari, Agriculture and Natural Resources Specialist, AfDB, Representatives from the Ministry of Finance and Economic Planning (Mr. Edward Chonia IFAD Desk and Michael Essuman, AfDB Desk) and the Ministry of Food and Agriculture (Mr Richard Donkoh) also participated in the mission.

B. Overall assessment of Programme Implementation

5. The NRGp is a highly ambitious programme attempting to facilitate the development of complex agricultural value chains to enable smallholders to increase their productivity through genuine commercial relationships.

6. There have been several positive developments since the last supervision mission in April/May 2014. The mission noted continued good progress in FBO development, farmer training and access to markets for the “industrial” crops, especially for maize. This has been accompanied by significant yield increases, and the ongoing development of DVCCs. There has been excellent uptake of the Youth Initiatives that enable investment in simple pump irrigation, with 60 youth groups and one larger company working with several thousand farmers now planning commercial activities in the immediate future. It is also pleasing to note that the programme has commenced activities to demonstrate and promote conservation agriculture techniques. The programme has succeeded in greatly accelerating implementation of Infrastructure Component during the period under review. It has completed or has in process the majority of all works planned for irrigation, roads and warehouses/pack-houses. It is now likely that all available funds for this component will be disbursed by the time of completion. There has also been a significant boost in the availability of private bank finance to farmers and other value chain entities. While there has been solid growth of about 25% in the level of finance provided by Rural and Community Banks (RCBs), there has, for the first time, been lending by a large Universal Bank to programme clients which has doubled the amount of seasonal funding available.

7. The mission recognized that management had been focussed on achieving progress in implementation of the rural infrastructure during the past six months, with great success. However, at the same time, there have been opportunities missed to broaden and deepen the activities in support of value chain development. It is noted that several key recommendations of the previous mission, including key staff recruitment and engagement of value chain facilitators, have not been implemented. It is further noted that expenditure to 31st October is only 56% of the amount planned in the 2014 AWP&B, and only 60% of the total IFAD loan resources. Accordingly, the mission has assigned the programme an overall assessment level of moderately satisfactory. The mission received assurances that these matters would be swiftly addressed, and that there would be renewed focus on commercial value chain development. This would lead directly to increased levels of activity in Components A and C, and increased disbursement of the IFAD loan.

8. The main constraints and risks expected to be encountered by the programme in the period ahead remain formidable. These are: (i) there may be a lack of timely action to replace the outgoing National Programme Coordinator, and that the vacant Value Chain Coordinator Position will remain unfilled; (ii) there may not be rapid action to provide effective support for the Shea and Guinea Fowl value chains, resulting in a major opportunity being missed for farmer income development; (iii) there is a risk also induced by inconsistency in the application of matching grant criteria in different projects supported by MoFA, resulting in poor uptake of NRGp matching grant facilities; (iv) the risk that poor financial management, especially relating to the retirement of advances and imprests, may compromise the liquidity of the programme, and thus its ability to continue with its work; and, (v) there is the risk, based on experience of previous years, that the formulation and completion of the AWP&B for 2015 will be delayed, leading to slow commencement on activities in the new year. The mission was assured that programme management had these matters in hand, and that actions as summarised below would be taken forthwith.

Agreed action	Responsibility	Agreed date
Appointment of Acting National Coordinator	NPC & MOFA	Immediate
Appointment of Value Chain Coordinator	NPC & MOFA	Immediate
Develop effective means for support to Shea and Guinea Fowl sectors	NPC & Specialists	Immediate/ongoing
Rationalise matching grant criteria	MoFA	Immediate
Develop proposals for management and use of warehouses and pack houses	NPC & Specialists	Immediate/ongoing
Improve management of imprests	FC & All Staff	Immediate/ongoing
Complete Draft AWP&B 215	NPC & Specialists	Immediate

C. Outputs and outcomes

Component A. Commodity Chain Development.

9. **Strengthening of farmer-based organisations (FBOs).** A total of 2,967 FBOs comprising 91,748 famers (42,245 males and 49,503 females) have been supported under the maize, soya and sorghum value chains. New under this sub-component is the promotion of 29 Rice FBOs being supported in 2014 to improve on their productivity and product quality.

10. **FBO development: The ACDEP,** in collaboration with the Department of Cooperatives, assessed 955 of the FBOs in 2013 and classified them into three categories: (i) registered FBOs, (ii) FBOs ready for registration, and (iii) FBO requiring further nurturing. Six hundred and nine (609) of the FBOs have been registered with the Department of Cooperatives. Others at different levels of development and functionality have been identified for further development. These FBOs are to be continuously assessed and their categorisation updated to determine the level of support required in making them more functional, consolidating or exiting from them.

11. **Special Purpose Vehicles (SPVs):** The programme has been collaborating with 41 SPVs (nucleus farmers) servicing a total of 3,683 farmers (2,202 males and 1481 females). However, the Special Purpose Vehicle (SPVs) concept has hit challenges. The SPVs participation in the NRGP has dwindled due to their engagement with sister programmes, particularly ADVANCE and GCAP, which are offering subsidies and packages considered better by the SPVs. The mission recommends that MoFA initiate discussions among the respective projects to rationalise and harmonise their respective grant facilities with the overall objective of crowding in the private sector.

12. **Productivity of the Industrial Crop Window.** Yield data obtained indicated consistent yield increases over the years since programme support commenced. Average maize yields of participating farmers have been increased from 1.1 tonnes/hectare in 2009, to 2.9 tonnes/hectare in 2013. This was attributed to increase use of fertilizer and on limited cases, use of improved maize varieties. Maize farmers have been reported to make net revenue of up to GHS 5,600.00/ha. Other data reported yield increases for soya from 1.0 ton/ha to 1.6 tonnes/ha, and sorghum from 1.1 tonnes/ha in 2010, to 1.4 tonnes/ha in 2013.

13. **Establishment of District Value Chain Committees (DVCCs)** is an approach to develop “grassroots” institutions comprising value chain actors and support institutions in determining priority needs for investment, developing trusted commercial linkages and transparency in pricing and marketing, ensuring efficiency in the value chains and enhancing the value chain governance. A total of 57 DVCCs have been established in all districts of the Programme for the industrial crop window and are being facilitated by ACDEP. These DVCCs are functioning at different levels of sophistication and development. A rapid assessment of 34 sampled DVCCs indicated that:

- (a) Six are fully functional with full governance structures, self-organising and mobilising resources for their operations;
- (b) A further 12 have functional governance structures but require further support to get them consolidated;

- (c) Ten were fairly functional, showing promising prospects but required further nurturing; and,
- (d) Six were assessed to be weak with inactive leadership and lack of motivation among members.

14. It was observed that facilitating the DVCCs access to credit has been the major pull factor for active participation in the DVCCs. However, the DVCC concept cannot be promoted as a standardised concept in every district as it depends on the vibrancy of the specific value chain under promotion. Focus should rather be on developing the value chain which is then likely to trigger the formation of the DVCC. It was agreed to conduct a collective assessment in the districts to determine what structure is required to promote the particular value chain.

15. It was also noted that District Agricultural Staff are supporting DVCC development in collaboration with ACDEP. However, such staff have not received specific business and value chain training. This support can be made more sustainable by provision of specific training in business and value chain concepts and promotion.

16. **Public Private Partnership (PPP).** NRGp has entered into several PPPs with envisaged outcomes including productivity and income improvement, market assurance, environmentally conscious farming methods, human capital development and job creation. NRGp has had PPP agreements with Savannah Farmers Marketing Company (SFMC), Nestle Ghana Limited, Minow Willies and Wiers (MWW), AVNASH, OLAM, AAK, Akate Farms. Some of these private firms also operate with other aggregators and offtakers which NRGp does not work directly with. Partnerships with SFMC, Nestle Ghana Ltd, Akate Farms and MWW are operational and providing demonstrable benefits to clients. However, the relationships in three of the PPPs have not materialized due to changes in the policies of the partnering companies, especially with respect to fair price setting. The mission recommends that NRGp continues with the positive PPP engagements, and seeks to revitalize those which have lapsed.

17. **Appointment of Facilitating Agencies (FA).** So far, no appointment of a facilitating agency (FA) has been completed for the livestock window, and one current proposal is unlikely to be accepted. There is also no current prospect of appointing an FA for support to Fruit and vegetable production. Similarly, for the Women's' Commodity Window/Shea, the re-engagement of the FA has not materialized due to procurement procedure requirements. The programme has indeed identified possible FAs for livestock and women's commodities, but it has been unable to complete the engagement because of lack of flexibility from the potential service providers in complying with procurement requirements.

18. At the same time, two companies involved in shea processing and marketing have approached the programme with proposals for engagement in modest PPP arrangements. These proposed agreements would involve the companies providing training and capacity building for shea collectors and small-scale processors, with the programme providing for the costs of this. There would also be an arrangement to link the collectors and small-scale processors to the programme matching grant facility to build their capital investment requirements.

19. In order to build on these developments, the mission recommends that the programme now advertises its interest in engaging in PPP arrangements for livestock, women's crops and fruit and vegetables. It would look to appoint several companies in each sector on a competitive basis, each with an initial one year engagement which could be extended with good performance.

20. **Youth Irrigated Agriculture Programme.** As a result of the success of demonstrations, a large number of youth groups and FBOs have expressed interest to participate. The 30 FBOs made up of 505 farmers who participated in the fruits and vegetables production demonstrations in the upper west region are going to be joined by 30 new FBOs have expressed interest in dry season pump irrigation this year. This will bring the total number of FBOs participating 60 for the coming season, cultivating about 300 acres of fruit and vegetables. The Programme has also received requests from youth groups under an umbrella youth organization (MES-DEL Investments, Tamale) that is ready and organizing in excess of 8,700 farmers to produce on more than 9,500 acres.

21. **Commodity Chain Development Fund: Capacity Building Activities.** The programme continues to provide impressive support for farmer's capacity building and productivity improvements. The main activities have included:

- (a) Training on grain quality improvement and management, with 1,265 persons trained;
- (b) Field days on improved technology at 55 demonstration sites on integrated soil fertility management, one on rainy season rice production and 7 Irrigated Vegetable production demonstrations sites;
- (c) Study tour on Conservation Agriculture (CA) for PMU specialists, Farmers and AEAs to an identified a centre in Ashanti Region where CA is in practice to enable staff and stakeholders to gain understanding and appreciation of the concept of CA and its benefits;
- (d) Training in general Good Agricultural Practices including crop budget preparation, fertilizer placement, post-harvest management, and safe use of agro-chemicals; and,
- (e) Initiation of CA Demonstrations, with a site in each region now being selected and evaluated, farmers being sensitized, soil testing undertaken and equipment and techniques being defined in preparation for implementation during the 2015 and subsequent rainy seasons.

Component B: Rural Infrastructure Development

22. **Small-Scale Irrigation Development Sub-component:** This sub-component is made up of rehabilitation of agricultural water management schemes (41 inland valley rice development and small scale irrigation development schemes); construction of 1,000 ha of flood recessions schemes and promotion of river pumping schemes.

23. **Agriculture Water Management Schemes:** Contracts have been awarded for the rehabilitation of 35 out of the 41 agricultural water management (AWM) schemes targeted by the project. The project has handed over the 28 schemes in Ashanti, Brong Ahafo Western, Greater Accra, Central and Volta Regions to contractors for execution. The contractors are at various degrees of completion. The mission has been assured of their commitment to complete the works on schedule, despite some weather-related delays. In addition, Bank's no objection has also been granted for contract awards for six schemes in Northern and Upper East Regions of which five (5) contractors have signed their contracts. Bidding documents for the final eight (8) lots in Brong Ahafo and Upper West have been prepared. However, the continuation of the procurement process has been suspended due to limited funds and time to undertake these within the remaining implementation period.

24. **Flood Recession Scheme:** The Ghana Irrigation Development Authority (GIDA) and Agricultural and Engineering Services Directorate (AESD) of MoFA have completed the surveys and designs for the 1,000 hectares in two regions. The mission reviewed and cleared the bidding documents for the schemes. It recommends that NRGp expedites action on the procurement of contractors for these schemes and ensures that they are able to complete the construction works before the upcoming 2015 rainy season.

25. **River Pumping Schemes:** Under the river pumping schemes, 142 pumps (out of 150 pumps procured under the project) have been sold to farmers on hire-purchase arrangement. The respective buyers for some of these paid initial deposits of 10 percent of the pump cost, and this was domiciled in a special project account. Farmers are given 12 months grace period and are expected to pay for the remaining pumps within a time frame of 3 years. However, none had made any further payments as at the time of this mission. Additional pumps were acquired by district assemblies without any initial deposit or subsequent instalment payments. Though these pumps were bought with an initial idea of distributing them freely to selected farmers groups, the NRGp, in line with the MoFA policy, sold the pumps on hire purchase. So far, the programme has been unable to follow-up with the payments for the pumps and it appears that there is no laid down mechanism of recovery of these costs.

26. The Mission recommends that (i) all outstanding deposits for the pumps be paid into the account (ii) all outstanding repayments be recovered (iii) the account where the repayments are domiciled should have clear indication of how the amount will be used to support irrigation development (iv) there should be clear mechanism of recovering the money from the beneficiaries.

27. **Market Infrastructure Development Subcomponent:** Feeder Roads: The project had achieved marked successes in the construction of 646km of feeder roads, made up of 69 different roads linking 345 communities in 41 districts within the programme area. The roads are estimated to directly benefit about 250,000 rural dwellers and about 500,000 indirectly. The investment has engendered productivity increases and expansion of production fields of farmers in most of these communities. Currently the level of physical completion of the roads is estimated as 92% with 61 lots out of 69 lots fully executed and handed over. The remaining eight lots are at various levels of completion.

28. **Farm Access-Tracks:** The programme is expected to establish about 200km of Farm Access Tracks to further open access to production areas including irrigation sites and farms. The Mission observed that the identification and design of these access tracks has been delayed. Considering time and resources constraints, the NRGP intends to identify and limit this activity to only those that are linked to on-going works in small scale irrigation development schemes which could be executed as additional works by the contractors constructing the schemes. This is to ensure effective support to the irrigation schemes in terms of access to inputs and delivery of produce from the schemes to the markets.

29. **Market Facilities:** The construction of nine (9) out of the 10 identified warehouse and the four pack-houses have been awarded to contractors. The 10th warehouse was cancelled due to challenges related to land acquisition. In line with the various PPP models that are being promoted by the government, the programme had identified some management models for the warehouses which were to be used, including inventory credit and warehouse receipt systems. The Mission agreed that NRGP will recruit a consultant to assist in the selection process for the actors and development of the management plans for the facilities.

Environmental and Social Management Plan (ESMP)

30. The NRGP follows the ESMP assiduously in collaboration with the Environmental Protection Agency and Ghana Health Service. The Mission observed the threat of Ebola in the region as a new risk. It recommends that the NRGP informs the GHS of the platforms such as the DVCC platform as opportunities for dissemination of information on the disease. The Mission also requested the institution of the recommended good practices such as ensuring having all visitors to the office to use provided alcohol-based hand sanitizers and regular hand washing.

Component C: Access to Finance.

31. Progress. Lending from PFIs to producers affiliated to FBOs and DVCCs continues to increase year-on-year. Total disbursements from 2013 were valued at GHS 1.5M, which increased to GHS 1.9M in 2014. Recovery of loans from 2014 is about 85%, with 15 % in arrears, owing to failure by one of the major buyers to meet their payment obligations. PFI Managers noted problems with arrears in all types of loans—agricultural and otherwise owing to general weakness of Ghana's economy in the past year and were confident that loans in arrears to agriculture would be settled. Two refinance arrangements between universal banks and RCBs, targeting increased agricultural lending, have been offered and one has been accepted which will result in a net increase of GHS 2M of agricultural finance to NGRP's FBOs (a 100% increase over lending levels already booked for the 2014—15 season). The programme is actively pursuing other similar facilities.

32. Matching Grants for productive assets have been offered to 34 of 47 applicants (with values of, applicant contribution—GHS 144,000, grant contribution—GHS 432,000, lender participation—GHS 864,000). Only four of the 34 have been successful at securing loans from PFIs.

33. Under the recommended Peer Review, 13 of 16 RCBs have submitted returns. The results of the first Peer Review are: four are well managed and seven clearly need support in accounts

management. The leading four can now be used to support the weaker nine. Planned training for PFIs has been agreed with RAFiP's Capacity Building Fund and is on track.

34. **Issues.** Slow repayment of borrowing producers is the result of several factors. The most significant factor is off-takers' inability to meet their buying obligations—especially Savannah Farmers Marketing Company—leading to less qualified off-takers filling the gap. In the current season, inability to establish the cost and/or availability of fertilizer has slowed appraisal and disbursement of production loans to FBOs. Matching Grant uptake is slow owing to (i) the targeting of RCBs—that lack the loanable funds—by applicants; and (ii) weak applications. Mainstreaming finance from larger banks to agribusiness has started with a fair degree of success, but requires continued support, specifically through linkages with DVCCs and with introduction and rollout of risk neutral products. The first Peer Review exercise has revealed general weakness among several PFIs that require both general and specific capacity building.

35. **Recommended Approach.** The Mission recommends: (i) NRGp support Savannah to establish Invoice Discounting with a willing lender to underpin their capacity to buy regularly; (ii) NRGp develop a pipeline of asset vendors coupled with financiers and train them in: the Matching Grant Policy, the Asset Based Finance Product, and enterprise cash flow analysis—this should be done as a meeting of interested parties to present and exchange business contacts; (iii) NRGp continue to pursue and negotiate with larger lenders—universal banks and Savings and Loans—to negotiate MOUs leading to mainstreaming of agribusiness finance especially using asset based finance and invoice discounting; (iv) NRGp continue to mobilize Peer Review returns and foster mentoring of weaker RCBs by higher performing RCBs through a short plenary workshop followed by actual mentoring; and (v) NRGp continue to collaborate with RAFiP for capacity building and with the ICO to develop a saving up for fertilizer product for FBO members to pre-finance fertilizer purchases through PFIs.

Agreed action	Responsibility	Agreed date
Categorisation of the FBOs based on their level of development	PMU/ACDEP/DDA	March, 2015
Develop strategies for further FBO development	PMU/ACDEP/DDA	March, 2015
Assess the functional levels of all DVCCs and develop strategies for their consolidation	PMU/ACDEP	March, 2015
Document processes and lessons learnt in the development of the DVCCs for upscaling	PMU/ACDEP	March, 2015, ongoing update
Assess districts to determine the appropriate structure required for promoting value chains	PMU/ACDEP	June, 2015
Value Chain Training for District Agricultural Staff	PMU	March, 2015, ongoing
Continue & revitalize PPP engagements	PMU	Ongoing
Advertise for new PPPs for Shea, Livestock and Fruit/Vegetable Windows	PMU	Immediate
Expedite procurement of contractors for flood recession schemes	PMU	Immediate
Action to recover debts for pumps	PMU & DDAs	PMU
Recruit consultant for Warehouse/Packhouse management options	PMU	PMU
Institute Ebola precautions	PMU & all stakeholders	Immediate
Assist adoption of Invoice Discounting by Savannah with Universal Banks	RFSS & Agribusiness Consultant	31 Jan 2015
Asset Based Financing Launch and Coordination Event	RFSS & Agribusiness Consultant	15 Mar 2015
Sign four MOUs with larger lenders	RFSS	31 Mar 2015
Peer Review Event and Mentoring	RFSS	30 Jun 2015
Development and rollout of fertilizer savings product	RFSS and ICO	30 Sep 2015

D. Programme implementation progress

Programme Management/M&E.

36. **Programme Management.** The overall management performance is fairly satisfactory, and there are some areas of improvement noted, particularly with respect to management of the AWP&B and the commensurate improvement in contract activity and disbursements. The mission commends the impact of the increase in responsibility accorded the M&E Officer, which appears to have resulted in improvements in day-to-day management functions.

37. Nevertheless, there are persistent strains in management evident to the mission. The most prominent is the continued failure to appoint a Value Chain Manager after almost two years of vacancy. This is a major concern, as it means that a series of important activities do not benefit from professional leadership and management. An additional impact is that this imposes a higher workload on other specialists in the PMU, and thus compromises their ability to fully concentrate on their specific roles. The mission was advised that short-listing of candidates has been done. It is therefore requested that the interviews and appointment are conducted immediately.

38. The recent added pressures to the NPC due to his new role in GASIP needs to be addressed urgently. There is already a requirement for him to commit a substantial proportion of his available time to the GASIP start-up, and this means he is often unavailable for NRGp roles. The mission requests the appointment of an Acting NPC with immediate effect. Thereafter, the programme should advertise for substantive NPC in mid January, and expedite appointment by end of March 2015. In the meantime, it is proposed that the current NPC would continue to have some residual responsibility for some financial and contractual matters, mainly pertaining to Component B completion.

39. **Monitoring and Evaluation.** The April supervision mission had agreed that the programme coordinator identifies a qualified candidate for the position of an M&E Officer from within MOFA, who would be charged with the day-to-day management of the M&E aspects under the supervision of the M&E Manager. This recommendation has not been implemented, although a temporary data entry officer has been engaged to support the M&E Manager. It is recommended that the programme advertise for an experienced M&E Officer to act under the supervision on the M&E Manager, as originally agreed.

40. The M&E system of NRGp is taking cognizance of the overall programme performance and progress of implementation of the programme. To a very large extent, the system is also harmonized with the M&E system of MoFA. The programme has developed various templates for collecting relevant data on activities from the field. These templates have been shared with the MoFA schedule officers, facilitating agencies and other partners who then provide data for analysis on programme performance.

41. A Data Management System has been developed for the programme by a consultant. The system allows the M&E staff of NRGp to capture data on various programme component activities and indicators. It also provides opportunities for analysis of programme outputs and outcomes. Due to technical difficulties however, the system is currently not running as at the time of the mission. The mission recommends that the PMU follows-up with the consultant to get the system running by the end of December 2014.

42. The supervision mission of April 2014 recommended that the duties of a Deputy Programme Coordinator should be assigned to the current M&E Specialist, whose title should then become M&E Manager with added responsibilities. It had been agreed further that the programme coordinator identifies a qualified candidate for the position of an M&E Specialist from within MOFA, who would be charged with the day-to-day management of the M&E aspects.

43. This recommendation has not been executed. Currently, Mr Abu-Bakr Seidu is supporting the PMU in the area of data entry and management. There is however no formal arrangement for his engagement at the moment. The mission recommends that (1) the PMU drafts a terms of reference to formally engage Mr Abu-Bakr Seidu on consultancy basis and share with the ICO (2) initiate action to engage the M&E Specialist for him to be fully integrated in the PMU.

44. Some other recommendations of the April 2014 supervision mission such as carry out refresher training for Schedule Officers, Program Managers and Field Business Facilitators on Data Quality, Data Collection, Data Aggregation, Data Analysis, Performance indicator tracking and Progress Reporting, is still pending implementation. These recommendations are still relevant and the mission recommends that the PMU expedites action towards their implementation.

45. **Knowledge Management.** Much more needs to be done in (1) capturing and promoting the innovative activities being undertaken by NRGPs and (2) sharing knowledge, lessons and experiences using knowledge products such as brochures, short videos etc. some brochures and videos are available but more needs to be done. The Programme has currently engaged the services a video documentary team to document the innovations and interventions of the Programme but have not been fully completed. A communication and knowledge management specialist within the project management team could add great value in this respect. The mission recommends that NRGPs procure the services of a communication and knowledge management specialist on a consultancy basis to capture, document and produce appropriate products that address these needs. The ToR for this should be developed and shared with the ICO by end of January 2015.

46. **Gender and Targeting:** The programme continues to make good progress on the inclusion of women and youth in the implementation of activities. There is continued collaboration with stakeholders particularly the District Assemblies towards promoting gender equality. More than 48% of the leadership positions in the FBOs are filled by women while more than 50% of those accessing financial services are also women. However, challenges with the recruitment of facilitating agencies for the shea and guinea fowl value chains poses a challenge to the further inclusion of women since these are activities that involve a heavy engagement of women.

47. **Livestock Window:** Due to a number of technical difficulties in recruiting a facilitating agency, the livestock window of the NRGPs which is essentially focused on developing the guinea fowl value chain, has not seen any activity to date. The mission visited and held discussions with the proposed facilitating agency, Trias Ghana. The following recommendations are made in relation to the development of the livestock window as options for consideration:

- i. The PMU should actively seek and identify other potential implementing agencies that could support implementation of the activities under the livestock window.
- ii. The proposal presented by Trias should be reviewed to accommodate activities that could be implemented on a yearly basis.

Agreed action	Responsibility	Agreed date
Recruit Value Chain Specialist	MoFA & NPC	December, 2014
Recruit a National Programme Coordinator	MoFA	January, 2015
Recruit an M&E Officer	MoFA	January, 2015
Data Management System Operational	M&E Manager & Consultant	31 March, 2015
M&E Refresher Courses for Implementation Partners	M&E Manager	January, 2015
Knowledge Management Specialist Consultancy	PCO	January, 2015
Submit 2015 AWPB & PP	PCO	15 Dec, 2014

E. Fiduciary aspects

Financial management.

48. **Overall Overview:** - On the overall the financial management is moderately satisfactory. The books of Account and other accounting records are up-to-date and the management financial statements as at 31 October 2014 have been prepared. However, on the negative side, the loan utilisation is 60%, which is disproportionate compared with the 6-year implementation period, and with only 2 years to completion. As of the date of the mission the cash flow position was precariously low

at USD 41,596, as a result of delayed retirement and justification as expenditure of advances and imprests for implementation. In turn, this pile up has held up the submission of the WA's. The other deficiency is lack of regular quarterly Financial Management reporting in addition to that of the financial year-end. Since 31 October 2104, the programme has received funds from WA 27 of USD 554, 0000, thus easing immediate cash flow concerns.

49. It was agreed that: - (a) the oversight and management of the advances and imprests will be intensified at the level of NPC, FC and component heads as part of team work starting with clearing the backlog of USD 267,868.94 outstanding as of the date the mission. (b) Multiple imprests will be abolished and limited to a maximum of two for any implementing partner, and their retirement will be carried out within the 40 day laid down procedure. (c) Financial statements will be prepared and submitted regularly at the end of each quarter for PMU management meeting and incorporation in the Physical and Financial progress report.

50. **Financial Management Systems**, internal Controls and reporting: The financial management systems, internal controls and procedures are largely performing except for the internal control of the retirement of Advances and imprests, as well as lack of regular quarterly financial reports. In order to address the current financial management deficiencies it was agreed that regularly at the end of each month: - (a) The full analysis of the outstanding imprests and advances will be prepared with the full age analysis, and ensure retirement is carried out within the 40 day accounting period. (b) Financial statements should be prepared quarterly (c) Withdrawal applications will be prepared and submitted on time and within the prescribed thresholds (d) Reconciliation of the Special account will be prepared for informing of the cash position.

51. **Budget performance** Against Actual: As at 31 October 2014, the budget performance against actual is USD 2.7 million against the budget of USD 4.83 million or 56%. With only 2 months remaining before the financial year end it is unlikely that the budget will be fully executed.

52. **Assets and Asset Register**: The mission reviewed the Register. A number of critical issues were noted. (1) The recently acquired assets as contained in the contract register have not been entered in the register (2) The register should be organised by classes of assets e.g. motor vehicles, computers, furniture etc. It was agreed that the Asset register would be updated with the recently procured assets and reorganised logically to facilitate ease of reporting analysis at financial year-end consistently with IFAD financial reporting.

53. **Staff Appraisals**: All staff files are well organized with up-to-date contracts and contain personal history information. Performance evaluation of the staff was carried out July 2014, but not yet signed by staff and the supervisor (NPC). The mission also noted that contracts are renewed without prior formal performance evaluation results that would justify the decision for contract renewal. It was also observed that leave monitoring is not properly done, making it difficult to know number of leave days due to staff and days already taken. It was agreed that: (i) staff contracts should be renewed after a performance evaluation that returns a satisfactory performance rating. (ii) Leave monitoring template should be developed and completed and with all leave information for each staff and filed in their individual files by 30 November 2014.

54. **Fuel Use**: **The mission did not find any significant issues regarding fuel use as most of the vehicles have logbooks well completed with the necessary information and good records are kept at the account office on fuel use.**

55. **Statements of Expenditures (SOEs)**: The Mission reviewed at random the SoEs supporting the withdrawal application (WAs) 24, 26, and 27 totalling USD 1.62 million that were submitted for replenishment of the SPA since the last mission. The random selection included items totalling USD 683,192 representing 42% of the total WAs value. The mission reviewed the supporting SOEs of the sample with the aim of confirming the expenditures' eligibility for claim and replenishment from IFAD. The bulk of the expenses in the sample were validated with supporting documents that were largely found to be in accordance with the laid down procurement procedures and the Financing Agreement, and therefore eligible for claim. However, supporting documentations raises the following gaps: (1) the attendance lists for workshops were not always complete. (2) The DSA payment

vouchers were not supported with itinerary of movements where the activity include multiple stations, (3) some DSA payment vouchers had no evidence of approval by a senior officer. It was agreed that these improvements would be included in the future supporting documents for justification and retirement of expenses.

56. **Review of the SPA and other Programme Accounts:** The mission reviewed the operation of the Special Account and other Programme Account and confirms that the Special Account allocation of USD 1.5 million is fairly accounted for as at 31 October 2014. The Special Account had an alarmingly low cash balance of USD 37,996 while the Programme operation and the petty cash accounts had a combined balance of USD 3,600. The key-reconciling item is proceeds of WA 27 for USD 554,497, which has been certified by IFAD for payment. The other item is the expenditure under WA 29 for USD 780,909 undergoing preparation completion in the PMU and being held up to await full justification of the advances and imprests included in the WA. Completing, the reconciliation is pending WA preparation of USD 130,891. It was agreed that WA's will be submitted within the laid down procedures of 30% or USD 450,000 threshold of the SPA allocation. It was further agreed that all specialists and staff are required to follow up on timely retirement of advances, and that this be made part of their performance evaluation

IFAD Loan and Grant Disbursement. IFAD Loan: The IFAD Loan Cumulative disbursement to 31 October 2014 is SDR 8.19 million or USD 15.3 million representing 58% of the Loan, including the Initial Deposit of USD 1.5 million. This status has been reconciled to the IFAD statements. However, the loan utilization, excluding the Initial Deposit is SDR 7.19 million, or USD 13.8 million, and represents utilization level of 50%. The mission has gone further to factor in expenditure for the pending WAs 27, 28 and 29, and other expenditures pending WA preparation all totalling to USD 2.17 million or SDR 1.41 million equivalents, at the current exchange rates. Consequently, the projected utilization is estimated at SDR 8.60 million or 60% of the loan leaving a balance of SDR 5.65 million (USD 8.73 million) as at 31 October 2014 at the current exchange rates.

57. **IFAD Grant:** IFAD has disbursed USD 100,000 out for the USD 400,000 allocated for financing activities under category VI, relative to regional exchange programmes. No activities have taken place since programme inception. The disbursed amount is sitting in the Grant USD designated account in its entirety. In the event that no activities are carried out during the remaining 2 years of implementation, the amount will be returned to IFAD in full. It was agreed that in order to avoid exchange losses, any transfers made from the USD account should be no more than what is enough for the specific activities. It was further agreed that the implementation of the exchange visits for which the grant proceeds have been earmarked during programme design be included in the 2015 AWPB.

Expenditure Re-allocations: The majority of expenditure categories do not indicate any immediate requirement for re-allocation of funds except category 8-operating costs- which has a 120% overrun. The maximum ceiling of 130% is likely to be reached long before the end of the remaining two-year implementation period. It was agreed that the Project management would justify their needs for the remaining implementation period, submit their request to IFAD for re-allocation by 31 January 2014. It is recommended that the programme prepare an allocation/reallocation request for review and feedback by the ICO prior to formalizing the request through the Borrower, to ensure efficient processing.

Counterpart funds:

The mission notes that to-date the GoG has contributed approximately USD 2.82 million equivalents, for cash support and tax exemptions. This contribution is against the USD 10.37 million budgeted at appraisal and represents 27.2%. No funds have been contributed so far in 2014 against the budget of USD 1.74 million. The Programme has struggled with balance of cash brought forward last year. At this stage, there is still a small positive balance on the counterpart account, but will not suffice for until the end of 2014. So far, there has not been any borrowing from the Special Account to replenish this account. The mission recommends that the GoG provide the counterpart funds consistently with the budget.

Compliance with loan covenants.

58. The mission reviewed the covenants of the financing agreement and confirms that no contravention has been noted, apart from delayed implementation.

Procurement.

The Mission is pleased to note that the Procurement Plan (PP) for goods is well prepared as well as being updated in a very detailed manner. The Mission found a few areas for improvement in the structure of the PP, and made recommendations so that the PP may become even more efficient tool for planning and monitoring purpose. It was observed however that the PP for consultancy services show none of the lots are completed. The Mission is aware that because of the delayed finalization of the PP 2014-2015, many procurement actions were on hold pending the PP. There were also some procurement cases that have been transferred to another project (RAFiP) even though procurement actions were getting prepared. Accordingly, a substantial number of procurement activities were delayed. It is observed however that many of the outstanding procurement activities have already been initiated, and are either being finalized or in the NO process.

59. Furthermore, the Mission also observed that the Contract Registry Table for contracts signed in 2014 is well prepared, structured for contract monitoring purpose and has been properly updated to confirm that all the contracts for goods issued in 2014 have completed their delivery. Since no contract for consultancy has been completed in 2014, the Contract Registry Table does not include any consultancy service contracts signed out off the 2014 PP.

60. The Mission also reviewed contract files that were selected from the Contract Registry Table. It was observed that relevant documents were systematically filed to ensure that information may be properly retrieved at a later stage. Several procurement cases which will soon lead to requests for No Objection were reviewed to ensure correct procurement processes as well as correct contract provisions, with a view to expediting the eventual NO process. The Mission observed that all of the documents were prepared with high standard but also identified areas for improvement, which were corrected as a result of the training using those documents as training materials.

Audit.

61. The audit for the programme is up-to date and the 2013 audit and the auditors returned unqualified opinions. The mission reviewed the financial statements and found them satisfactory. However, they require improvements in terms of clarity of the cumulative figures. The notes to the account should spell cumulative figures for each financier. The note to the accounts for non-current assets requires re-classification to reflect suitable asset classes, which should include Motor vehicles, Computers and Equipment, and Furniture and fittings. The review of the management letter does not reveal major issues. It was agreed that the improvements should be incorporated in the 2014 audited financial statements, and Management letter issues be fully addressed.

Agreed action	Responsibility	Agreed date
Request for Re-allocation for Category 8, which is overrun by 120%.	NPC/FC	31 01.2014
Continue to follow-up the GoG for the counterpart contribution as per the budget.	NPC/FC	31 12 2014
Fast track the retirement and processing of the pending imprests advances amounting to USD 267,869, and submit the pending WA 29	NPC/FC	15 12 2014
Update Asset Register with assets procured this year	FC/ACCOUNTANT	15 12 2014
Abolish multiple advances and limit to single advance at a time until previous one is fully accounted for within 40 days.	NPC/FC	Immediate
Prepare and circulate financial statements regularly at the end each quarter	FC	31 12 2014
Submit WA's consistently with the laid down procedures	FC	Immediate

F. Sustainability

62. The programme has continued to make progress of importance for development of farmer productivity and incomes, and excellent progress in construction of infrastructure. There has also been progress in overcoming a major constraint to further up-scaling through increases in availability of finance for production and investment from commercial sources.

63. The key challenges now are to increase the breadth of effective support to other value chains such as shea, livestock and vegetables. It is also vital to continue the process of identification of appropriate financiers, financial products and modalities of financial services provision to commence to satisfy these burgeoning demands for productive rural investment. Finally, it will be most important to institute sustainable PPP arrangements for the operation and maintenance of commercial infrastructure assets, particularly irrigation schemes, warehouses and pack houses.

64. To enable a rapid start to implementation during 2015, it has been agreed that the programme will present a draft of its AWP&B for 2015 by the end of November 2014. This will allow IFAD/ICO and mission support to finalising this vital planning document in good time for timely processing.

Agreed action	Responsibility	Agreed date
Preliminary AWPB prepared	PMU, ICO support	15 Dec., 2014

G. Conclusion

65. The recent success of NRGp in acceleration of activity is a good indicator of improving programme implementation. There is now only one year remaining for completion of Component B, and two for the rest of the programme. The programmes focus on women should be strengthened and maintained. The continued concerns in programme financial management, especially relating to the retirement of advances and imprests which severely affect the liquidity of the programme; exceptionally low disbursement; incoherence of the AWPB; and lack of government budgetary support (counterpart fund) for two years; and with the persistence of these problems, the Programme is currently classified as a Potential Problem Project. The inability to engage FAs for the shea, Vegetable and livestock windows means the development objectives of the programme are not likely to be achieved. The Programme is required to address these challenges proactively, as well as mitigate the potential negative trends in the programme performance. The PCO is required to engage a Consultant as a Technical Assistance for the value chain development whilst the recruitment of the Value Chain Specialist is finalised. The classification of the NRGp as a potential problem project implies that high commitment is required by both Government and the PCO to address the challenges elaborated within the specific timeframes defined in the Aide memoire in order to avoid partial cancellation or early closure. The mission has agreed on significant measures which are intended to improve the rate of implementation and quality of programme outputs. The mission is convinced that programme staff and implementation partners remain committed to the full implementation of the programme design, and the financiers remain amenable to assisting in this in any practical way.

66. Ifad and the Government of Ghana endorse the findings of the supervision mission.

Appendix 1: Project Status Report.

Basic Facts

Country	Ghana			Project ID	1390	Loan/DSF Grant No.	734
Project	Northern Rural Growth Programme					Top-up Loan/DSF Grant	
Date of Update	20-Aug-2014						
Supervising Inst.	IFAD/IFAD						
No. of Supervisions	10	No. of Implementation Support/Follow-up missions	2				
Last Supervision	02-May-2014	Last Implementation Support/Follow-up mission	02-Apr-2014				

USD million Disb. rate %

Approval	13-Dec-2007			Total financing	103.55	
Agreement	12-Sep-2008	Effectiveness lag	10.5	IFAD Total	22.72	
Entry into force	24-Oct-2008	PAR value	-----	IFAD loan	22.32	57.5
First disbursement	09-Apr-2009			DSF grant		
MTR	19-Oct-2012	Last amendment		IFAD grant	0.40	25
Original completion	31-Dec-2016	Last audit	18-Jun-2012	Domestic Total	19.61	
Current completion	31-Dec-2016			Beneficiaries	3.70	0
Original closing	30-Jun-2017			Government (National)	10.37	25.71
Current closing	30-Jun-2017			Domes. Fin. Inst.	4.61	64
No. of extensions	0			Private Sector Local	0.94	64
				External Cofinancing Total	61.22	
				African Dev. Bank	61.22	36.14

Project Performance Ratings

B.1 Fiduciary Aspects	Last	Current	B.2 Project implementation progress	Last	Current
1. Quality of financial management	4	3	1. Quality of project management	4	3
2. Acceptable disbursement rate	4	3	2. Performance of M&E	4	4
3. Counterpart funds	5	3	3. Coherence between AWPB & implementation	3	3
4. Compliance with financing covenants	4	4	4. Gender focus	5	4
5. Compliance with procurement	3	3	5. Poverty focus	4	4
6. Quality and timeliness of audits	5	5	6. Effectiveness of targeting approach	4	4
			7. Innovation and learning	5	5
			8. Climate and environment focus	5	5

B.3 Outputs and outcomes	Last	Current	B.4 Sustainability	Last	Current
1. Inclusive organizational and financial mechanisms	4	4	1. Institution building (organizations, etc.)	4	4
2. Irrigation and transportation infrastructure	3	4	2. Empowerment	5	5
3. Access to financial services is improved	4	4	3. Quality of beneficiary participation	5	5
			4. Responsiveness of service providers	4	3
			5. Exit strategy (readiness and quality)	4	4
			6. Potential for scaling up and replication	5	5

B.5 Justification of ratings

The financial management is sound with no adverse findings. However, disbursement is considered low (at 60%) with two years left for project completion and cash flow position is also low as a result of delayed retirement of expenditure advance and imprest. A grant balance of USD 300,000 still remain unutilised. No counterpart funds have been received in 2014. Programme management have not broaden and deepen activities in support of value chain development. Key recommendations of previous mission to recruit and engage a value chain Specialist and Facilitation Agents for the Women's crop window (shea and sesame), vegetable and livestock value chains have not been implemented. The initial momentum on supporting the women groups and expanding to cover more under sesame is slowed down. The programme's focus on poverty reduction still remain relevant and is adopting diverse strategies to increasing productivity and using environmentally-sound practices such as conservation agriculture. Programme implementation has been hampered with delays arising from late submission of AWPB for IFAD approval. The M&E system has been improved but is yet to be used fully for capturing outcomes and impacts. The Programme continues to innovate in demonstrating soil fertility and water management technologies in rice cultivation, and also adoption of conservation agriculture practices for soil fertility and moisture management, as well as strategy for climate change adaptation. Implementation of infrastructure (irrigation, roads and warehouses) have been greatly accelerated, with all earmarked constructions awarded on contracts. There has been significant boost of private banks financing farmers and other value chain actors and the RCBs financing increased by about 25%, with a Universal Bank doubling its seasonal lending to programme clients. The programme continue to build and expand local community groups as FBOs and the DVCCs, thereby strengthening the actors capacities along the industrial crops value chains in planning, negotiation and business linkages. The programme works closely with the MoFA structures at the district and regional levels in building their capacities and mainstreaming the VC concept and innovative practices as part of the extension systems.

Overall Assessment and Risk Profile

	Last	Current
C.1 Physical/financial assets	4	4
C.2 Food security	4	5
C.3 Quality of natural asset improvement and climate resilience	4	4
C.4 Overall implementation progress (Sections B1 and B2)	4	4

Rationale for implementation progress rating

Overall implementation performance remained moderately satisfactory. FBOs of the industrial crops continued to be supported under the industrial crop window, and 29 new Rice FBOs supported to improve their productivity and produce quality. Average maize yields of farmers is increasing steadily 1.1 tons/ha in 2009 to 2.9 tons/ha in 2013 cropping season; soya from 1.0 ton/ha to 1.6 tons/ha and sorghum from 1.0 ton/ha to 1.4 tons/ha. DVCCs have been formed in all 57 programme districts, however, majority are not fully sustainable and require intense facilitation and support to make them more sustainable before programme completion. NRGP continued to explore possible partnerships with large commercial firms for assured markets for farmers, even though challenges relating to fair price setting still remain. Appointment of FA for shea, vegetables and livestock still remain unresolved but are imminent. The programme has is to initiate competitive bidding process to recruit and explore for PPP arrangement within the next two months. The programme has broken new grounds of supporting 30 youth groups engaged in fruits and vegetable production and more youth groups are to be enrolled during the next season. Major infrastructural developments are under construction and expected to be completed within the next nine months. The programme follows the environmental and social management plan assiduously. Lending from PFIs to programme clients have been increasing steadily. Total disbursement increased to GHS 1.9 million in 2014 from GHS 1.5 million in 2013. Recovery of loans in 2014 is about 85%. Matching grant for productive assets was offered to 34 applicants valued at GHS 432, 000.00, though its uptake is considered to be low. Programme management requires improvement, particularly with respect to timely planning and implementation of AWPB and improvement in contract activities and disbursements. Absence of a Value Chain Specialist for nearly two years has contributed to the slow implementation of the shea, vegetable and livestock value chains. The M&E system has been improved markedly and data collection sheets developed, however, the system remained to be fully operationalised to capture outcomes and impacts. Immediate preparation of the AWPB and PP 2015 has been recommended.

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

The programme remain focused in moving towards attainment of the development objectives. It continues to intensify its resolve to develop a private-sector led, demand-driven approach for both rain-fed and irrigated food and industrial crop commodity chains through strengthening of FBOs and their access to markets through the DVCCs and linkages with large commercial firms like Nestle, OLAM, Avnash, SFMC, etc. There is also increased efforts to encourage the large commercial banks to provide term loans to farmers as its evident that increased productivity by farmers is attributed to those that have been able to access credit from the RCBs, who still have liquidity challenges in meeting the demand of farmers, especially under the matching grant facility of the programme. The programme remain largely on track in its efforts to provide agricultural infrastructure with most of the earmarked near completion. What remained unresolved and which can present some implementation challenges is the absence of a Value Chain Specialist and the appointment of the incumbent Programme Coordinator as the national Coordinator for the GASIP. Recruitment processes for the two vacant positions is required immediately to forestall any adverse effect on programme management.

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

Fiduciary aspects	The management and oversight of the advances and imprest to Implementing partners is a major deficiency that has held up the submission of the Withdrawal applications. And which in turn has negatively affected the funds flow. This has not improved the quality of the Financial management and the disbursement ratings. The quality and timeliness of the procurement processes and the submission of requests for No Objection to IFAD has been problematic during the latest year. Internal processes in the PMU must be enhanced to fulfil the normal procurement standards as well as ensuring adequate cash flows for implementing the project activities. The financial statements should be prepared and submitted regularly at the end of each quarter and this has not been the case in the past.
Project implementation progress	Two year absence of a Value Chain Specialist, and the pending vacancy for the National programme Coordinator position need to be filled immediately as this poses a major risks in ensuring successful implementation and project management. Delayed submission for approval of AWPB and PP by the PCO leads to implementation delays and low disbursements. Key actions to address this challenge include (a) immediate recruitment to fill the vacant positions to strengthen overall coordination, monitoring and administrative capacity; (b) immediate activation of additional value chains through the completion of the procurement process of facilitating agencies; (c) activation of the M&E system to effectively monitor project implementation, outputs, outcomes and impacts.
Outputs and outcomes	Participation in the grant programme - Special Purpose Vehicles (SPVs) - in the NRGp has dwindled due to participant's engagement with sister programmes such as ADVANCE and GCAP who are offering incentives and packages that are considered better. This represents a major risk to the programme. To overcome this risk, it is recommended that MoFA initiates discussions among the respective projects to rationalise and harmonise these grant facilities. Another risk is distortions in the produce markets caused by external factors interfering with the price setting practices between farmers and markets. The loss of trust between the farmers and SFMC, a commercial buyer presents grave concerns for the industrial crop window. To overcome these challenges, the PCO will need to: (a) strengthen contracts between value chain actors; (b) initiate dialogue among different partners to develop and promote a more formalized system for matching grants; and (c) liaising with larger financial institutions to promote direct financing of FBOs, offtakers, input suppliers and other value chain actors, as appropriate.
Sustainability	The sustainability of NRGp continued to be dependent on local institution building including capacity building of FBOs and Value Chain Committees. The programme has continued to make progress in farmer productivity and incomes, and excellent progress in construction of infrastructure. There has also been progress in overcoming a major constraint to further up-scaling through increases in availability of finance for production and investment from commercial sources. The key challenges now are to increase the breadth of effective support to other value chains such as Shea, livestock and vegetables. It is also vital to continue the process of identification of appropriate financiers, financial products and modalities of financial services provision to satisfy these burgeoning demands for productive rural investment. Finally, it will be most important to institute sustainable PPP arrangements for the operation and maintenance of commercial infrastructure assets, particularly irrigation schemes, warehouses and pack houses.

Proposed Follow-up

Issue / Problem	Recommended Action	Timing	Status
M&E	Formalise promotion of current M&E Officer to M&E Manager Initiate recruitment of an M&E Officer	Immediate	
Programme Management	Finalise recruitment of Value Chain Specialist Recruit new National Programme Coordinator	Immediate	
Programme Management	Prepare and submit 2015/16 AWPB and PP	5 Dec, 2014	
Fiduciary	Request for Re-allocation for Category 8, which is overrun by 120%.	Dec. 2014	
Value chain development	Recruit FAs for Shea, Sesame, vegetable and animal windows.	Immediate	

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

Narrative Summary	Key Performance Indicators	Progress	Means of Verification	Assumptions (A) / Risks (R)
Goal:				
NRGP will contribute to an equitable and sustainable poverty reduction and food security among rural households in northern Ghana	<ul style="list-style-type: none"> Incidence of poverty in Northern Ghana reduced (indicate from To What?) 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Ghana Statistical Service (GSS)/Ghana Living Standard Survey Report (GLSS)/ Multiple Indicator cluster Survey (MICS) 	Government remains committed to the implementation of the FASDEP II and Food Security Action Plan
Project Development Objective:				
Increase northern Ghana area rural households' income on a sustainable basis	<ul style="list-style-type: none"> Increased incomes for households in Programme area higher than national average Decrease of malnutrition rate in Northern Ghana Household assets increased Agric GDP growth increased (%) 	<ul style="list-style-type: none"> GLSS yet to be conducted A Participatory Outcome Assessment (POA) conducted by the Programme in 2012/2013 showed increases in average incomes from GHC302.7 in 2011 to GHC 643 in 2012 and to GHC 851 in 2013 representing 181.1% from the baseline of 2011 	<ul style="list-style-type: none"> GSS/GLSS Report/ MICS/Survey Report NRGP Reports GSS Economic Performance report 	Government remains committed to the implementation of the FASDEP II and Food Security Action Plan

Narrative Summary	Key Performance Indicators	Progress	Means of Verification	Assumptions (A) / Risks (R)
Outcome 1: Profitable and sustainable Commodity Value Chains are established in the Programme area and are supported by enhanced infrastructure and access to financial services	<ul style="list-style-type: none"> ▪ % increase in productivity ▪ Volumes of commodities produced by commodity ▪ % increase in incomes by actors along the value chain ▪ % change in business profits of clients ▪ % of clients consolidating their businesses by category: <ul style="list-style-type: none"> a. Bankrupt (out of business)- (0%) b. Start Up level (15%) c. Survival/Consolidation (50%) d. Growth (30%) e. Strong Growth (5%) ▪ Number of jobs created (gross) as a result of enterprise development (Youth & gender disaggregated) (RIMS) 	<ul style="list-style-type: none"> ▪ Productivity of major commodities have increased. Productivity for maize has increased by 258% (from 0.8mt/ha to 2.86mt/ha), soya by over 226% (from 0.5mt/ha to 1.63mt/ha) and sorghum by 182% (from 0.5mt/ha to 1.41mt/ha). ▪ Since Programme inception, 31,918 mt of various commodities have been produced and marketed by rural small holder farmers 	<ul style="list-style-type: none"> ▪ NRGP Reports ▪ Farmers Records ▪ Surveys Reports 	Farmers adopt improved technologies
Outputs: 1.1 Capacities of POs Strengthened	<ul style="list-style-type: none"> ▪ Number of Farmers trained by MoFA & Other Training Service Providers ▪ Number of Farmer Groups formed, Registered & trained in group dynamics, cohesion & leadership skills (RIMS) ▪ Nb of members in PO/FBOs (sex 	<ul style="list-style-type: none"> ▪ 2,967 FBOs (membership of 91,748 with 66% being female) have been formed and operating with the Prog. ▪ Within the year, 7,038 farmers have been trained in various modules bringing the total number of farmers 	<ul style="list-style-type: none"> ▪ NRGP Reports ▪ NRGP Database 	Facilitating Agencies are available in numbers & quality for field-based strengthening activities

Narrative Summary	Key Performance Indicators	Progress	Means of Verification	Assumptions (A) / Risks (R)
1.2 Commodity Inter-Professional Bodies established	<ul style="list-style-type: none"> disaggregated) (RIMS) % of Women holding leadership positions in POS/FBOs No. of Households benefitting from Programme interventions (RIMS) Number of farmers (males & females) benefitting from the Programme using improved planting materials (RIMS) 	<ul style="list-style-type: none"> trained by the programme to 40,103. 48.5% of females hold leadership positions in the various FBOs 57 DVCCs have been formed in all the Programme Districts and each value chain organizes a minimum of 4 meetings in a year 	<ul style="list-style-type: none"> NRGP Reports DVCCs Records 	Strengthening of FBOs and structuring them into DVCCs will proceed with a sustained pace to enable them form commodity based IPBs
1.3 CBPs prepared and implemented	<ul style="list-style-type: none"> Number of IPBs/Apex bodies established (RIMS) Number of Meetings held by each IPB No. of District Value Chain Committees (DVCC) formed No of DVCCs Functional² (rate DVCCs from a scale of 1-7 e.g legal framework etc) NB-Please develop a criteria for evaluation % women represented on the DVCCs Number of CBPs prepared 	<ul style="list-style-type: none"> 30 DVCCs are functional³, 19 DVCCs are fair and 8 are weak 4 CBPs (shea, maize, soya and sorghum) have been prepared. To date the Programme has established 37 SPVs which are value chain businesses that have been established to support with the development of the various value chains 	<ul style="list-style-type: none"> NRGP Reports NRGP Financial Reports 	Policy framework continues to encourage private sector involvement in the rural areas

² 1-No of meetings (@least 4 times per year), 2-availability of minutes, 3-constitution/governance structure, 4-office with employees, 5-operational Bank Account, 6-successful linkages with other actors (tractor services, extension, financial and marketing), 7-Repayment of leverage credit by members by due date (100%)

³ 34 DVCCs were assessed and 18(52.94%) were very good or good, 11 (32.35%) were fair and 5(14.71%) were weak. The % therefore were used to extrapolate for the total number of DVCCs

Narrative Summary	Key Performance Indicators	Progress	Means of Verification	Assumptions (A) / Risks (R)
1.4 CDF established	<ul style="list-style-type: none"> ▪ No of value chain businesses established ▪ % of CBPs budgets implemented ▪ % of CBPs Projects being financed ▪ No of value chain actors trained on enterprenueral and business management skills ▪ No of value chain actors at each level of the chain linked to each ▪ value (%) disbursed by public windows ▪ value (%) disbursed by private goods window ▪ Number of businesses (clients) accessing the CDF (by commodity window) ▪ Commercial Ventures established and functioning as a result of interventions of the Programme ▪ Number of Public Private Partnerships established for managing facilities 	<ul style="list-style-type: none"> ▪ 	NRGP Reports	Stakeholders will demand the matching grants
Outcome 2: Clients access to infrastructure enhanced	<ul style="list-style-type: none"> ▪ All infrastructure constructed are being fully utilized 	<ul style="list-style-type: none"> ▪ 62 feeder roads representing 577.6km have been constructed by the Programme are being 	<ul style="list-style-type: none"> ▪ NRGPs Reports 	

Narrative Summary	Key Performance Indicators	Progress	Means of Verification	Assumptions (A) / Risks (R)
		used by beneficiaries. 7 more feeder roads are yet to be completed.		
Outputs: 2.1 Small scale irrigation developed 2.2 Market Infrastructure developed	<ul style="list-style-type: none"> ▪ Land (Area) under irrigation schemes rehabilitated (ha) (RIMs) ▪ % of developed area of irrigation schemes used ▪ Area of flood recession schemes constructed (ha) ▪ Number of WUAs established and functional ▪ % contribution of WUAs towards the maintenance of irrigation facilities ▪ No of clients sensitized on small scale irrigation schemes ▪ no of clients participation in farmer field schools (FFS) <ul style="list-style-type: none"> ▪ Total km of roads rehabilitated/constructed (RIMs) ▪ Km of farm access tracks rehabilitated/constructed ▪ Km of Feeder roads rehabilitated/constructed ▪ Number of storage facilities (Warehouses & pack houses) constructed (RIMS) ▪ % of beneficiary District Assemblies that have 	<ul style="list-style-type: none"> ▪ 852 ha of land are being used under pump irrigation whilst the designs of 41 irrigation schemes have been awarded on contract for construction ▪ 200 ha of flood recession schemes have been designed for construction ▪ 69 Water User Associations formed and trained <ul style="list-style-type: none"> • 577.6km out of 646.25 Km of feeder roads have been completed. The remaining length (68.65km) of roads are at various levels of completion • Designs of 10 warehouses and 4 pack houses completed and contracts awarded for construction to 	<ul style="list-style-type: none"> ▪ NRGP Reports ▪ WUAs Records <ul style="list-style-type: none"> ▪ NRGP Reports ▪ District Assemblies Records 	Enforcement of strict design and construction criteria for small dams, roads and storage facilities is effective and allows for economic viability and cost effectiveness

Narrative Summary	Key Performance Indicators	Progress	Means of Verification	Assumptions (A) / Risks (R)
	allocated adequate funds for the maintenance of new infrastructure	commence		
Outcome 3: Clients access to financial services enhanced	<ul style="list-style-type: none"> ▪ Number of clients accessing financial services 	<ul style="list-style-type: none"> ▪ 53,592 (26,979males and 26,613 females) are accessing financial services from PFIs 	<ul style="list-style-type: none"> ▪ NRGP Reports 	
Outputs: 3.1 Capacities of PFIs built	<ul style="list-style-type: none"> ▪ Savings and credit groups formed and/or strengthened (RIMS) ▪ People in savings and credit groups formed and/or strengthened (RIMS) ▪ Number of PFIs participating in the Programme (RIMS) ▪ Staff of PFIs trained (RIMS) ▪ Active borrowers (RIMS) ▪ Number of voluntary savers (RIMS) ▪ Value of voluntary savings (RIMS) ▪ Outreach of partner financial institutions expanded ▪ % increase in agric portfolio of RCB ▪ Value of loans borrowed increased (GHC) ▪ Number of additional branches established 	<ul style="list-style-type: none"> ▪ All the 2,967 groups formed with a membership of 53,592 (26,979males and 26,613 females) are all saving and borrowing from PFIs ▪ All the 26 PFIs working with the Programme to provide financial services to clients ▪ 85 PFIs staff have been trained in various modules to enhance their operations ▪ Loan/credit recovery on the average stands at 98% 	<ul style="list-style-type: none"> ▪ NRGP Reports ▪ PFIs Reports ▪ 	PFIs have loanable funds FBOs are repaying credit

Narrative Summary	Key Performance Indicators	Progress	Means of Verification	Assumptions (A) / Risks (R)
	<ul style="list-style-type: none"> ▪ % of the overall loan amount repaid ▪ % of loans defaulted (by Gender) ▪ % of Agric portfolio at risk at 30 days (RIMS) 			
Outcome 4: Effective implementation of the programme ensured	<ul style="list-style-type: none"> ▪ Programme successfully implemented 	<ul style="list-style-type: none"> ▪ 	<ul style="list-style-type: none"> ▪ NRGP Reports 	

Outputs: 4.1 Effective implementation of the programme ensured	<ul style="list-style-type: none"> ▪ PMU Established with full complement of staff ▪ No of NPSC meetings held ▪ All logistics provided to staff ▪ Number of Withdrawal Applications made annually 	<ul style="list-style-type: none"> ▪ The PMU has been established with the full complement of staff 	<ul style="list-style-type: none"> ▪ NRGP Reports ▪ Minutes of NPSC Meetings 	
4.2 Effective M & E System in place	<ul style="list-style-type: none"> ▪ AWP&B prepared and approved by NPSC by 1st November of the year ▪ AWP&B prepared and submitted to Financing Agencies for approved by 1st December of the year ▪ % of AWP&B disbursed ▪ Number of monitoring visits to project sites conducted ▪ Number of Quarterly, Annual and Audit reports submitted on time ▪ Programme receive satisfactory rating from Missions 	<ul style="list-style-type: none"> • 5 AWP&B prepared and implemented for the past 5 years • All PMU reports prepared and submitted on time • The Programme receives satisfactory rating from missions 	<ul style="list-style-type: none"> ▪ Monitoring Reports ▪ Mission Aide Memoires ▪ NRGP Audit Reports 	

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

Action Area	Action Agreed	Date	Whom	Progress
Project Implementation	Appoint Value Chain Coordinator	Immediate	NPC & MOFA	
	Reactivate dormant PPP arrangements	Immediate	PMU Specialists	
	Develop effective means for support to Shea and Guinea Fowl sectors	Immediate	NPC & Specialists	
	Expedite procurement of contractors for flood recession schemes	Immediate	PMU	
	Advertise for new PPPs for Shea, Livestock and Fruit/Vegetable Windows	Immediate	PMU	
	Appoint Acting NPC	Immediate	MoFA	
	Advertise for Substantive NPC	January, 15	PMU/MoFA	
	Engage consultant to get the NRGP Data Management System running	Dec. 2014	PMU/Specialist	
	Advertise for M&E Officer	Immediate	PMU	
	Initiate recruitment of Knowledge Management Specialist (Consultancy)	Jan. 2015	PMU	
	Develop proposals for recovery of debts due to pump distribution	Immediate	NPC & Specialists	
Sustainability	Document processes and lessons learnt in the development of the DVCCs for up scaling	March, 2015	PMU/ACDEP	
	Assess the functional levels of all DVCCs and develop strategies for their consolidation	March, 2015	PMU/ACDEP	
Fiduciary Aspects	Request for Re-allocation for Category 8, which is overrun by 120%.	Dec. 2014	NPC/FC	
	Fast track the retirement and processing of the pending imprests advances amounting to USD 267,869, and submit the pending WA 29	Immediate	NPC/FC	
	Abolish multiple advances and limit to single advance at a time until previous one is fully accounted for within 40 days.	Immediate	NPC/FC	
	Prepare preliminary AWPB	Nov. 2014	PMU/ICO support	
Other	Institute Ebola precautions	Immediate	PMU & stakeholders	

Appendix 4: Physical progress measured against AWP&B, including RIMS indicators

Component/ Sub-component or Output	Indicator	Unit	Period: January to November, 2014			Cumulative Actual	Appraisal/MT R Target	%
Component 1: Commodity Chain Development								
Sub-component: Strengthening Farmer Based Organizations	Households receiving project services	No	15,000	19,034	127	42,916	45,000	95.4
	Groups receiving project services	No	2,000	1,460	73	2,967	2,000	148.35
	People receiving project services	Male	14,000	14,224	101.60	26,979	30,000	89.93
	Community groups formed/strengthened	Female	6,000	9,569	159.48	26,613	20,000	133.1
		No	2,000	1,460	73	2,967	2,000	148.35
	People in community groups formed/strengthened	Male	14,000	14,224	101.6	26,979	30,000	89.93
		Female	6,000	9,569	159.48	26,613	20,000	133.1
	Community groups with women in leadership position	No	500	432	86.4	980	900	108.8
	Increase productivity ⁴ and production of smallholders by 7% by 2011 and 20% by 2017							
	• Maize (0.8mt/ha)	Mt/Ha	3.0	2.86	2.86	2.52	5.5	45.81
	• Soya (0.5mt/ha)	Mt/Ha	2.0	1.63	1.68	1.5	4	37.5
	• Sorghum (0.5mt/ha)	Mt/Ha	1.5	1.41	-	1.3	3	43.3
Increase incomes ⁵ of rural households by 6% in 2011 and 15% by 2017	%	20	32.35	161.75	32.35	15	-	
No. of radio Broadcast to disseminate	No	100	118	118	216	400	54	

⁴ Productivity for maize has increased by over 258% over the base year, soya by over 226% over the base year and 182% for sorghum over the base year in 2013. The yield estimates for 2014 are yet to be established

⁵ A participatory Outcome Assessment (POA) conducted in 2012 & 2013 showed that, average incomes of farmers had increased from GHC302.7 in 2010 GHC643 in 2012 and to GHC851 in 2013

Component/ Sub-component or Output	Indicator	Unit	Period: January to November, 2014			Cumulative Actual	Appraisal/MT R Target	%
			AWP&B	Actual	%			
	technologies							
	Number of Agric Staff trained	No	600	850	141.6	1,787	-	-
	Vol. of produce ⁶ produced	Mt	20,000	-	-	31,918	311,552	10.24
Sub-component: Commodity IPB established	Apex organisations formed/strengthened	No	4	4	100	7	6	116.6
	DVCCs established	No	0	0	0	57	-	-
Sub-component: Prepare and implement Commodity Business Plans	Number of CBPs prepared and implemented	No	0	0	0	4 ⁷	4	50
Sub-component CDF established and disbursed	% of CDF disbursed	%	2	1.8	90	1.8	80	2.25
	11 Commercial ventures are established (SPV)	No	10	6	60	43	100	43
Component 2: Rural Infrastructure Development								
Sub-component: Irrigation Infrastructure Development	Land under irrigation schemes constructed/rehabilitated	Ha	486	438	90.12	852	2,828.60	30.12
	41 small scale irrigation schemes ⁸ constructed	No	41	0	0	0	41	0
	Flood Recession Schemes constructed and Soil and water conservation techniques promoted	Ha	200	0	0	200	1,000	20

⁶ The produce are yet to be harvested for 2014.

⁷ 4 CBPs have been drafted but only 2 have been fine-tuned and elaborated

⁸ 35 Irrigation schemes have been awarded on contract but not completed yet. It is expected that, construction will be completed in 2015

Component/ Sub-component or Output	Indicator	Unit	Period: January to November, 2014			Cumulative Actual	Appraisal/MT R Target	%
			AWP&B	Actual	%			
	Number of WUAs established and functional	No	20	32	160	101	325	31.1
<i>Sub-component: Marketing⁹ Infrastructure Development</i>	Roads constructed	Km	400	469.60	117.4	577.6	600	96.3
	Farm access tracks reh/constructed	Km	0	0	0	0	200	0
	Storage facilities constructed/rehabilitated	No	0	0	0	0	10	0
	Pack houses constructed	No	0	0	0	0	4	0
	Groups managing infrastructure formed/strengthened*	No	0	0	0	0	0	0
	People in groups managing infrastructure formed/strengthened	No	0	0	0	0	0	0
	Groups managing infrastructure with women in leadership position	No	0	0	0	0	0	0
Component 3: Access to Rural Finance	Financial institutions participating in the project	No	6	2	33.33	26	30	86.66
	Saving and credit groups formed/strengthened	No	2,000	1,460	73	2,967	2,000	148.35
	People in saving and credit groups formed/strengthened	Male	14,000	14,224	101.6	26,979	30,000	89.93
		Female	6,000	9,569	159.48	26,613	20,000	133.1
	Saving and credit groups with women in leadership position	No	500	432	86.4	980	900	108.8

⁹ Under the Marketing Infrastructure Development Component, apart from feeder roads which has commenced, the farm access tracks, the warehouses/pack houses are still being designed for construction.

Component/ Sub-component or Output	Indicator	Unit	Period: January to November, 2014			Cumulative Actual	Appraisal/MT R Target	%
			AWP&B	Actual	%			
	Staff of financial institutions trained	No	35	35	100	85	100	85
	Enterprises accessing financial services facilitated by the project	No	10	6	60	43	100	43
	Value of gross loan portfolio	USD	1,000,000	656,422.88	65.64	3,708,557.58	3,000,000	123.62
	Value of voluntary savings	USD	100,000	65,642.28	65.64	370,855.76	300,000	123.62
	Active borrowers (disaggregated by gender)	Male	14,000	14,224	101.6	26,979	30,000	89.93
		Female	6,000	9,569	159.48	26,613	20,000	133.1
	Active savers (disaggregated by gender)	Male	14,000	14,224	101.6	26,979	30,000	89.93
		Female	6,000	9,569	159.48	26,613	20,000	133.1
Component 4: Programme Mgt, Coordination & M & E	No of NPSC meetings held	No	2	2	100	10	16	62.5
	AWP&B prepared and approved by NPSC by 1st November of the year	No	1	1	100	6	8	75
	AWP&B prepared and submitted to Financing Agencies for approved by 1st December of the year	No	1	1	100	6	8	75
	Number of Quarterly, Annual and Audit reports submitted on time	No	4	3	75	23	32	71.87

Appendix 5: Financial: Actual financial performance by financier; by component and disbursements by category

Table 5A: Financial performance by financier

Financier	Appraisal (USD '000)	Disbursements (USD '000)	Per cent disbursed
IFAD loan	22,325	13,077	58.58
IFAD grant	400	100	25
Co-financier	61,215	21,533	35.18
Government	10,370	2,666	25.71
Total			

Table 5B: Financial performance by financier by component (USD '000)

Component	IFAD loan			IFAD grant			Co-financier			Government			Domestic 1			Total		
	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
A-COMMODITY CHAIN DEVELOPMENT	16,789	6,040	35.98	400	0	0	0	0	0	2,131	406	19.05	7,254	4,814	66.36	26,574	11,260	42.37
B-RURAL INFRASTRUCTURE DEVELOPMENT	0	0	0	0	0	0	61,215	21,553	35.21	7,786	584	7.5	1,989	0	0	70,990	22,137	31.18
C-ACCESS TO RURAL FINANCE	1,038	434	41.81	0	0	0	0	0	0	88	42	47.73	0	0	0	1,126	476	42.27
D-PROGRAMME COORDINATION, MANAGEMENT, AND M&E	4,498	5,660	125.83	0	0	0	0	0	0	365	1,633	447.40	0	0	0	4,863	7,293	149.97

Table 5C: IFAD loan disbursements (SDR, as at 20.11.14)

Category	Category description	Original Allocation	Revised Allocation	Disbursement	W/A pending	Balance	Per cent disbursed
I	Civil works (excluding Component B)	510,000	510,000	0	0	510,000	0
II (a)	Commodity Chain Development (Private Goods)	870,000	870,000	19,232.57	0	850,767.43	2.21
II (b)	Commodity Chain Development (Public Goods)	140,000	140,000	0	0	140,000	0
III	Vehicles, Goods and Equipment (excluding Component B)	720,000	720,000	465,438.61	0	254,561.39	64.64
IV	Technical Assistance and support (excluding Component B)	4,400,000	4,400,000	1,798,806.58	0	2,601,193.42	40.88
V	Training and Studies (excluding Component B)	4,160,000	4,160,000	3,272,329.80	0	887,670.20	78.66
VI	Regional Exchange Programme (IFAD Grant)	260,000	260,000				
VII	Salaries and Allowances	1,560,000	1,560,000	1,101,733.58	0	458,266.42	70.62
VIII	Operating Costs	470,000	770,000	909,825.89	0	(139,825.89)	118.16
IX	Unallocated	1,420,000	1,120,000	0	0	1,120,000	0
	Initial deposit	-	-	1,004,843.38	0	(1,004,843.38)	
	Total						

Appendix 6: Compliance with legal covenants: Status of implementation

Section	Loan Covenant	Target/Action Due Date	Compliance Status/Date
Section B.06	Opening of a Designated Account in BoG in USD	20 Dec. 2011	Done
	Deposit of Authorized Allocation of USD	14 March 2012	Done
Section 7.01	Submission of AWPB each year to IFAD for approval	Annual	Done
Section E.02	National Director has been duly appointed	1st December, 2012	Done
Section 7.01	Opening of Programme Account	20 Dec. 2011	Done
Section 8.08	Transfer of annual GoG counterpart funds in accordance with AWPB	Initial Deposit made on 8/10/12	Done
	Transfer of annual counterpart funds from other national and district-level financiers in accordance with AWPB	Annual transfers	Ongoing
Section 8.02	Submission of semi-annual and annual progress reports to IFAD	Twice a year	Done
Section 8.03	Mid-Term Review (MTR) carried out jointly by Borrower, IFAD and UNOPS	4 th Programme year	Not Due
Section 9.03	Audit of Programme financial Statements in accordance with Programme guidelines by an independent Auditor	Once a Year	Done

Appendix 7: Knowledge management: Learning and Innovation

Learning

Climate Change has become a major concern especially in the northern part of Ghana where rainfall period has reduced from 8 to 4 months therefore giving a long dry period. This has affected client's productivity and output. There is therefore the need to devise systems to engage farmers all year round and also increase their productivity and thereby incomes.

Innovation: Describe any interesting innovation noted during supervision

Conservation Agriculture

Declining soil fertility as a consequence of bad agricultural practices coupled with unreliable weather is a major challenge to programme efforts at enhancing the smallholder farmers' productivity. In the light of the above, the programme has been exploring all possibilities and innovations that can help reverse these trends. One approach that the Programme in collaboration with our supervision missions had identified is that of conservation agriculture.

NRGP as part of its programme implementation seeks to address these environmental degradation and declining soil fertility concerns with farmers. In view of this and to get a better insight and appreciation of conservation agriculture practices, the Programme is piloting 80 ha Conservation Agriculture demonstrations in all 4 regions to demonstrate to clients the potential of this technique conservation. This helps improve soil fertility and also conserve moisture.

Bunding and Transplanting Innovation

Rice is a new commodity the Project has taken on board to promote currently. A demonstration on enhancing quality and productivity had been established to train and teach farmers improved methods of rice production starting with nursing of seeds and transplanting. Water management (bunding) and other good agricultural practices are also being demonstrated in the demonstration. This demonstration is done to educate farmers to appreciate, adopt nursing of seeds and transplanting to improve their yields and ultimately their production. A departure from the current situation of broadcasting is anticipated. This will ensure our rice farmers become competitive in yield. Even though the crops have not been harvested yet, as compared to the farmer's field, the plant population is higher and looks better.

Youth in Irrigated Agric Innovation

The programme has introduced irrigated agriculture to the youth in all regions and particularly in the Upper West Region to produce high valued crops for the market. There have been many attempts to get the youth into agriculture but all these attempts failed because of the methodologies and type of commodities involved. The introduction of irrigated agriculture to the youth using high valued crops has proved to be a better methodology as this has attracted alot of the youth into it. The Programme started humbled with 198 youth in 2012 and has increased to 505 in 2013 and being expanded to about 8,505 in 2014/15 dry season production period.