



Investing in rural people

Republic of Ghana

Rural Enterprises Programme (REP)

Joint AfDB/IFAD/GOG Implementation support mission report

Main report and appendices

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Abbreviations and Acronyms

AfDB	African Development Bank
AWPB	Annual Work Plan and Budget
BAC	Business Advisory Committee
BDO	Business Development Officer
BOG	Bank of Ghana
DA	District Assembly
EDAIF	Export Trade, Agricultural & Industrial Development Fund
EOI	Expression of Interest
FC	Financial Controller
GIS	Geographic Information System
GOG	Government of Ghana
GRATIS	Ghana Regional Appropriate Technology Industrial Service
ICO	IFAD Country Office
IFAD	International Fund for Agricultural Development
IT	Information Technology
LS	Local Shopping
M&E	Monitoring and Evaluation
MGF	Matching Grant Fund
MOF	Ministry of Finance
MOFA	Ministry of Food and Agriculture
MOTI	Ministry of Trade and Industry
MOU	Memorandum of Understanding
MSE	Micro and Small Enterprises
MTR	Mid – Term Review
NBSSI	National Board for Small-Scale Industries
NCB	National Competitive Bidding
NGO	Non – Governmental Organization
NPC	National Programme Coordinator
NVTI	National Vocational Training Institute
PAM	Programme Accounting Manual
PCMU	Programme Coordination and Management Unit
PFI	Participating Financial Institution
PIM	Programme Implementation Manual
PPP	Public Private Partnership
REDF	Rural Enterprise Development Fund
RTIMP	Roots and Tubers Improvement and Marketing Programme
REP	Rural Enterprises Programme
RFP	Request for Proposal
RTF	Rural Technology Facility
SOE	Statement of Expenditure
SNV	The Netherlands Development Organisation
TOR	Terms of Reference
USD	United State Dollar
WA	Withdrawal Application

Aide memoire

Republic of Ghana

Rural Enterprises Programme (REP)

Supervision mission: 3-28 November 2014

A. Introduction¹

1. In close collaboration with the Ministry of Trade and Industry (MOTI), the Ministry of Finance (MOF), and the Programme Coordination and Management Unit (PCMU), a joint Supervision/Implementation Support Mission (fifth for IFAD & second for AfDB) for the Rural Enterprises Programme took place from 3 – 28 November 2014. The main objectives of the mission were to monitor and report on the Programme's progress in line with actions specified at appraisal including to review and provide input to the 2015 Annual Work Programme and Budget (AWPB), ensuring the timely submission of a high quality work programme. To achieve this, the Mission: (i) reviewed the progress made in the implementation of the Programme's AWPB for 2014; institutional arrangements, procurement plan and disbursement projections and the recommendations of previous supervision missions; (ii) identified implementation challenges and proposed solutions; (iii) reviewed procurement and financial management; and (iv) discussed Monitoring and Evaluation (M&E) and (v) identified issues, problems and constraints and made the necessary recommendations to improve project management and implementation.

2. The team paid courtesy calls on officials of the MOTI, Ministry of Food and Agriculture (MOFA), and MOF; undertook ten days of discussions with the PCMU both in Kumasi and Accra, including one day of field visits to the District Administration, Business Advisory Centre (BAC) and Clients in the Sekyere Afram Plains and the District Administration, BAC, and Rural Technology Facility (RTF) in Asante Akim South and Central Districts; one day of discussions with invited Participating Financial Institutions (PFIs), BACs, RTFs programme clients (see Appendix 7 for list of people met). The team met with the PCMU staff and implementing partners—Ghana Regional Appropriate Technology Industrial Service (GRATIS) and National Board for small-scale Industries (NBSSI)—to review progress to date, discuss strategy and refine the 2015 AWPB.

3. This Aide Memoire summarizes the Mission's activities and findings, as well as recommendations that emanated from discussions held with project management teams and beneficiaries of the various projects. The contents were discussed with the Government of Ghana during a wrap-up meeting on 27 November 2014 chaired by Mr Dawarnoba Baeka, Chief Director at Ministry of Trade and Industry. The major issues discussed, agreements reached and follow-up actions are summarized below. The Aide Memoire has been signed ad referendum, pending the endorsements of Senior Management of AfDB and IFAD. Separate management letters will be sent by AfDB and IFAD to the Borrower highlighting the Mission's findings and recommendations for follow-up. The Mission would like to express its sincere appreciation to the Ministries of Finance, Trade and Industry and Food and Agriculture, PCMU, Government, Partners and Agencies for their enthusiastic cooperation and assistance.

B. Overall assessment of programme implementation

4. On the whole, implementation of the Programme has been satisfactory. The Programme has reached 161 rural districts. Though progress throughout the year has been slower than expected, in the past three months output from Components 1 and 3 of the Programme has accelerated exponentially. Components 1 and 2 have faced difficulty given the hiring freeze that has directly

¹ Mission composition: The Mission team was composed of Mr Ulaş Demirag - IFAD Country Programme Manager, Mr Richard Pelrine – Agribusiness Finance Expert, Mr Daniel Pasos - Financial Management Specialist, Mr Masahiro Kishi – Procurement Specialist, and Mr Joy Afenyo – Programme Management Specialist (all from IFAD); Mr Tabi Karikari – Agriculture & Natural Resource Management Officer, Mr Philip Doghle, Financial Management Specialist, and Mr. Moses Ayiemba – Chief Regional Financial Management Officer (all from AfDB); Mr Inusah Musah as Representative of the Ministry of Finance; and members of the PCMU.

impacted REP's implementing partners GRATIS and NBSSI. Nonetheless, in Component 1, the PCMU has found alternative supplemental staffing for BACs in spite of difficulties. Component 2 has been slowed given that AfDB's funding has only recently come on line. Nonetheless, the Programme has made some progress toward considering the locations and functions of new RTFs and made some first steps in developing a plan for RTF sustainability. Component 3 has successfully launched the REDF and MGF facilities for rural finance and the volume of applications for these facilities is growing rapidly.

5. The Programme has continued its approach to target four types of clients: (i) the entrepreneurial poor, particularly women, who are interested in self-employment or wage jobs but who lack the skills and/or start up capital; (ii) rural poor with basic skills that require upgrading; (iii) vulnerable, physically challenged or socially excluded individuals; and (iv) unemployed young people who have completed their education but are interested in entrepreneurial training—particularly in agribusiness. According to the programme's outputs, the focus on gender has yielded strong results as can be seen in the following table.

Excerpted from REP Outputs by Component	Jan-Sep 2014	
	Male	Female
No. of rural MSEs participating in capacity building activities	7,034	15,477
No. of master craft persons/apprentices	844	520
No. of MSEs accessing the Matching Grant	17	3
No. of MSEs accessing the Rural Enterprise Development Fund	161	675

6. The M&E function has been further strengthened with the partial deployment of the Geographic Information Systems (GIS) application. Preparation of the 2015 AWPB has been accomplished building on enhanced efficiencies for communication between the PCMU and the various field-based operations. Knowledge Management among and between the Programme's activities is excellent and the Programme is improving its approach through systematic reflection and learning by doing.

7. The Mission is concerned that REP may not easily transition to its second phase and manage as anticipated during design as critical factors have changed. Among these are: (i) the hiring freeze on GRATIS and NBSSI has necessitated alternative institutional arrangements to supplement staff shortages which are not standardized across the Districts; (ii) late arrival of AfDB funding has caused the activities of IFAD and AfDB to be out of sync; and (iii) no clear evidence that GRATIS and NBSSI are geared up in terms of staff, programmatic direction and budget to take over the majority of implementation responsibilities in the coming cycle has been observed. Given that an Inter-Phase Review is anticipated in 2015, it is prudent to begin the Review as soon as possible—the Mission recommends June—to enable the Programme to more quickly adjust for this current situation that was not anticipated at design. The Review should be light; should not meaningfully interrupt the Programme's operations; and should focus on the key issues of (i) sustainability of the BACs; (ii) sustainability of the RTFs; and (iii) programmatic approach to improving MSE policy. Thus, **the Mission recommends that the PCMU prepare Terms of Reference for a Strategic Inter-Phase Review.** This Review should include consultancies on the three strategic issues (elaborated further in this Aide Memoire) to be completed by 30 April and validated by 31 May, to assist the Review to work with the Coordinator to reorient Programme strategy to proactively address these three key issues.

8. Key risks² to achievement of the expected development objectives for REP include:
- i. The continued recruitment freeze for NBSSI and GRATIS impeding these partners' capacity to staff BACs and establish new RTFs. The Programme has initiated collaboration with District Assemblies to include Community Development Officers and other District staff to supplement under staffed BACs. Nonetheless, to properly mitigate this risk, a more standardized approach to staffing BACs and RTFs needs to be developed. This can include: (i) studying the economic benefits of BACs and RTFs to the District Assemblies to optimize staffing levels to convince the Assemblies and Government more broadly of the merit of funding positions at District level; (ii) developing a sustainability plan for BACs and RTFs that includes greater income for services rendered; and (iii) exploring what other service providers might take an interest in filling staffing gaps.
 - ii. The lack of sustainability and the lack of a clear plan to address sustainability of existing and new RTFs places the Programme's achievements at risk. To mitigate this: Public Private Partnerships (PPPs) should be explored that ensure sustainable management while guaranteeing low cost vocational training to youth; the Programme should consider challenge grants to attract sustainable private management for the manufacturing function of the RTFs; RTF Management Boards must track the RTF in terms of business strategies, incomes and expenses; and, the RTF must plan for and execute operations that cover full costs including depreciation.

C. Outputs and outcomes

9. The objective of REP is to increase the number of rural micro and small enterprises (MSEs) that generate profit, growth and employment opportunities, to support the goal of improving their livelihoods and income. It is to scale up the model of integrated support to MSEs developed under REP I and II in 66 districts, providing business development services, technology support, and access to finance, to a total of 161 rural districts/municipalities (out of a current total of 207) on a demand-driven basis.

10. Key outcomes and outputs related to the components of REP (see Log-Frames in Appendix 2) include: (i) making business development services accessible to MSEs in rural districts by establishing and strengthening BACs and strengthening the capacities of rural MSEs and their associations; (ii) transferring technical skills and disseminating technologies by establishing RTFs and developing the capacities of rural master craft persons and apprentices; (iii) ensuring access of MSEs to finance by improving the capacities of PFIs, supported by matching grants and a line of credit; and (iv) strengthening pro-poor MSE support institutions and policies by building the capacities of institutions at the district and regional levels and supporting policy dialogue. Progress on outputs is reported in Appendix 4. The delivery of services continues to be behind expectation, due largely to factors beyond the control of REP, but the rate implementation has accelerated since the last supervision and the volume of applications for services is growing. Several of the key features of REP's strong M&E system are functioning and this should further add to the acceleration in implementation.

Component 1: Business Development Services

11. In sync with expectations of the 2014 AWPB, BACs in 161 Districts have been strengthened and 28 new BAC staff in 21 Districts have received orientation. In line with agreed actions from the previous aide memoire, 40 BACs were trained in agricultural value chain concepts with support from NBSSI and RTIMP. Other training programmes have been executed in collaboration with Export Development and Agricultural Investment Fund (EDAIF), the Netherlands Development Organisation (SNV), World Vision, Plan Ghana and Trade Aid Integration Ghana. The Mission also observed that comprehensive interactions had been undertaken with the Management of the Ministry of Food and

² The Mission and the PCMU agree that a potential risk to REP and other programmes is the risk that the Ebola virus will spread to Ghana and among REP's clients. The Mission encourages the Programme to collaborate with appropriate authorities using its scheduled activities to disseminate information as it becomes available to address the threat of this disease.

Agriculture, Agricultural Farm Institutes and District Directors for Agriculture on the agribusiness aspects of the Programme to foster synergy and accelerate implementation. Building on all of these inputs, during the year-to-date, 22,511 MSE clients have participated in one or more of the many and various capacity building services offered by the BACs—community-based skills, business development skills, support to local business associations, and/or business counselling. The readers should note that this figure includes some repeat clients and that the M&E system is under modification to trace individuals and services received in the near future.

12. Progress toward the planned outputs of this component has been improving, but continues to lag behind AWPB expectations. The target for 2014 was capacity building through provision of services to 43,982 MSE clients. The Programme achieved 51% of this goal as of 30 September. However, 40% of this 51% has accrued in the past six months representing a rapid acceleration in implementation and the Mission expects that the Programme's actual output in this component will track more closely to the planned output in the near future.

13. While progress is improving, problems continue at District level with recruiting, remunerating, and regularly paying BDOs. This results in low moral among BDOs, differences in working terms between BDOs (hired by the District Assembly) and BAC Heads (hired by NBSSI), and difficulty filling vacancies—as is the case in 28 BACs. It is clear that the District Assemblies met during the Mission give no special priority to the BACs when considering using their limited budgets. In meetings, the Mission noted that neither the administrators nor the BDOs had a clear grasp of the benefits to the District of a BAC in terms of tax revenue, income generation, economic growth or sustained employment creation. Intuitively, and based on the few figures that are regularly collected, one would expect that the economic return on District's costs for a BAC can be remarkable. If Assemblies understand this, they may be far more eager to nurture and sustain BACs. Further, if Assemblies understand the specific benefit of BDOs, the choice of how to hire them, how of them many to hire and how to remunerate them, could be better informed. **The Mission recommends that the Programme engage a consultant to estimate the economic benefits of BACs broadly, and BDOs specifically, versus costs to the District in six Districts (three categories: high output, medium output, low output—one each divided between newly established and well established BACs) and use the report of this consultancy to urge Districts to more proactively fund BACs.** This consultancy must seek and incorporate input from the Ministry of Local Government at each phase to facilitate that Ministry's support. The Draft TOR for this study is annexed.

14. Ghana's economy is coping with macro economic issues that have urged a hiring freeze on public employees, among other consequences. This general hiring freeze on public employment has resulted in 53 of 161 BACs functioning without a BAC Head as NBSSI, REP's public sector implementing partner, employs these professionals. The Programme has counselled District Assemblies to provide support from among their other human resources inter alia—Deputy Directors, Planning Officers, Community Development Officers. The Mission visited two BACs where there were reported staffing gaps (one was newly established, the other was existing but both lacked a BAC Head). While in both of these cases, the District Assembly conveyed its concern that the BAC was under-staffed, the Assemblies also conceded that there was no discernible loss in productivity. The Mission notes that: (i) it is unclear when and if NBSSI will be able to meet the staffing needs of the BACs, (ii) it is unclear whether the absence of NBSSI staff at the District affects the success of the BAC, and (iii) the current solution to supplement the BAC with other human resources is not systematic. In addition to the recommendation above, **the Mission recommends that the Programme establish a well thought through policy recommendation for all District Assemblies outlining clear means to maintain adequate staff levels in the absence of NBSSI funded staff.**

15. The Mission also observed the need for the Programme to further enhance the quality of the services provided by the BACs in the specific areas of entrepreneurial development and business development. Based on discussions of core competencies expected of a BAC, **the Mission recommends that a tailored training programme should be organized, institutionalized and delivered annually for all new and old staff during the life of the Programme.**

16. The previous supervision mission recommended that REP join a national level agribusiness platform. The Programme has made some efforts in finding an appropriate forum to participate in that pays attention both to agribusiness and MSEs but has not yet found a satisfactory group. It is suggested that the Programme collaborate with the MOFA Agribusiness Support Unit to identify candidate fora or establish a regular forum with other interested parties to function during the life of REP III. **The Mission recommends that the PCMU prepare a two page concept note briefly outlining a strategy to participate in or to organize a forum, including expected outcomes.**

17. The Mission noted that the plans for establishing Resource Centres among the BACs are proceeding slowly. The purpose of the Resource Centres concentrates on proactive product marketing including inter alia: branding, inventory control, forward orders, etc. The PCMU has already made some progress in terms of identifying appropriate sites for these Centres. **The Mission recommends that the PCMU recruits the engineering design and construction supervision consultants as quickly as possible.**

Agreed action	Responsibility	Agreed date
Execute a consultancy on the benefits versus costs of BACs and BDOs to urge better support from DAs.	PCMU/DAs	30 April 2015
Formulate a clear policy recommendation for maintaining adequate staff levels at BACs in the absence of NBSSI staff.	PCMU	28 February 2015
Engage a service provider to assess and develop training for BACs covering entrepreneurship and business development.	PCMU/NBSSI	31 March 2015
Organize training for BAC staff in batches	PCMU	30 June 2015
Prepare a concept note strategizing for participation in an agribusiness platform.	PCMU/MOFA	28 February 2015
Engage design and supervision consultants for Resource Centres	PCMU	30 June 2015

Component 2: Agricultural Commodity Processing Infrastructure Development (Technology Promotion and Dissemination—IFAD)

18. The 21 previously established RTFs have remained operationally active since February 2012. Some of the RTFs are continuing to produce agro-processing equipment to meet the local MSE needs, while others have provided capacity building support to some master crafts persons and graduate apprentices. In the year to date, the PCMU released funds to train 818 master crafts persons and apprentices in replication of agro-processing equipment, field demonstration of agro-processing equipment, technical skills of apprentices, and occupational safety, health and environmental management. Further, RTFs have produced a total of 97 pieces of various types of equipment including agro-processing; and BACs and RTFs supported a total of 268 master crafts persons/graduate apprentices (124 male and 144 female) in the registration process and also with their preparations to sit the NVTI certificate examination.

19. The PCMU pointed out that little progress has accrued to this component versus the plan as AfDB financing became effective in April and the first disbursement was received on 10 June and RTFs are expected to start reporting output results under this component in the fourth quarter. The component has also been negatively affected by the general hiring freeze as GRATIS, like NBSSI employs civil servants and it is these civil servants that are meant to fill key staff positions in the RTFs supported by this component.

20. The Mission reviewed the report from REP's stakeholder forum to discuss the strategic options for making the existing and future RTFs more sustainable and private-sector-led while maintaining their role as centres for technology transfer and innovation in the rural areas. The forum was based, in part, on KPMG's report on RTF sustainability. The general view from the forum was that all forms of arrangements are feasible in establishing the new RTFs in the country. Nevertheless, the PPP arrangement appears to be the most preferred arrangement, which REP should consider in the future establishments. The Mission has drafted a TOR to guide the PCMU in operationalizing a strategy for new and existing RTFs that prioritizes PPP and sustainability. **The Mission recommends that the PCMU in consultation with the responsible District Assembly, members of the private sector and other relevant government agencies (MOTI, MOF, etc.) and using consultancy as**

appropriate, establish a clear model for all existing and planned RTFs including activities, governance, roles of public and private players and a sustainability strategy. Further, the Mission recommends that the PCMU pilot the new management model in nine existing RTFs. To achieve this, the Mission recommends the following sequencing of activities:

- (a) Engage appropriate consultants by 28 February;
- (b) Receive final reports by 30 April; and
- (c) Prepare proforma MOUs/Contracts among PPP actors by 31 May.

21. The Mission noted that the lack of hostel facilities in some locations continues to impede trainees' ability to take advantage of RTF training. As a matter of priority, **the Mission recommends that the PCMU should accelerate the provision of the facilities that are earmarked for the existing RTFs and plan adequately to provide the facility to new RTFs.**

Agreed action	Responsibility	Agreed date
Document and share models for RTF sustainability.	PCMU/DAs	30 June 2015
Facilitate arrangements between DAs and competitively selected private actors to manage nine existing RTFs.	PCMU/DAs	30 June 2015
Develop TOR/RFP for Engineering Design and Construction Supervision of Hostel Facilities in five RTFs.	PCMU	30 November 2014
Procure the services of a firm to design and supervise construction of the RTFs.	PCMU	31 March 2015
Procure services of contractors for the construction of hostel facilities	PCMU	30 June 2015

Component 3a: Access to Rural Finance

22. Four of 21 applicant financial institutions, including Multi Credit Savings and Loans Company with its nationwide branch network, have been accredited by Bank of Ghana (BOG) to participate in the REDF. Nine applicants have been rejected based on their inability to meet BOG's criteria and eight applications are pending. Twenty clients have so far participated in the Matching Grant Facility (MGF) through three Participating Financial Institutions (PFIs). This output is far short of AWPB targets but can be considered reasonable given that the promotion of the REDF and the MGF could not begin until after MOUs with fund managers and manuals had received No Objection from the ICO, and until after the PFIs had been trained on the facilities. Currently the volume of applicants for both REDF and the MGF shows rapid growth in the use of the two facilities.

	2014				
	Planned	Achieved thru Sep	Achieved %	Oct Pipeline	Achieved + Pipeline %
No MSEs Accessing MGF	300	20	7%	107	42%
MGF Value (GHS)	1,508,235	273,500	18%	218,888	33%
No MSEs Accessing REDF	2,470	886	36%	210	44%
REDF Value (GHS)	5,238,923	1,409,688	27%	399,760	35%

23. During the Mission, two PFIs, Yapra Rural Bank and Amanti & Kasei Rural Bank, expressed strong interest in improving ARB Apex Bank's Efficiency Monitoring Unit to include short and regular peer review reports (as suggested by REP). After establishing a clear PFI demand for peer review, it will be easier for REP and the other IFAD funded initiatives to demand that ARB Apex Bank adopt this peer review, which will systematically enhance the quality of management of PFIs and enable broader

accreditation for using facilities such as the REDF. The Mission recommends that the Subcomponent continue to promote peer review by receiving and analyzing quarterly PFI reports.

24. The two PFIs also expressed interest in partnering more formally with RTFs to offer asset based financing (leasing) for productive equipment while leveraging the REDF and MGF. Asset based financing will accelerate the rollout of financial services, the growth in adoption of productive equipment and the sustainability of RTFs. The ICO has prepared a manual for realizing the establishment and rollout of an asset based finance product with PFIs. **The Mission recommends that the Access to Rural Finance Subcomponent promote asset based financing with at least three PFIs.**

25. In discussions with the PCMU, it became clear that MGF was being distributed by the Programme to equally serve all Programme Districts over the three-year period of this Programme cycle. Given that demand for the grants is growing and using these grants is encouraging to both equipment vendors and financiers, **the Mission recommends that the PCMU more aggressively disburse the MGF and respond to demands from PFIs and their clients in accordance with the MGF manual.** IFAD agrees that it would give consideration to replenishing the MGF at such time as it is exhausted.

Agreed action	Responsibility	Agreed date
Promote Asset Based Financing with at least 3 PFIs and relevant RTFs.	PCMU	28 February 2015
Energize disbursement of Matching Grants.	PCMU	Immediately

Component 3b: Institutional Development

26. As with other components, this subcomponent is also moving more slowly than planned. The AWPB anticipated 263 MSE Sub Committee meetings in 2014. As of September, the PCMU reports supporting 41 MSE Subcommittees. Achievement in this Subcomponent is dependent on other actors' activities. The dependence of the Programme on both NBSSI and GRATIS to provide institutional development is also difficult given the aforementioned issues with the general hiring freeze on their staffs. Nonetheless, the Programme reports that the Regional Managers of NBSSI have been very supportive to both the BACs (with or without BAC Heads provided by NBSSI) and instrumental in the quick preparation of the 2015 AWPB requirements by the BACs.

27. In accordance with the recommendation of the previous Supervision Mission, REP signed MOUs with MOFA on behalf of the Farm Institutes and Animal Traction Centre. The Programme has also drafted MOUs with 18 institutions to guide collaboration in micro and small enterprise promotion at the district level.

28. The Institutional Development Subcomponent was meant to operationalize a policy dialogue function in support of MSEs. However, it has not as yet been made clear what approach the Subcomponent will follow to achieve this. **The Mission recommends that the PCMU engage a policy consultant to poll MSEs and BACs and to identify a shortlist of key policy objectives impacting the MSE sector.** Consideration may be given to inter alia: (i) taxes on component parts that MSEs use for manufacturing; (ii) tax breaks on imported agribusiness machinery; (iii) policies on locating Light Industrial Estates; (iv) access to appropriate finance; (v) others. This will enable the PCMU to help set the agenda for GRATIS, NBSSI, District Assemblies or other interested groups.

Agreed action	Responsibility	Agreed date
Engage a consultant to poll MSEs and identify a shortlist of key policy objectives.	PCMU	28 February 2015

D. Programme implementation progress

29. Largely, the 2014 AWPB has not been realized. This is particularly true for activities funded by AfDB given that the funding has only recently been available to the Programme. 44% of the revised

2014 budget has been spent as of 30 September. Slow implementation has been exacerbated by the general hiring freeze affecting both NBSSI and GRATIS as implementing partners. Nonetheless, in all components the Mission noted a strong acceleration in output due largely to drive and innovation on the part of the PCMU. While this is very positive, the Mission reiterates that the Programme must now maintain the strong momentum. Further, the Mission reiterates that standardizing alternative approaches to BAC staffing; and accelerating efforts at sustainability of both BACs and RTFs are critical to scaling up. The Programme must remain conscious that delegated implementation will be the only way it will effectively reach 161 Districts.

30. **IFAD Funding Inter-Phase Review.** It is unclear if the chosen implementing partners will be ready to assume a greater role in the Programme in the coming cycle, as anticipated by the Programme Design. Adding this reality to the delayed funding issues, it is prudent to execute the inter-phase review of the Programme soon. Doing so will enable strategic adjustments before too much effort is made following a plan that is now somewhat out of sync with the current reality. Adjusting the Programme's strategy at this point may enable the Programme to avoid losing momentum in the future. **The Mission recommends that the PCMU prepare a draft Terms of Reference for an Inter-Phase Review addressing among others: adjustments to implementation arrangements, programmes for sustainability of BACs and RTFs and strengthening the role of the Programme's policy development function.**

31. **Human Resource Management.** Staffing to the PCMU has not increased since the last Supervision Mission. In fact, staff has reduced by one as an accounting assistant has left and needs replacing. Much of the recommendation made by the previous Mission, including the addition of an environmental specialist, a procurement officer, an accounts officer, an accounts assistant and an IT officer to complete staffing arrangements by December remains relevant.

32. **Monitoring and evaluation (M&E).** The Mission reviewed the REP M&E system and finds it to be robust and effective in capturing and interpreting data on the Programme activities and on beneficiaries. The entire REP team contributes to the success of the M&E system. The system adequately captures and tracks planned activities and results based on the logical framework and annual work plan. The first phase of the online GIS based planning and monitoring system has been completed. Information on clients and beneficiaries are captured at the level of the BACs and transmitted to the PCMU for analysis via the online system including information on the kinds and level of support being received under the Programme. When completed, the system will allow for an effective assessment of the impact on livelihoods.

33. Given the very detailed information collected on Programme beneficiaries and made available online, it's very important that such data is protected. **The Mission recommends that in the next phase of the GIS M&E system development, measures are taken to ensure identity and data security and protection of beneficiaries and target groups.**

34. **Knowledge Management.** In line with a recommendation by the last Supervision Mission by IFAD and AfDB, a District Communication Plan has been developed and will be implemented by the BACs and RTFs beginning in 2015. Communication activities to create awareness and sensitize communities in participating districts about the opportunities offered by the BACs and RTFs have been captured in the District AWPBs for 2015. The plan includes a specific strategy to target support to women, youth and vulnerable Programme clients.

35. To improve communication between the PCMU and the field staff; and among the various field staff, the PCMU has created a Closed Group Facebook account, with membership restricted to only Staff of the PCMU, BACs and RTFs. The "REP Internal Communication" platform provides the opportunity for the PCMU to communicate relevant information to field staff and solicit their responses on a real time basis. It allows for field staff to communicate relevant Programme implementation issues that require the PCMU's attention, without waiting to do so in their quarterly progress reports. It also provides a platform for the BAC and RTF staff to learn from the experiences of their colleagues from other districts to improve their own work. The platform has been very pivotal to the successful launch of REP GIS M&E Application and preparation of the 2015 AWPB. Recently based on learning

among the PCMU and the BACs, one key outcome has been the decision by the PCMU to ask the Districts to submit monthly financial returns instead of quarterly returns.

Agreed action	Responsibility	Agreed date
Draft TOR for Inter-Phase Review.	PCMU	30 January 2015
Include identity and data security measure in the TOR for GIS/M&E Consultant's next phase of work.	PCMU	Immediately
Continue to recruit staff to fill remaining positions at PCMU.	PCMU	31 December 2014

E. Fiduciary aspects

36. **Financial management performance.** The Mission observed that the current Financial Management Performance is satisfactory. The finance unit uses iSCALA accounting software extensively for capturing financial data, processing and preparing financial reports. The modules that have been activated are the Cash Book, General Ledger and Fixed Assets Management. The AWPB data has been uploaded into iSCALA thus facilitating variance analysis. Payments Vouchers are recorded real-time. Withdrawal application is automated. Bank reconciliation statements are prepared and supported with bank statements and printouts from the system's Cash Book on a monthly basis. Customised financial and management reports are generated from the system. The Finance Unit has submitted its FY2014 quarterly financial statements and progress reports, including the reconciliation of the Designated Account. At time of mission, REP has submitted its PIM and PAM—which are currently in use—to AfDB for comments and inputs.

37. **Financial Management Risks.** Furthermore, the Mission observed that the current Financial Management Risk compared to the assessment at appraisal is still moderate. The key risks identified are (i) the need to have a dedicated staff at the PCMU to offer first-line IT support to the users of the iSCALA accounting software and the GIS software; (ii) the need to replace the accounting assistant who resigned; (iii) the need to incorporate internal auditing as part of control mechanisms at the PCMU; and (iv) the need for government to honour its obligation to budgetary support. Other issues identified included: (i) improving the records for fuel consumption by Programme vehicles; (ii) increasing use of electronic transfers versus reliance on cheques; and (iii) Rectifying errors recorded on REP's AfDB Special Account by the National Investment Bank (NIB).

38. **Participation of District Assemblies in REP.** In all, 161 District and Municipal Assemblies in Ghana have enrolled onto the Rural Enterprise Programme. Request for funding MSE activities comes to the REP National Director from the Municipal/District Chief Executive when the Head of BAC is ready to execute an MSE activity in the District/ Municipal, approved in the REP AWPB. The Programme then releases funds to the District/ Municipal Assemblies, which are primarily logged into the MSE training bank account or BAC operating bank account; and then expenditures are paid from these bank accounts. On a monthly basis, the District/ Municipal Assemblies send accounting returns to the PCMU that are incorporated into the Programme financials. As part of the processes to reduce human intervention in capturing data at the PCMU, the Programme is piloting the capturing of data in 2 Districts using the iSCALA accounting software. The Mission visited the Ejisu-Juaben District Assembly, one of the 2 district assemblies piloting the use of iSCALA; currently running parallel to the manual bookkeeping.

39. The Mission noted with satisfaction the approval, control and reporting mechanisms put in place for the release of funds for REP activities and its accountability, both, at the District/ Municipal Assembly and PCMU levels. As part of the control and oversight responsibility of the PCMU to ensure accountability, District BACs have been submitting monthly returns that include Bank Reconciliation Statements, Bank Statements and Receipts and Expenditures Statements since April 2014. The main risk identified at the District Assembly is the issue of irregular and inadequate remuneration to the BDOs, which can contribute to a high rate of attrition for that role, and its attendant loss of institutional memory as well as gaps in accounting and support to the Districts' MSE clients. **The Mission recommends that the payroll costs of BDOs should be mechanised.**

40. **IFAD Loan (841-GH) Disbursements.** As at 31 October 2014, the disbursement status of IFAD loan funds for the Programme (including WA17 being processed by IFAD) is SDR 5,347,000 representing 27.14% of the loan amount of SDR 19,700,000. This however includes the Authorised

Category Description	Financing	IFAD Loan Allocation	Disbursement up to WA 16	Disbursement	Commitments: WA 17 Pending settlement by IFAD		Proj. Loan Utilisation at 31-Oct-14	Projected Loan Balance	Projected Utilisation
	%age	SDR	SDR'000	%age	USD	SDR'000	SDR'000	SDR'000	%age
I Civil Works	100	260.00	-	0.00%	0.00	0.00	-	260.00	0.0%
II Vehicles, Materials and Equipment	100	1,120.00	1,114.00	99.46%	0.00	0.00	1,114.00	6.00	99.5%
III Technical Assistance	100	660.00	494.33	74.90%	231.25	157.47	651.80	8.20	98.8%
IV Training and Workshops	100	8,020.00	1,173.84	14.64%	223.28	152.04	1,325.88	6,694.12	16.5%
V Credit Funds and Matching Grants	100	3,320.00	265.08	7.98%	98.95	67.38	332.46	2,987.54	10.0%
VI Salaries and Operating Costs	100	2,630.00	746.00	28.36%	158.30	107.79	853.79	1,776.21	32.5%
VII BACRTF operating Costs Fund	100	1,720.00	88.22	5.13%	1.94	1.32	89.54	1,630.46	5.2%
Unallocated	-	1,970.00	-	0.00%	0.00	0.00	-	1,970.00	0.0%
Subtotal-for Utilisa	-	19,700.00	3,881.47	19.70%	713.72	486.01	4,367.48	15,332.52	22.2%
Authorised Allocation			979.21			0.00	979.21		
Total	-	19,700.00	4,860.68	24.67%		486.01	5,346.69	27.14%	

41. Allocation of SDR 979,000 (USD 1,500,000). With the exception the Vehicles, Materials, and Equipment Category that has achieved 99% disbursement, the rest of the categories have adequate balances that do not require re-allocation in the immediate future.

42. At the programme level, REP has so far spent USD 6,648,000 (including WA17) representing 21.1% of the loan. This level of disbursement is about 45.6% of the expected disbursement by the 6th Semester of Programme implementation. Thus, the Programme management needs to double its efforts to reach an acceptable level of disbursement.

Table 3: IFAD Disbursement (SDR'000) as at 31 October 2014

43. **Disbursement by Financiers.** The table below shows the disbursement by financiers by components:

COMPONENT	IFAD LOAN			AFDB			GOVERNMENT			PFIs & CLIENTS			TOTAL		
	Appraisal USD'000	Actual USD'000	%age	Appraisal USD'000	Actual USD'000	%age	Appraisal USD'000	Actual USD'000	%age	Appraisal USD'000	Actual USD'000	%age	Appraisal USD'000	Actual USD'000	%age
Business Development Services	17,826.30	3,313.00	18.6%	23,484.00	587.39	2.5%	38,196.10	3,051.40	7.99%	9,556.00	372.59	3.90%	89,062.40	7,324.38	8.22%
Technology Promotion	0.00	19.58		41,349.60	52.04	0.1%	22,521.50	709.18	3.15%	1,378.50	1.72	0.12%	65,249.60	782.52	1.20%
Access To Rural Financial Services	6,704.70	166.86	2.5%				894.20	125.01	13.98%	9,135.30	115.09	1.26%	16,734.20	406.96	2.43%
Support To Rural Mse Organs.	471.80	558.79	118.4%	2,148.10	53.00		349.90	14.10	4.03%	-	-	0.00%	2,969.80	625.89	21.08%
Programme Coordination & Monitoring	6,497.20	2,590.47	39.9%	3,026.30	88.54	2.9%	1,595.10	273.23	17.13%	-	-	0.00%	11,118.60	2,952.24	26.55%
TOTAL	31,500.00	6,648.70	21.1%	70,008.00	780.96	1.1%	63,556.80	4,172.92	6.6%	20,069.80	489.39	2.4%	185,134.60	12,091.98	6.5%

44. **Cost-Sharing of Operating Costs:** Until AfDB funding became effective; IFAD was paying for all PCMU operating costs. PCMU is now going by the cost-sharing as indicated in the AfDB Appraisal document, i.e., cost-sharing ratio of 50:50 for AfDB and IFAD respectively.

45. **GoG Counterpart funds.** The Government has so far spent an equivalent of USD 3.941 million as direct support to NBSSI, GRATIS, and participating District/ Municipal Assemblies in the Programme. GoG has also provided approximately USD 231,000 as budgetary support (albeit sometimes coming rather late in the year) to cater for non-eligible payments under the IFAD and AfDB financing. The table below shows the actual receipts and expenditure for REP since its inception in 2012 to date:

Financial Year	Amount Received	Expenditure / Expected Exp.	Account Balance	Date of Acct. Bal
2012	500,050	15,695	484,355	31/12/12
2013	4,468	430,474	58,349	31/12/13
2014	100,000	149,579	8,770	11/11/14
2014		100,000	(91,230)	31/12/14

46. It must be noted that most of the activities for 2012 was financed from the REPII account which was executed concurrently with REP for six (6) months. The current balance of GHS 8,770 is inadequate to cater for the planned activities for the rest of FY2014, estimated at GHS100,000. **The mission kindly requests the Government (Ministry of Finance / Ministry of Trade and Industries) to release funds to the Programme to enable REP to carry out its planned activities for the rest of the year.**

47. **Compliance with loan covenants.** The Mission notes that the Borrower has honoured its obligations under the Financing Agreements. However, with the current low balance of GHS 8,770 (equivalent of USD 2,923) in the GOG Counterpart Fund Bank Account, the Programme risks borrowing funds from the IFAD/AfDB Programme/Local Currency Special Accounts to finance non-eligible payments; that would be a in contravention to the Financing Agreements

48. **Reconciliation of IFAD Designated Account.** There was no issue found with the use and accounting for the authorised allocation of USD 1,500,000 disbursed to the Programme. The table below shows the reconciliation of Designated Account as of 31 October 2014 (amounts in USD):

Reconciliation of Designated Account as at 31 October 2014			
Item	Description	Value (USD)	
i	Authorized Allocation		1,500,000.00
ii	Balance in the Special Account	393,581.50	
iii	Balance in the Programme Account	144,135.99	
iv	Petty Cash on Hand	-	
v	Total Cash & Bank Balances	537,717.49	
vi	WA17 pending at IFAD	713,722.48	
vii	Unclaimed Disbursement at PCO	248,560.39	
viii	Total Pending WA & Unclaimed Disbursement	962,282.87	
ix	Total Cash & Pending WAs (v+viii)		1,500,000.36
x	Exchange Rate Difference		(0.36)
xi	Available Balance of Initial Deposit (i+ix+x+xi)		1,500,000.00

49. **2014 AWPB performance:** For the financial year 2014, the programme has spent GHS6.389 million (USD 2.662 million), as at 31 October 2014, representing 64% of the IFAD budget of GHS10.031 million (USD 4.179 million). The performance of the overall programme budget for 2014 stands at GHS 11.637 million (USD 4.484 million) representing 44% of the total budget of GHS 26.571 million (USD 11.071). The programme's performance for the 2014 AWPB per by financiers are: AfDB – 25.5% (GHS 2.340m out of budgeted GHS 9.172m); GOG and its agencies – 47% (GHS 2.386m out of budgeted GHS 5.098m); Beneficiaries & others – 23% (GHS 0.521m out of GHS 2.270m).

50. **2015 Draft AWPB:** The mission reviewed the 2015 AWPB which has been presented to and approved by the PSC for review and approval before submission to IFAD/ AfDB for their 'no objection'. The 2015 AWPB is consistent with the activities articulated in the approved appraisal documents and in line with the financing agreements.

51. **Review of the Statements of expenditure (SOEs):** The mission reviewed the SOEs supporting the withdrawal applications number WA16 and WA17, for USD 602,086.23 and USD 713,722.48 respectively. The mission reviewed transactions value at GHS 5,000 or more, except for payroll transactions that were reviewed in totality, and BAC recurrent expenditures. The value of transaction reviewed for WA16 and WA17 is USD 486,776.52 (81%) and USD 680,617.55 (95%) respectively. The mission observed that due processes were followed and the expenditures had appropriate supporting documentation.

52. **Assets Identification:** The PCMU is currently generating the asset identifier codes in the Fixed Asset Module of the iSCALA accounting software. **The Mission agreed with the PCMU to complete the exercise and physically label Programme assets by 31 December 2014.**

53. **External Audit.** The Programme's audited Financial Statements and the accompanying management letter for FY2013 audited by Messrs Price Waterhouse Coopers, was submitted on time. The external auditor's opinion on the accounts was unqualified. **In view of the fact that the current auditor's contract will expire in after auditing the 2014 accounts, project management were advised to start with the initial process of recruiting an external auditor for 2015, 2016 and 2017 years.**

54. **Internal audit:** The Mission recommends that the internal audit function should be mainstreamed (against the initial recommendation of hiring an internal auditor) as part of the internal and oversight controls of the Programme financial management. In this regard, the mission recommends the use of the Internal Audit Unit of the Lead Executing Ministry i.e. MOTI, to conduct post-audit of REP transactions at a minimum twice a year.

55. **Agreed Actions and Recommendations.** The table below sets forth the actions agreed and the recommendations:

Agreed action	Responsibility	Agreed date
1. PCMU to submit a revised version of the PAM with amendments in financial monitoring oversight processes, internal controls and templates for financial management to IFAD and AfDB for review	NPC/FC	31 Dec 2014
2. Follow up request for government budgetary support at the Ministry of Finance and MOTI.	NPC/FC	31 Dec 2014
3. Invite the Internal Audit Unit of MOTI to conduct internal audit of REP	NPC/MOTI IAU	30 Apr 2015
4. Recruit Accounts Officer, Accounts Assistant, Procurement Officer and IT Officer	NPC/FC	31 Mar 2015

56. The detail report of the Fiduciary Management review from AfDB is attached as Annex 4.

57. **Procurement.** The Mission is pleased to note that all the major procurements have been processed and therefore no outstanding procurement is to be awarded, apart from six project vehicles and some minor local shopping. Furthermore, the Contract Registry Table confirms that the contracts have been completed including delivery and payment, except a few contracts to be delivered or paid. The Mission is also pleased to note that the procurement documents are filed properly so that any required information may be easily retrieved at a later stage.

58. Concerning the procurement for six vehicles for the PCMU, the Mission observed in the Procurement Plan that Local Shopping (LS) is planned. The Programme explained that one unit each will be procured when a need arises during the year, up to probably three. However, it is the understanding of the Mission that the National Regulations define that goods with value more than GHS 20,000 needs to be procured based on National Competitive Bidding (NCB). **The Mission therefore recommends that NCB be applied for procurement of each of the vehicles.** In order to reduce the administrative burden, a framework contract to cover the total six units could be a good contractual vehicle.

59. Concerning the procurement of specialist consulting support to address (i) economic cost benefit analysis of BACs to District Assemblies, (ii) agreements between District Assemblies, private sector players and RTFs underpinning RTF sustainability; and (iii) supporting the MSE sector with prioritized policy advocacy, the Mission strongly suggests that the Programme pursue the procurement of a qualified firm on the basis of Framework Contract to expedite execution. These contracts are used when there is a need for "on call" specialized services to provide advice or services, the extent and timing of which cannot be defined in advance. These are commonly used to retain "advisers" for implementation of complex projects expert adjudicators for dispute resolution

panels, institutional reforms, procurement advice, technical troubleshooting, etc. normally for a period of a year or more. The Procuring Entity and the firm agree on the unit rates to be paid, and payments are made on the basis of the time and resources actually used. (IFAD procurement guidelines).

F. Sustainability

60. While the Programme has made good progress in terms of accelerated output, establishing systems and rolling out a strong M&E system, real progress on sustainability is a growing concern for the Mission. The Mission noted that GRATIS and NBSSI face staffing challenges and seem to be in some ways out of sync in terms of assuming ownership of the Programme's activities. While the Programme has been proactive in resolving staffing gaps for BACs by leveraging other District level human resources, the approach is ad hoc and would benefit from progressive systemization. The Mission has noted these points above and recommended several priority actions, including: (i) establishing the economic benefit of BACs to District Assemblies to incite a process of prioritization for funding BACs; (ii) establishing a systematic approach to achieve sustainability of existing and new RTFs through PPP; (iii) considering what other potential implementing partners might offer to the sustainability of field-level activities; and (iv) including careful consideration of these issue for inclusion in the Terms of Reference for an Inter-Phase Review by IFAD.

G. Conclusion

61. REP is experiencing acceleration in the rollout of programmatic activities and outputs. The Components are likely to soon be in sync with planned targets. The PCMU is doing an excellent job and managing dynamically through implementation challenges. However, the environment in which the Programme is being implemented has become more demanding with hiring freezes experienced by the key implementing partners; and the strategy for sustaining the Programme's key outputs across 161 Districts requires additional effort to be clearly developed, agreed and implemented. These issues will drive the Terms of Reference for the planned inter-phase review in 2015.

62. IFAD and the Government of Republic of Ghana endorse the findings of the supervision mission.

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Dr. Ulaş Hans Demirag
Country Programme Manager
IFAD

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Mrs. Marie-Laure AKIN-
OLUGBADE
Resident Representative
African Development Bank

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Hon. Dr. Spio Garbrah
Minister for Trade and Industry

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Date

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Date

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Date

Appendix 1: Summary of project status and ratings

Project 1592 [841] Rural Enterprises Programme - Draft

Basic Facts

Country	Ghana			Project ID	1592	Loan/DSF Grant No.	841
Project	Rural Enterprises Programme					Top-up Loan/DSF Grant	
Date of Update	11-Nov-2014						
Supervising Inst.	IFAD/IFAD						
No. of Supervisions	4	No. of Implementation Support/Follow-up missions	1				
Last Supervision	19-Jun-2013	Last Implementation Support/Follow-up mission	06-Jun-2014				

				USD million Disb. rate %		
Approval	15-Sep-2011			Total financing	185.13	
Agreement	03-Nov-2011	Effectiveness lag	4.0	IFAD Total	31.50	
Entry into force	12-Jan-2012	PAR value	-----	IFAD loan	31.50	27%
First disbursement	14-Mar-2012			DSF grant		
MTR		Last amendment		IFAD grant		
Original completion	31-Mar-2020	Last audit		Domestic Total	83.63	
Current completion	31-Mar-2020			Beneficiaries	13.85	2%
Original closing	30-Sep-2020			Government (Local)	38.45	3%
Current closing	30-Sep-2020			Government (National)	25.11	2%
No. of extensions	0			Domes. Fin. Inst.	6.22	1%
				External Cofinancing Total	70.01	2%
				African Dev. Bank	70.01	2%
				Values based on GHS:USD 1.91:1		

Project Performance Ratings

B.1 Fiduciary Aspects	Last	Current	B.2 Project implementation progress	Last	Current
1. Quality of financial management	4	5	1. Quality of project management	5	5
2. Acceptable disbursement rate	3	3	2. Performance of M&E	5	5
3. Counterpart funds	3	3	3. Coherence between AWPB & implementation	3	3
4. Compliance with financing covenants	4	4	4. Gender focus	5	5
5. Compliance with procurement	5	5	5. Poverty focus	5	5
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	4	4
B.3 Outputs and outcomes	Last	Current	B.4 Sustainability	Last	Current
1. Business Development Services	4	4	1. Institution building (organizations, etc.)	5	4
2. Technology promotion	3	3	2. Empowerment	5	5

3. Access to Finance	4	4	3. Quality of beneficiary participation	4	4
4. Institutional Development	5	4	4. Responsiveness of service providers	5	5
			5. Exit strategy (readiness and quality)	4	3
			6. Potential for scaling up and replication	5	4

B.5 Justification of ratings

The implementation rate of the programme activities has continued to accelerate and may soon be in sync with expectations agreed during appraisal and reflected in the AWPB and disbursements. Implementation Progress continues to be good. As the AfDB funding for component 2 is now effective, technology promotion should also now begin to gain momentum. Access to Finance is keeping pace and hopefully will accelerate in the near term with greater utilization of MGs, REDF and new financing products. Institutional Development, Institution Building, Exit Strategy and Potential for Scaling Up and Replication have each been downgraded, but remain satisfactory, to alert the Programme of the Mission's concern that the institutional arrangements to sustain the programme have become more ambiguous and this situation requires attention. Technology promotion is being followed up closely by AfDB with collaboration from IFAD. The Programme's Financial Statement for the Period Ending 31 October 2014 was ready by 4th November 2014 which is remarkable. The Mission's review was based on the PFS and its schedules which were confirmed. REP has also progressed from receiving quarterly reports from DAs to monthly reports; and it's currently piloting the capturing of accounting data at the DAs through iSCALA Accounting. REP has refunded the money borrowed from the IFAD Programme Account, although the risk persists if the GoG does not provide additional money on time. The quality of the FM is satisfactory.

Overall Assessment and Risk Profile

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

Implementation continues to accelerate and AfDB Funding is now in place. Progress of the implementation itself is excellent and the PCMU continues to demonstrate strong capacity to manage through and around problems that result from implementing partners' incapacity due to governmental budget issues.

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

The rating is maintained in the spirit of optimism and based on the Mission's expectation that a rigorous review of the Programme's sustainability strategy will take place as a matter of urgency. The success of REP I and REP II was remarkable and beneficial to the targeted Districts. The Programme has been extended to 161 Districts in sync with the objectives and driven by the force of the PCMU to manage through the weaknesses of implementing partners. While this is commendable, the Programme must plan/re-plan very carefully to ensure it is sustainable.

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

Fiduciary aspects	The systems in place are robust and adequate to the task. Nonetheless, the last mission remarked inadequate counterpart funding and this current mission remarks that this has not improved.
Project implementation progress	All components of the Programme now have adequate funding. The PCMU is practically fully staffed, active and motivated. Implementation however faces risks from the fact that existing and new BACs and RTFs face staffing shortages and a clear strategy addressing this hasn't been formulated.
Outputs and outcomes	As noted within the report and above, the hiring freeze facing implementing partners, GRATIS and NBSSI, and the general governmental fiscal crisis pose risks to staffing BACs and RTFs.
Sustainability	The long-run sustainability of the BACs is rooted in strong support from their local District and Municipal Assemblies, and the utilization of private training providers on an as-needed basis. DAs seem generally prepared to take on increasing costs of BACs over time. Nevertheless, currently no comprehensive policy/strategy to sustain BAC staffing is in place and no strategy to sustain the high investment cost RTFs is in place.

Proposed Follow-up

Issue / Problem	Recommended Action	Timing	Status
Fiduciary	Slow accrual of Counterpart funds has been addressed in the Management Letter	February	

	and will be followed up closely with the PCMU and discussed at next support meeting.	2015	
M&E	Finalize and implement updated M&E framework and web-based GIS database application. Put in place protection protocols for maintaining client data confidentiality	30 June 2015	
Programme management	Complete the AWPB for 2015.	21 December 2014	Complete
Sustainability	A study on economic value of BACs, a strategy for RTF sustainability and an overall strategy for promoting pro MSE policies.	30 May 2015	

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

Narrative Summary	Key Performance Indicators	Means of Verification	Assumptions (A) / Risks (R)
Goal:			
To improve the livelihoods and income of rural poor micro and small entrepreneurs	<ul style="list-style-type: none"> Reduced % of rural poverty prevalence Reduced unemployment rates (by gender) Reduced prevalence of child malnutrition 	<ul style="list-style-type: none"> National household expenditures surveys National statistics on MDGs 	
Project Development Objective:			
To increase the number of rural micro and small enterprises that generate profit, growth and employment opportunities	<ul style="list-style-type: none"> 100,000 employment opportunities created (by gender& age)* 35,000 businesses created (by gender& age)* 70,000 existing businesses strengthened (by gender& age) 20,000 enterprises graduating from survival to normal and rapid growth categories (growth measure) (by gender & age) 38,000 enterprises in operation after 3 years (sustainability measure)* (by gender & age) 30% increase in household income 	<ul style="list-style-type: none"> REP database Reference surveys, studies Tracer study Client profile and poverty analysis 	

Narrative Summary	Key Performance Indicators	Means of Verification	Assumptions (A) / Risks (R)
Outcome 1: Business development services accessible to MSEs in rural districts	<ul style="list-style-type: none"> At least 150 operational REP model BACs. (161 BACs currently operational) Turnover of BACs (target: 25,000 USD) Level of institutional performance of BACs (average efficiency of 0.80 by year 8) Level of effectiveness (60%) of BDS training 	<ul style="list-style-type: none"> REP & NBSSI records Institutional performance surveys Tracer study 	Decentralization policy remains supportive for integration of BAC in DA.
Successful restructuring of NBSSI.			
Outputs: 1.1 BACs are established and strengthened 1.2 Capacity of rural MSEs and their associations strengthened	<ul style="list-style-type: none"> At least 84 new BACs established – (95 new BACs so far established) 600 staff of BACs (re)trained - (859 BAC staff so far re(trained as participants) 74,000 rural MSEs counselled (by gender & age) [8,519 clients – 3,296M/5,223F so far counselled). 400,000 people trained by type of training (total outreach) (by gender & age)* (15,262 people - 4,818M/10,444F so far trained) 2,000 LBAs supported (training by gender) 	<ul style="list-style-type: none"> NBSSI records REP database & reports 	
Outcome 2: Technical skills transferred and technologies disseminated	<ul style="list-style-type: none"> At least 51 operational RTFs – (21 RTFs operational) Turnover of RTFs (target: 20,000 USD) 23,000 NVTI certifications 	<ul style="list-style-type: none"> GRATIS records REP database & reports Tracer-study 	Decentralization policy remains supportive for sustainability of RTFs.

Narrative Summary	Key Performance Indicators	Means of Verification	Assumptions (A) / Risks (R)
	Training aligned with COTVET <ul style="list-style-type: none"> Level of effectiveness (60%) of training& start-up kits (by gender) 		
Outputs: 2.1 RTFs are functional	<ul style="list-style-type: none"> 30 new RTFs established 153 staff of RTFs (re)trained 51 RTF management boards operational 90% of RTFs use accounting software 	<ul style="list-style-type: none"> RTF reports MSE Sub-committee reports GRATIS reports REP database & reports Periodic reports from partners 	Co-financing available in time GRATIS Foundation continues support to RTFs.
2.2 Capacity of rural master craft persons and apprentices developed	<ul style="list-style-type: none"> 30,000 master craft persons trained by type of training and gender (87 master crafts persons – 75M/12F trained) 30,000 traditional apprentices trained by type of training and gender (2 traditional apprentices – both male so far trained) 1750 technical apprentices trained by type of training and gender (17 technical apprentices – all M so far trained) 19,000 graduate apprentices provided with start-up kits (by gender) - (120 graduate apprentices - 46M/74 F provided with start-up kits) 		
Outcome 3: Access of MSEs to finance is ensured	<ul style="list-style-type: none"> 27,000 active borrowers of which at least 50% women (by gender and age)* % reduction of portfolio at risk 	<ul style="list-style-type: none"> BAC quarterly reports PFI quarterly reports REP reports 	Effective linkages with other IFAD projects (mainly RAFiP)

Narrative Summary	Key Performance Indicators	Means of Verification	Assumptions (A) / Risks (R)
Outputs:			
3.1 PFIs capacity improved	<ul style="list-style-type: none"> Number of staff of PFIs (re)trained (by gender) (53 staff of PFIs so far (re)trained) Partnership with at least 80 PFIs 	<ul style="list-style-type: none"> ARB Apex Bank reports 	PFIs' capacities remain sufficient to handle a portfolio of small loans
3.2 MGF operational	<ul style="list-style-type: none"> 7,000 MSEs accessing MGF MGF amount disbursed (by gender and age) (target 1.9 million USD) 	<ul style="list-style-type: none"> REP reports BoG reports ARB Apex Bank reports 	
3.3 REDF operational	<ul style="list-style-type: none"> 22,000 MSEs accessing REDF % REDF disbursed (by gender age)* 		
Outcome 4: Pro-poor MSE support institutions and policies in place	<ul style="list-style-type: none"> Disbursement rate of DAs at least at 80% NBSSI is operational knowledge centre for BACs GRATIS is operational knowledge centre for BACs 	<ul style="list-style-type: none"> MSE sub-committee reports Supervision reports 	NBSSI and GRATIS are restructured and have capacity to fulfil their role
Outputs:			
4.1 Institutions strengthened at district and regional level	<ul style="list-style-type: none"> 150 MSE Sub-Committees functional 150 DOTI, MSE Sub-Committees, DA trained 8 RWGMSE operational at RCCs 100 functional ASSI branches at district level Establishment of 20 Light industrial estates supported 	<ul style="list-style-type: none"> REP reports NBSSI reports 	
4.2 Support to policy dialogue	<ul style="list-style-type: none"> Number and quality of policy initiatives emanating from REP and DAs 	<ul style="list-style-type: none"> Supervision reports 	

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

Country and project name GHANA – Rural Enterprise Programme – Phase III (REP III) Purpose of the project: To improve the livelihoods of rural micro and small-scale entrepreneurs (MSEs)						
Result chain		Performance indicator			Means of verification	Risk/mitigation measures
		Indicator (2012)	Baseline (2012)	Target (2017): Disaggregated by gender & age		
IMPACTS	Increased economic growth and reduction in poverty	Growth rate in Annual Real Gross Domestic Product (GDP)	4.5% GDP	6% GDP	Ministry of Finance and Economic Planning and Institute of Statistical and Social Research (ISSER) reports	
		Incidence of poverty as % of population	28.7%	22%		
OUTCOMES	Income generation and sustainable agribusiness establishment	% change in income of targeted beneficiaries	GHS 1217/HH/Yr. (GLSS,2000)	30% increase in household income	Ghana Living Standards and National H-hold Expenditure Surveys; Client Profile and Poverty Analysis	Risk: Government decentralization derail Mitigation: Advocacy and dialogue on agenda of decentralization
		Number of formal and functional MSEs created	76,693 MSEs are installed in rural areas of which only 27,677 (36%) are agro-based. 767 (1%) of the established businesses were in rapid growth stage 903 (1.18%) are registered and 3,960 businesses are members of LBAs	85,561 new MSEs are created in rural areas of which 60,231 (70.4%) are agro-based. Women are involved in 40% of these enterprises. 20,000 of the established businesses (23.4%) are in rapid growth stage. 59,892 (70%) are registered and 32,200 businesses are members of LBAs	NBSSI, GRATIS, DAs, REP, National Development Planning Commission, Business associations (ASSI, AGI), Registrar General's Department reports	Risk: Exposure of rural formal MSEs to the current enterprise taxation Mitigation: Deliberate tax policy improvement in favor of rural MSEs.
		Number of wage jobs created	54,683 wage jobs created in 66 districts	100,000 new wage jobs create in 161 new districts (40% women and 20% youth, 5% disabled people & PLWHA)		
OUTPUTS	Output 1: Creation of Business Development Services (BDS)	Number of BACs established and training institutes strengthened	10 regional and 66 district-based BACs; zero farm institutes	10 regional and 161 (66 old + 95 new) district-based BACs; 3 farm institutes + 1 animal traction centre strengthened	NBSSI, REP, BACs, DAs, HRDMD/MOFA, ONGs, CSIR, LBAs and business associations (ASSI, AGI) reports.	Risk: Government counterpart and DAs funds not paid in time; Mitigation: Continued close collaboration and partnership with government and DAs.
		No. of BAC staff trained;	132 BAC staff trained	164 BAC staff trained (30% women)		
		No. of LBA members trained	3,882 LBAs members trained	2000 new LBAs members trained (30% women)		
		No. of ToTs at Farm Institutes	No farm institute TOT	30 Farm Institutes Trainers trained		
		Number of beneficiaries of CBST	108,893 beneficiaries of CBST of which 33 846 in non- agro-based businesses.	293,000 beneficiaries of CBST of which 3818 in non-agro-based businesses (50% are women)		
		Number of agro-based and connected rural businesses established	The number of agro-processing, farm-based and other connected businesses installed are 7,610; 20,067 and 33,846, respectively.	The number of new agro-processing, farm-based and other connected businesses created are 25,231 (30% women); 35,000 (50% women) and 2,500 (60% women), respectively.		
		No. of MSEs counseled by BACs	30,714 MSEs counseled by BACs	74,000 MSEs counseled by BACs, Farm Institutes and Champion LBA members		

		Number of start-up kits provided to agro-processing and farm-based businesses	Zero start up kits for agro-processing and 2,090 startup kits for farm-based business	4,050 startup kits for agro-processing (40% for women groups; 5% for disabled & OLWHA) & 4,200 startup kits for farm-based businesses (50% for women groups)		
Output 2: Development of Agricultural Commodity Processing Infrastructure (ACPI)		Number of RTFs constructed and equipped	21 RTFs established and equipped with workshops machines and tools	30 new RTFs are constructed & equipped with machines and agro-processing prototypes.	GRATIS, REP, RTFs, DAs, TCC, CSIR, ONGs, IITA, LBAs and Business Association (ASSI, AGI) reports.	Risk: Failure of partners to play assigned roles Mitigations: MOU supported with incentives to participating partners. Steady interactions among partners. Use of participatory approach initiated during formulation. Risk: Government counterpart and DAs funds not paid in time; Mitigation: Continued close collaboration and partnership with government and DAs.
		Number of hostels constructed at RTFs and Resource centres constructed at BACs	Zero hostels at RTFs and zero resources centres the BACs	40 hostels & 42 resources centres constructed at selected RTFs and BACs		
		No. of trainees in workshops activities	4,393 master craftsmen, 15,170 traditional apprentices, and 38 technical apprentices (3years training) trained and supported with 3,430 startup kits.	39,691 new master craftsmen and traditional apprentices and 1,712 technical apprentices trained & supported with 6,000 startup kits (10% women; 20% youth; 5% disabled people & PLWHA).		
		No. of trainees on agro-processing and farm equipment and implement.	7,610 persons trained in agro-processing and farm equipment and implement	32,841 persons trained on agro-processing and farm equipment and implement (30% women)		
		Number of workshop businesses established	15,170 workshops installed	22,830 workshop businesses created of which 10% are owned by women.		
		No. of I RTFs under PPP or private management	The 21 old RTFs of REP I & II are managed by DAs and GRATIS	The 21 RTFs are managed with PPP or private sector.		
Output 3: Creation of Enabling Business Environment (EBE)		No. of Financial Institutions participating in the Rural Enterprises Fund (REDF)	40 rural and community FIs are participating in REDF	100 rural and community FIs participating in REDF	REP data base	Risk: PFIs charge high interest rates because perceive borrowers as high risk clients Mitigation: BACs provides services that reduce the perceived risk of clients, ensuring that MSE sub-committees, RECOMEP and ASSIs have reflective representation of women, the youth, disabled people & PLWHA
		No. of MSEs accessing the Matching Grant Fund (MGF) and REDF and total credit disbursement	267 MSEs accessed MGF amount of USD563,425; 6,900 MSEs accessed REDF amount of USD 225,340	7,000 MSEs access MGF amount of USD1.9 million; 27,000 MSEs accessed REDF amount of USD4,850 million	Bank of Ghana, ARB Apex Bank, RAFiP reports;	
		No. of DOTIs, district (DAs) and regional (RCC) sub-committees on MSEs and ASSI strengthened	0 DoTI, 66 district sub-committee and 0 Regional Committee on MSEs promotion (RECOMEP/ RCC) and 0 district ASSI are functional	161 DoTI, 161 MSE sub-committees, 10 RECOMEP and 161 district ASSIs are functional.	Sub-committees on MSEs promotion reports;	
		No. of policy dialogue and specific MSEs related fiscal, market or credit legislation	Zero policy dialogue on fiscal, market and credit related to MSEs initiated by the Directorate of SME and technology of MoTI, REP and LBAs.	Two policy initiatives emanating from the SME Directorate of MoTI, REP and other stakeholders on taxation, marketing and financing of MSEs.	MoTI reports	
Output 4: Programme Coordination & Management		- Counterpart fund mobilization - Rate of execution (financial, work plan) and disbursement	- REP I and II in all cases	100% in all cases at the end of the programme	Programme reports; Supervision reports; Audit reports; Mid-Term Review.	Risk: Weak procurement capacity at the RTF and BAC levels Mitigation: Provision has been made to build the at this level in line with Public Procurement Act663, 2003

KEY ACTIVITIES	<p><u>Component 1: Creation of Business Development Services (BDS)</u> Community based skill training BST will be provided to 293 000 clients in 161 BACs (66 old+95 new). Of these 62,731 will established their business. Intensive training will be provided to 6000 graduate youth in the farm institutes and supported with start -up kits to establish their group and communal businesses</p> <p><u>Component 2: Development of Agricultural Commodity Processing Infrastructure (ACPI)</u> Construction and equipment with metal and carpentry machines of 30 new RTFs Training of 39,691 master craftsmen, traditional and technical apprentices in the construction, maintenance and spare parts of farm based, agro-processing machines.</p> <p><u>Component 3: Creation of Enabling Business Environment (EBE)</u> Improved access to credit (MGF and REDF) and Building capacity of stakeholders Two policy initiatives on taxation, marketing and financing of rural MSEs.</p> <p><u>Component 4: Programme coordination and Management</u> REP II PCMU continue but strengthened</p>	<p>Project cost (UA million) by category of expenditure Category Works: 4.60 Goods: 13.47 Services: 40.88 Operating costs: 30.14 Miscellaneous: 13.56 Total Project Cost: 125.25</p>
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Appendix 3: Summary of key actions to be taken within agreed timeframes

Action Area	Action Agreed	Date	Whom	Progress
Project Implementation	Prepare Terms of Reference for a Strategic Inter-Phase Review	30 January 2015	PCMU	
Outputs	Engage a service provider to assess and develop training for BACs covering entrepreneurship and business development.	31 March 2015	PCMU/NBSSI	
	Organize training for BAC staff in batches	30 June 2015	PCMU	
	Prepare a concept note strategizing for participation in an agribusiness platform.	28 February 2015	PCMU/MOFA	
	Engage design and supervision consultants for Resource Centres	30 June 2015	PCMU	
	Develop TOR/RFP for Engineering Design and Construction Supervision of Hostel Facilities in five RTFs.	30 November 2014	PCMU	
	Procure the services of a firm to design and supervise construction of the RTFs.	31 March 2015	PCMU	
	Promote Asset Based Financing with at least 3 PFIs and relevant RTFs.	28 February 2015	PCMU	
	Energize disbursement of Matching Grants.	Immediately	PCMU	
	Engage a consultant to poll MSEs and identify a shortlist of key policy objectives.	28 February 2015	PCMU	
	Include identity and data security measure in the TOR for GIS/M&E Consultant's next phase of work.	Immediately	PCMU	
	Continue to recruit staff to fill remaining positions at PCMU.	31 December 2014	PCMU	
Sustainability	Execute a consultancy on the benefits versus costs of BACs and BDOs to urge better support from DAs.	30 April 2015	PCMU/DAs	
	Formulate a clear policy recommendation for maintaining adequate staff levels at BACs in the absence of NBSSI staff.	28 February 2015	PCMU	
	Document and share models for RTF sustainability.	30 June 2015	PCMU/DAs	
	Facilitate arrangements between DAs and competitively selected private actors to manage nine existing RTFs.	30 June 2015	PCMU/Das	

Fiduciary Aspects	PCMU to submit a revised version of the PAM with amendments in financial monitoring oversight processes, internal controls and templates for financial management to IFAD and AFDB for review	NPC/FC	31 Dec 2014
	Follow up request for government budgetary support at the Ministry of Finance and MOTI.	NPC/FC	31 Dec 2014
	Invite the Internal Audit Unit of MOTI to conduct internal audit of REP	NPC/MOTI IAU	30 Apr 2014
	Recruit Accounts Officer, Accounts Assistant, Procurement Officer and IT Officer	NPC/FC	31 Mar 2014
Other	Procurement—Apply National Competitive Bidding for each and all vehicle procurements	PCMU	Immediately

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

Component/ Sub-component or Output	Indicator	Unit	Period: 1 st Jan. 2014 to 30th Sep 2014			Cumulative Actual	Appraisal Target	%
			AWP&B	Actual	%			
Component 1: <i>Business Development Services</i>								
Output:BACs established/strengthened	No. of operational REP model BACs	No.	161	161	100%	161	161	100%
	Amount of turnover of BACs in USD (average)	USD	12,500				25,000	
	Level of institutional performance of BACs (average efficiency by year 8)	%	40%				80%	
	Level of effectiveness of BDS training	%	60%				60%	
Activity 1.1.1: Undertake civil works for new BACs	No. of BACs	No.	161	161	100%	161	161	100%
Activity 1.1.2: Procure 4WD pick-ups for new BACs	No. of BACs	No.	-	-	-	-	95	
Activity 1.1.3: Procure motor bikes for new BACs	No. of 4WD pick-ups	No.	64	-	-	31	95	33%
Activity 1.1.4: Procure office furniture and basic equipment for new BACs	No. of motor bikes	No.	-	-	-	65	190	34%
Activity 1.1.5: Procure desktop computer, software & UPS for BACs	No. of new BACs	No.	-	-	-	-	95	-
Activity 1.1.8: Procure laser printers for BACs	No. of BACs	No.	91	-	-	60	161	37%
Activity 1.1.9: Procure photocopier for new BACs	No. of BACs	No.	91	-	-	60	161	37%
Activity 1.1.10: Procure fax/fixed telephone for BACs	No. of BACs	No.	91	-	-	18	95	19%
Activity 1.1.11: Procure air conditioners for BACs	No. of BACs	No.	-	-	-	-	95	
Activity 1.1.12: Facilitate NBSSI supervision of new BACs	No. of BACs	No.	-	-	-	20	95	21%
Activity 1.1.13: Facilitate NBSSI supervision of existing	No. of BACs	No.	95	95	-	74	95	78%
	No. of BACs	No.	66	66	-	66	66	100%

BACs

Activity 1.1.14: Conduct orientation for staff of new BACs	No. of BACs	No.	-	21	-	74	95	78%
Activity 1.1.15: Conduct orientation for staff of existing BACs	No. of BACs	No.	-	-	-	66	66	100%
Activity 1.1.16: Organise exchange visits for staff of new BACs	No. of BACs	No.	-	-	-	-	18	-
Activity 1.1.17: Organise exchange visits for staff of existing BACs	No. of BACs	No.	-	-	-	-	18	-
Activity 1.1.18: Organise gender mainstreaming training for staff of BACs & RTFs	No. of BAC & RTF staff	No.	161	-	-	-	-	-
Output: Capacity of rural MSEs and their associations strengthened								
Activity 1.2.1: Organise annual stakeholder fora for new districts	No. of annual district Clients' fora organised	No.	95	6	6.3%	171	664	26%
Activity 1.2.2: Organise annual stakeholder fora for existing districts	No. of annual district Clients' fora organised	No.	66	-	-	130	528	25%
Activity 1.2.3: Provide training for clients	No. of clients trained (by gender & age)	No.	26,806	3,007	11.2%	27,187	347,546	7.8%
Activity 1.2.4: Engage consultants to manage the delivery of training for MSEs and preparation of manuals (SM)	No. of consultants engaged	No.	1	-	-	0	1	-
Activity 1.2.5: Organise annual Clients' Exhibition & Trade shows	No. of clients participating	No.	118	1	1%	-	-	-
Activity 1.2.6: Provide business counselling for clients	No. of clients counselled	No.	16,529	1,370	8.35%	8,519	-	-
Activity 1.2.7: Organise study tours for clients	No. of clients taking tour	No.	528	14	-	95	278	293%
Activity 1.2.8: Business	No. of districts participating	No.	49	49	100%	46	95	48%

Opportunity Identification
Surveys for new districts

**Component 2: Agricultural Commodity Processing Infrastructure
Development (Technology Promotion and Dissemination)**

	No. of RTFs operational	No.	21	21	100	21	51	41%
Objective (Outcomes) :- To transfer technical skills and disseminate technologies	Amount of turnover of RTFs in USD	USD	-	-	-	-	20,000	-
	No. receiving NVTI certifications	No.	530	-	-	-	23,000	-
	Training aligned with COTVET	-	-	-	-	-	-	-
	Level of effectiveness of training & start-up kits support (by gender)	-	-	-	-	-	60%	-
Output: Functional RTFs established								
Activity 2.1.1. Construct new RTF workshop buildings	No. of new RTF workshop buildings constructed	No.	-	-	-	-	30	-
Activity 2.1.2. Recruit design and supervision Consultant for new RTFs	No. of contracts for design and construction of new RTFs signed	No.	1	-	-	-	30	-
Activity 2.1.3 Procure motor bikes for new RTFs	No. of motorbikes procured for new RTFs	No.	-	-	-	-	60	-
Activity 2.1.4 Procure 4WD twin-cab pickups for new RTFs	No. of 4 WD twin-cab pickups procured for new RTFs	No.	-	-	-	-	30	-
Activity 2.1.5 Procure workshop equipment for new RTFs	No. of workshop equipment procured for new RTFs	No.	-	-	-	-	30	-
Activity 2.1.6 Procure generators for new RTFs	No. of new generators procured for new RTFs	No.	-	-	-	-	30	-
Activity 2.1.7 Recruit engineering Consultants for new RTFs	No. of engineering consultants recruited for new RTFs	No.	-	-	-	-	3	-
Activity 2.1.8 Install workshop equipment for new RTFs	No. of workshop equipment installation for new RTFs completed	No.	-	-	-	-	30	-
Activity 2.1.9 Procure office furniture and basic equipment for new RTFs	No. of office furniture and basic equipment procured for new RTFs	No.	-	-	-	-	30	-
Activity 2.1.10 Procure desktop computers, software and UPS for new RTFs	No. of desktop computers, software and UPS procured for new RTFs	No.	-	-	-	-	30	-

Activity 2.1.11 Procure laser printers for new RTFs	No. of laser printers procured for new RTFs	No.	-	-	-	-	30	-
Activity 2.1.12. Procure motor bikes for existing RTFs	No. of motor bikes procured for existing RTFs	No.	-	-	-	-	21	-
Activity 2.1.13 Procure 4 WD twin-cab pick-ups for existing RTFs	No. of 4WD twin-cab pick-ups procured for existing RTFs	No.	3	-	-	-	3	-
Activity 2.1.14. Procure workshop equipment for existing RTFs	No. of workshop equipment procured for existing RTFs	No.	-	-	-	-	21	-
Activity 2.1.15. Procure office furniture and basic equipment for existing RTFs	No. of office furniture and basic equipment procured for existing RTFs	No.	3	-	-	-	21	-
Activity 2.1.16. Procure desktop computers, software and UPS for existing RTFs	No. of desktop computers, software and UPS procured for existing RTFs	No.	3	-	-	-	21	-
Activity 2.1.17. Procure laser printers for existing RTFs	No. of laser printers procured for existing RTFs	No.	3	-	-	-	21	-
Activity 2.1.18: Train or retrain staff of RTFs	No. of staff of RTFs (re)trained	No.	84	-	-	-	1,200	-
Activity 2.1.19: Provide support to RTF management boards	No. of RTF management boards operational	No.	-	-	-	-	561	-
Activity 2.1.20: Provide accounting software for RTFs	Level of RTFs' use accounting software	%	-	-	-	-	90%	-
Activity 2.1.21: Coordinate GRATIS supervision of RTFs	No. of RTF supervisions carried out by GRATIS	No.	42	-	-	-	408	-
Output: Capacity of rural master craft persons and apprentices developed								
Activity 2.2.1: Provide training to master crafts persons	No. of master craft persons trained by type of training and gender	No.	2,133	-	-	213	30,000	0.7%
Activity 2.2.2: Provide training to traditional apprentices	No. of traditional apprentices trained by type of training and gender	No.	550	-	-	2	30,000	-
Activity 2.2.3: Provide training to technical apprentices	No. of technical apprentices trained by type of training and gender	No.	316	10	3.2%	47	1,750	3%

Activity 2.2.4: Provide training to tertiary students on attachment	No. of tertiary students on attachment trained by type of training and gender	No.	10	-	-	-	-	-
Activity 2.2.5: Provide training in occupational safety, health & environmental mgt.	No. of clients trained by type of training and gender	No.	581	-	-	67	-	-
Activity 2.2.6: Provide start-up kits to graduate apprentices	No. of graduate apprentices provided with start-up kits (by gender)	No.	1,120	50	4.5%	250	19,000	1.3%
Activity 2.2.7: Carry out field demonstration of new/improved technologies	No. of demonstrations of new/improved technologies carried out	No.	15	-	-	-	1,092	-
Activity 2.2.8: Facilitate NVTI certification of graduate apprentices	No. of graduate apprentices certified by NVTI	No.	2,595	131	5%	631	21,780	2.9%
Activity 2.2.9: Carry out testing/replication of agro-processing equipment	No. of agro-processing equipment tested/replicated	No.	12	-	-	10	48	21%
Activity 2.2.10: Provide support to DAs to develop light industrial estates	No. of DAs supported to develop light industrial estates	No.	10	-	-	-	73	-
Activity 2.2.11: Establish innovative production centres in district light industrial estates	No. of innovative production centres established	No.	-	-	-	-	104	-
Component 3: Enabling MSE Environment								
<i>Sub-component: Access to Rural Finance</i>								
Objective (Outcomes) :- To improve access of MSEs to finance	No. of active borrowers of which at least 50% women (by gender and age)	No.	3,206	-	-	-	27,000	-
	% reduction of portfolio at risk	No.	5	-	-	-	-	-
Output: Capacity of PFIs & ARB Apex Bank improved								
Activity 3.1.1: Provide training/retraining for staff of PFIs	Number of staff of PFIs (re)trained (by gender)	No.	148	-	-	53	-	-
Activity 3.1.2: Provide training for staff of ARB Apex Bank	Number of staff of ARB Apex trained	No.	-	-	-	-	53	-
Activity 3.1.3: Establish partnership with new PFIs	No. of new PFIs partnered with	No.	20	-	-	4	80	5%

Activity 3.1.4: Procure motor cycles/bicycles for PFIs	No. of PFIs supported with motor cycles/bicycles	No.	-	-	-	-	50	-
Activity 3.1.5: Procure vehicles and equipment for ARB Apex Bank	No. of vehicles procured for ARB	No.	-	-	-	-	1	-
Activity 3.1.6: Procure desktop computers, software and UPS for BOG	No. of desktop computers, software and UPS procured for BOG	No.	-	-	-	-	2	-
Activity 3.1.7: Procure laser printers for BOG	No. of laser printers procured for BOG	No.	-	-	-	-	1	-
Activity 3.1.8: Provide technical assistance to ARB to develop operational manual and data processing formats	No. of operational manual & data processing formats developed	No.	-	-	-	-	-	-
Activity 3.1.9: Carry out studies in credit line synopsis and micro leasing	No. of studies carried out	No.	-	-	-	-	2	-
Activity 3.1.9: Undertake local, regional and training of trainers exposure visits	No. of exposure visits undertaken	No.	2	-	-	-	15	-
Output: MGF operational	No. of PFIs participating in MGF	No.	-	-	-	-	-	-
Activity 3.2.1: Facilitate MSEs' access to MGF	No. of MSEs accessing MGF	No.	735	-	-	20	7,000	0.3%
Activity 3.2.2: Monitor PFIs' activities on MGF	MGF GHc amount disbursed (by gender and age)	GH¢	3,185,496	-	-	273,500	3,560,000	7.7%
Output: REDF operational	No. of PFIs participating in REDF	No.	-	-	-	-	-	-
Activity 3.3.1: Facilitate MSEs' access to REDF	No. of MSEs accessing REDF	No.	2,470	-	-	886	22,000	4.0%
Activity 3.3.2: Monitor 'disbursement of REDF	Amount of REDF disbursed (by gender age)	GH¢	4,516,312	-	-	1,133,928	8,845,100	12.8%
Sub-component: Institutional Development								
Objective (Outcomes):- Pro-poor MSE support institutions and policies in place	Level of disbursement of DAs for MSE development	%	-	-	-	-	80%	-
	Level of NBSSI as operational knowledge centre for BACs	%	-	-	-	-	-	-
	Level of GRATIS as operational knowledge centre for RTFs	%	-	-	-	-	-	-
Output: Institutions strengthened at district and regional level								
Activity 3.4.1: Facilitate	No. of district MSE Sub-Committee	No.	263	15	5.7%	73	1,034	7.1%

organisation of district MSE meetings held								
Sub-committees meetings								
Activity 3.4.2: Provide support for consultative meetings between RECOMEP, ASSI and NGOs	No. of consultative meetings held by RECOMEP, ASSI & NGOs	No.	-	-	-	-	32	-
Activity 3.4.3: Provide support for consultative meetings for collaborating institutions	No. of consultative meetings held by collaborating institutions	No.	8	2	25%	5	16	31.3%
Activity 3.4.4: Provide support for consultative meetings between ASSI and AGI	No. of consultative meetings held between ASSI and AGI	No.	-	-	-	-	66	-
Activity 3.4.5: Provide training for DAs, ASSI and RCCS	No of training workshops organised for DAs, ASSI and RCCs	No.	12	2	16.7%	4	1,828	0.2%
Activity 3.4.6: Provide support to selected District Assemblies to establish light industrial estates	No of Districts supported to establish light industrial estates supported	No.	10	-	-	-	20	-
Activity 3.4.7: Procure vehicles for NBSSI, GRATIS, etc.	No of vehicles procured for NBSSI and GRATIS	No.	-	-	-	-	12	-
Activity 3.4.8: Procure desktop computers, software and UPS for I.Es	No of desktop computers procured for I.Es.	No.	-	-	-	-	11	-
Activity 3.4.9: Procure laser printers for I.Es	No of laser printers procured for I.Es.	No.	-	-	-	-	10	-
Activity 3.4.10: Procure photocopiers for I.Es	No of photocopiers procured for I.Es.	No.	-	-	-	-	10	-
Activity 3.4.11: Procure laptop computers for I.Es	No of laptop computers photocopiers procured for I.Es.	No.	-	-	-	-	11	-
Output: Policy dialogue supported		No.	-	-	-	-		-
Activity 3.5.1: Provide support expertise in local MSE policy development	Number of experts in local MSE policy development engaged	No.	1	-	-	-	24	-

**Programme Coordination
and Management**

**Output: Civil Works,
Vehicles, Equipment and
Materials procured**

Activity 4.1.1: Carry out office refurbishment	No. of refurbishments carried out in PCMU offices	No.	-	-	-	-	-	-
Activity 4.1.2: Procure vehicles (station wagons) for PCMU	No. of vehicles procured for PCMU	No.	-	-	-	4	8	50%
Activity 4.1.3: Procure office furniture and basic equipment	No. of office furniture and basic equipment procured for PCMU	No.	-	-	-	9	9	100%
Activity 4.1.4: Procure laptop computers	No. of laptop computers procured for PCMU	No.	-	-	-	8	18	44%
Activity 4.1.5: Procure desktop computers, software and UPS	No. of desktop computers, software and UPS procured for PCMU	No.	-	-	-	5	5	100%
Activity 4.1.6: Procure laser printers	No. of laser printers procured for PCMU	No.	-	-	-	5	6	83%
Activity 4.1.7: Procure LCD projector	No. of LCD projector procured for PCMU	No.	-	-	-	-	2	
Activity 4.1.8: Procure video camera	No. of video cameras procured for PCMU	No.	2	-	-	-	1	
Activity 4.1.9: Procure mobile phone	No. of mobile phone procured for PCMU	No.	-	-	-	-	5	
Activity 4.1.10: Procure photocopy machines	No. of photocopy machines procured for PCMU	No.	-	-	-	2	6	33%
Activity 4.1.11: Procure server	No. of servers procured for PCMU	No.	-	-	-	1		
Activity 4.1.12: Procure professional publications and documentaries	No. of professional publications and documentaries procured for PCMU	No.	6	-	-	-	8	
Output: Capacity of Programme staff built through training								
Activity 4.2.1: Provide Programme staff with capacity building training	No. of training workshops attended by Programme staff	No.	4	-	-	18	80	23%
Activity 4.2.1: Organise GALS Learning Events for	No. of BAC/RTF staff trained in GALS	No.	-	-	-	-		

BAC/RTF staff

**Output: Programme
Implementation Workshops
organised**

Activity 4.3.1: Organise Programme Implementation Workshops	No. of Programme implementation workshops organised by PCMU	No.	3	-	-	6	8	75%
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**Output: Specialist services
for unspecified Programme
Implementation support
provided**

Activity 4.4.1: Provide specialist services for Programme implementation support	No. of specialist services for Programme implementation support provided	No.	3	-	-	2	6	33%
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**Output: Annual Audit of
Programme Accounts
conducted**

Activity 4.5.1: Conduct annual audit of Programme accounts	No. of annual audits of Programme accounts conducted	No.	1	-	-	3	8	38%
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**Programme Monitoring and
Evaluation**

**Output: Civil Works,
Vehicles, Equipment and
Materials procured**

Activity 4.6.1: Procure vehicles for M&E Unit	No. of vehicles procured for M&E Unit	No.	-	-	-	-	1	
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Activity 4.6.2: Procure office furniture and basic equipment	No. of office furniture and basic equipment procured for M&E Unit	No.	-	-	-	1	1	100%
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Activity 4.6.3: Procure laptop computer and software	No. of office equipment and materials procured for M&E Unit	No.	-	-	-	4	4	100%
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Activity 4.6.4: Procure desktop computer and software	No. of office desktop computers procured for M&E Unit	No.	-	-	-	2	2	100%
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Activity 4.6.5: Procure air-condition	No. of air conditioners procured for M&E Unit	No.	-	-	-	1	1	100%
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**Output: Capacity of M&E
staff built through training**

Activity 4.7.1: Provide M&E staff with capacity building training		No. of training workshops attended by M&E staff	No.	3	-	-	3	8	38%
Activity 4.7.2: Organise GALS training for champion group of rural people		No. of people trained in GALS	No.	30	-	-	-	-	-
Output: Programme Implementation Workshops organised									
Activity 4.8.1: Organise National and Regional Workshops		No. of workshops organised	No.	3	-	-	11	17	65%
Output: Specialist services for M&E and Programme Mid-Term Review									
Activity 4.9.1: Provide specialist services for Programme M&E (GIS Consultant and software)		No. of specialist services for Programme M&E	No.	1	1	100%	1	6	17%
Activity 4.9.2: Conduct Programme Mid-Term Review		No. of Programme MTR conducted	No.	-	-	-	-	1	-
Output: Baseline and exit surveys, other unspecified studies and contracted supervision undertaken									
Activity 4.10.1: Conduct baseline and exit surveys		No. of baseline and exit surveys conducted	No.	-	-	-	1	7	14%
Activity 4.10.2: Conduct unspecified studies		No. of unspecified, studies undertaken	No.	-	-	-	-	8	-

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	31,500.00	6,648.70	21.11%
AfDB	70,008.00	780.96	1.12%
GOVERNMENT OF GHANA	63,556.80	4,172.92	6.57%
PFI & BENEFICIARIES	20,069.80	489.39	2.44%
TOTAL	185,134.60	12,091.98	6.53%

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

Component	IFAD LOAN			AFDB			GOVERNMENT			PFI & CLIENTS			TOTAL		
	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
Business Development Services	17,826	3,313	18.6%	23,484	587	2.5%	38,196	3,051	7.99%	9,556	373	3.90%	89,062	7,324	8.22%
Technology Promotion	0	20		41,350	52	0.1%	22,522	709	3.15%	1,379	2	0.12%	65,250	783	1.20%
Access To Rural Financial Services	6,705	167	2.5%				894	125	13.98%	9,135	115	1.26%	16,734	407	2.43%
Support To Rural Mse Organs.	472	559	118.4%	2,148	53		350	14	4.03%	-	-	0.00%	2,970	626	21.08%
Programme Coordination & Monitoring	6,497	2,590	39.9%	3,026	89	2.9%	1,595	273	17.13%	-	-	0.00%	11,119	2,952	26.55%
TOTAL	31,500	6,649	21.1%	70,008	781	1.1%	63,557	4,173	6.6%	20,070	489	2.4%	185,135	12,092	6.5%

Table 5C: IFAD loan disbursements (SDR, as at 3-28 November 2014)

Category	Category description	Original Allocation SDR	Disbursement	Balance	Per cent disbursed
I II	Civil Works	260,000	-	260,000	0.00%
III	Vehicles, Materials and Equipment	1,120,000	1,114,004	5,996	99.46%
IV	Technical Assistance	660,000	494,329	165,671	74.90%
V	Training and Workshops	8,020,000	1,173,836	6,846,164	14.64%
VI	Credit Funds and Matching Grants	3,320,000	265,084	3,054,916	7.98%
VII	Salaries and Operating Costs	2,630,000	745,998	1,884,002	28.36%
	BACRTF operating Costs Fund	1,720,000	88,222	1,631,778	5.13%
Unallocated		1,970,000	-	1,970,000	0.00%
Total		19,700,000	4,860,679	15,818,529	24.67%

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	1 December, 2012	Done
Section 7.01	Opening of Programme Account	20 Dec. 2011	Done
Section 7.11	Insure key Project personnel against health and accident risks	2012.	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	3 rd Programme year (2015)	Not Due
Section 9.03	Audit of Programme financial Statements in accordance with Programme guidelines by an independent Auditor	Once a Year	Done for FY2012 and FY2013. FY2014 not due.
Schedule 1 Par 9.2 & 9.13	Enter into an MOU with NBSSI subject to prior no objection by IFAD	31 Mar 2014	Done
Schedule 1 Par 10.2 & 13	Enter into an MOU with GRATIS subject to prior no objection by IFAD	31 Mar 2014	Done
Schedule 1 Par 11.2 & 13	Enter into an MOU with Bank of Ghana subject to prior no objection by IFAD	31 Mar 2014	Done

Appendix 7: Knowledge management: Learning and Innovation

Learning

The integrated Knowledge Management and Communication Strategy developed by the PCMU is guiding the effective implementation of knowledge management and communication activities of REP in a coherent and consistent manner.

The strategy which also includes a District Communication Plan is building on the success of REP-II in knowledge capitalisation, dissemination and learning of success stories, innovations, lessons learnt and other relevant experiences. It is also helping to create awareness of REP activities.

As part of measures to boost learning from Programme implementation activities at the district level, the PCMU introduced the Learning Note concept which is intended to highlight key issues emanating from district progress reports for each quarter of the year and which could constitute important learning of lessons for Programme management and possibly field level staff. Ultimately, the REP learning note concept is aimed at helping to improve programme implementation, both at the field and PCMU level.

Innovation: Describe any interesting innovation noted during supervision

An often faced challenge is how to share knowledge and experiences on programme activities in one location with staff in other locations and with PCMU staff. In this respect, the REP programme has been innovative in utilizing social media as an effective tool in developing an internal communication platform with membership restricted to only Staff of the PCMU, BACs and RTFs. The platform provides opportunity for the PCMU to communicate relevant information to field staff and solicit their responses on a real time basis. It allows for field staff to communicate relevant Programme implementation issues that require the PCMU's attention, without waiting to do so in their quarterly progress reports. It also provides a platform for the BAC and RTF staff to learn from the experiences of their colleagues from other districts to improve their own work. The platform has been very pivotal to the successful launch of REP GIS M&E Application and preparation of the 2015 AWPB.

Appendix 8: List of Persons Met

No.	Institution/Name	Position	Telephone	Email
Business Advisory Centres (BACs)				
1	Felix Fosu-Hene Darkwa	Business Development Officer/ Sekyere Affram Plains	024 231 7914	fosuhene457@gmail.com
2	Patrick Asafo Agyei	Business Development Officer/Asante Akim South	024 301 4656	asapasco@yahoo.com
3	Leticia Osei Aboraa	National Service Person/Asante Akim South		
4	Nodjo Mistih	National Service Person/Asante Akim South		
5	Richard Anyale	National Service Person/Asante Akim South		
6	Isaac Oppong	BAC Head/Atebubu Amantin	024 468 5664	oppongisaac37@gmail.com
7	Aikins Agyapong	BAC Head/Asokore Mampong	024 402 4927	akiaikins@gmail.com
8	Mary Nuro	Business Development Officer/Tano North	020 840 3651	nuromary@yahoo.com
9	Fred Kumah	Business Development Officer/Banda	024 175 1426	fredkumah@yahoo.com
District Assemblies				
10	Johnson Nyarko	District Coordinating Director/Sekyere Affram Plains		
11	Charles Oteng	District Coordinating Director/Asante Akim South		
12	Jones Kyere	District Finance Officer/Asante Akim South		
13	James Obeng	Dep. District Coordinating Director/Asante Akim South		
14	John Arko Tettey	Community Development Officer/Asante Akim South		
15	Sir Emmanuel Owusu- Frimpong	Director IIB/Tano North	026 995 7451	siremmanuel77@gmail.com
16	Sakyi Augustine	Director IIB/Banda	024 696 3300	sakyaiaugustine86@gmail.com
Rural Technology Facilities				
17	Emmanuel Tetteh	RTF Manager/Asante Akim Central	024 610 7843	odjertetteh@yahoo.com
18	Alex Ampofo	RTF Manager/Tano South	024 629 0291	victorgaa2002@yahoo.com
RTF Management Board				
19	Issaka Fatimatu	Board Member/Tano South	020 675 2975	issahfati78@yahoo.com

20	Okrah Simon	Board Member/Tano South	024 549 0004	
Clients				
21	Edward Nyano	Fish Farming/Sekyere Affram Plains		
22	Ruth Binewaa	Soap Making/Sekyere Affram Plains		
23	Adwoa Hawa	Soap Making/Sekyere Affram Plains		
24	Boadan George	Bee Keeping/Atebubu Amantin	020 933 7577	
25	Salormey Agyepong	Soap Making/Asante Akim South	024 366 4212	akisalo93@yahoo.com
Ministry of Trade and Industry				
Ministry of Finance				
	Inusah Yameogo Musah	IFAD Desk Officer	0244 462 6033	musahinusah@yahoo.co.uk
Ministry of Food and Agriculture				
	Philip Adjei	District Director/Asokore Mampong	024 785 5389	padjei2004@yahoo.co.uk
	Darbah Samuel	Representative/Wenchi Farm Institute	024 360 4748	darbah@live.com
	Lukman A. Rahim	Executive Director	024 457 3382	lukmanrahim@hotmail.com
	Alfred Kanda	General Manager Technical	020 811 1191	awkanda@yahoo.co.uk
	Osaе Michael W.	Credit Manager/Amanti & Kasei Rural Bank	024 422 9570	michaelosae@yahoo.com
	Owusu Antwi F.	Credit Manager/Yapra Rural Bank	020 944 4470	oafam46@yahoo.com
	Kwasi Attah-Antwi	National Director	024 431 3727	k.attahantwi@ruentp.org kattahantwi@yahoo.co.uk
	Charles Mensah	Financial Controller	027 758 4406	c.mensah@ruentp.org ceemens77@yahoo.com
	Cletus Kayenwee	Monitoring and Evaluation Manager	024 310 9097	cletuskayenwee@gmail.com c.kayenwee@ruentp.org
	Elizabeth Ahenkorah	Business Development Manager	024 425 9632	e.ahenkorah@ruentp.org
	Irene Amponsah	Procurement and Administrative Manager	024 438 0681	i.amponsah@ruentp.org
	Sulley A. Lawal	Technology Promotion Manager		
	Mark Ankomah	Business Development Officer	024 497 0218	markankomah@yahoo.com
	Abdulai Ishau	Rural Finance Officer	024 460 1546	ishau2009@yahoo.com
	Felix Appiah Gambrah	Monitoring and Evaluation Officer	024 315 7682	gambeegh@gmail.com
	Samuel Kwakye	Monitoring and Evaluation Officer	024 464 6630	samkgyamfi@gmail.com
	George Afriyie	Business Development Officer	024 497 0218	markankomah@yahoo.com
	Nanababyin Brown-Addo	Knowledge Management & Communication Off.	024 464 5768	nabaddo@gmail.com

Appendix 9: Terms of Reference - Modalities for the sustainability of the Rural Technology Facilities (RTFs)

Background of the RTFs

The Rural Enterprises Programme (REP) is part of the Government of Ghana's efforts to reduce poverty and improve living conditions in rural areas. The project stands out as an excellent example of scaling up by IFAD. Phase one was implemented from 1995 to 2002 in 13 districts in the Ashanti and Brong-Ahafo regions. The second phase (2003-2011) was implemented in 66 districts nationwide. The scope of the third phase is to upscale the REP concept nationwide.

At the heart of the REP concept is the development and promotion of Rural Technology Facilities (RTFs). The RTFs are aimed at (i) facilitating the transfer of appropriate technology to the rural informal sector and enhancing their management and (ii) developing synergies with other government and donor initiatives in the field of vocational skills training. REP I & II have established 21 RTFs. It is envisaged that REP will establish additional 25 RTFs across Ghana under a partnership arrangement with the district assemblies (DAs) and GRATIS Foundation. One RTF will be established to serve 3 to 4 districts. The location and type of a new RTF will be determined after consultation of key stakeholders and will be based on a careful review of the scope for its services. Under the design, the DA will ensure the provision of land, preferably in a Light Industrial Estate. REP will finance the infrastructure and equipment of the RTFs, which will be owned by the DAs. GRATIS Foundation will provide technical support and basic training for the use of the equipment to be installed in the new RTFs. GRATIS Foundation and DAs will also ensure payment of salaries and recurrent costs. The RTFs will be managed as commercial entities in their districts but with a strong public good character as they are used as training facilities. The responsibility for the proper operation and functioning of the RTFs, with a view to sustainability, lies with their management boards.

Problem Statement

The existing RTFs, under current arrangements, face the challenge of not being sustainable in the long run since they do not generate adequate incomes to cover their operating costs and sufficient funds for maintaining the equipment and their eventual replacement over time. The management structures in place which lend themselves more to the provision of public goods is also a concern.

Developing sustainability Mechanisms in the RTFs

For the RTFs to be sustainable, they need they need to be able to perform their public good function of providing training and dissemination of appropriate technologies. At the same time, they need to be able to meet recurrent operating costs and generate income. This requires some level of restructuring and adoption of different modalities of operation.

Potential Feasible Models: Existing RTFs

A model for introducing sustainability into the existing RTFs will be to (i) Place the workshops under private management and (ii) Maintain training under public management.

- A. Placing the workshops under private management will entail the following:
 1. Setting up a management structure under the leadership of the private sector
 2. Operation of the equipment on a fee paying basis so as to be able to cover the costs of depreciation and routine maintenance
 3. Explore other avenues for income generation for the RTFs such as:
 - a. Training apprentices on a paid basis;
 - b. Certifying work of craftsmen outside the RTF;
 - c. Leasing agricultural equipment;
 - d. Contract work for public and private sector institutions;
- B. Maintaining training under public management.
 1. The training function of the RTFs should be separated from the manufacturing function.

- a. By contractually maintaining some time each week or month to use machinery for trainees. This requires a cost recovery model including depreciation, utilities and materials; considerations of cost share for various tiers of training; projecting numbers of trainees and training topics; Maintaining dialogue with the workshop management for new equipment or changing priorities.

Potential Feasible Models: New RTFs

The REP programme plans to construct additional 25 RTFs across Ghana. Operationalization of these new RTFs will have to depend on lessons learnt from the current RTFs. Some sustainable models for operating the new RTFs could include:

1. Public-private models.
 - a. The governance structure of such a model will be based on a public private partnership (PPP).
 - b. Management of the facilities will be based on well-defined performance contracts and qualifications of participating clients.
2. Colocation with Light Industrial Estates
 - a. Consideration of businesses linking to the RTF
 - i. Higher value services;
 - ii. Certification of businesses by RTF
 - iii. Advertising and marketing
 - iv. Provision of waste treatment and utilities
 - v. Security
 - vi. Finance
 - vii. Housing
 - viii. Retail services
3. Mixed technology (ICT/mechanical, etc) models
4. Focus on geographical opportunities
 - a. Require private sector to prioritize locations
 - b. Ask private sector to prioritize RTF manufacture/repair services

Deadlines

Each RTF will require a sustainability strategy. The Terms of Reference for developing the strategy of each RTF has to be developed in good time. Clear deadlines are also needed to inform the execution of the strategy including calls for Expressions of Interest to establish or take over RTFs, awards, construction and commissioning.

Advice on Governance Models

Clear guidelines should be provided to ensure accountability to public ownership and proactive consideration of strategically taking direction from the private sector to set priorities for the RTF. REP should advise, at least the following:

1. Small boards
2. Board terms of reference
 - a. Appropriate members
 - b. Strategy development
 - c. Technical oversight
 - d. Financial oversight

Each RTF should aim to have a business plan and will be managed as commercial entities in their districts in order to ensure their financial sustainability but with a strong public good character as they will be used as training facilities. A challenge grant mechanism could be used to enable private sector owned RTFs, or Public-Private Partnership arrangements to operate where possible.