



Investing in rural people

Republic of Ghana

Ghana Agricultural Sector Investment Programme (GASIP)

Draft Supervision report

Main report and appendices

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Abbreviations and Acronyms

AWPB	Annual Work Plan and Budget
BTO	Back to Office
CA	Conservation Agriculture
CCR	Climate Change Resilience
EOI	Expression of Interest
EPA	Environment Protection Authority
FBO	Farmer Based Organisation
GASIP	Ghana Agriculture Sector Investment Programme
GIDA	Ghana Irrigation Development Authority
GOG	Government of Ghana
GPS	Geographic Positioning System
ICO	IFAD Country Office
IFAD	International Fund for Agricultural Development
LTB	Letter to the Borrower
M&E	Monitoring and Evaluation
MFI	Micro Finance Institution
MIS	Management Information System
MOF	Ministry of Finance
MOFA	Ministry of Food and Agriculture
NGO	Non-Government Organisation
NO	No Objection
NPC	National Programme Coordinator
NRGP	Northern Rural Growth Programme
OVCF	Outgrowers Value Chain Fund
PCU	Programme Coordination Unit
PDR	Programme Design Report
PFI	Participating Financial Institution
PIM	Programme Implementation Manual
PPP	Public-Private Partnership
ProVACCA	Promoting a Value Chain Approach to Climate Change Adaptation in Agriculture
RAFiP	Rural and Agricultural Finance Programme
REP	Rural Enterprise Programme
RIMS	Results and Impact Monitoring System
RTIMP	Roots and Tubers Improvement and Marketing Programme
SOE	Statement of Expenditures
TA	Technical Assistance
TOR	Terms of Reference
TWG	Technical Working Group
VCC	Value Chain Committee
WA	Withdrawal Application
WUA	Water Users Association

Supervision Report

Republic of Ghana

Ghana Agricultural Sector Investment Programme (GASIP)

Supervision mission Dates: 7th – 18th November, 2016

A. Introduction

1. The first supervision mission¹ of GASIP took place between 7th and 18th November 2016 in close collaboration with the Ministry of Food and Agriculture (MOFA) and the GASIP Programme Coordination Unit (PCU). The main objectives of the mission were to review progress in the implementation of the Annual Work plan and Budget (AWPB) for the period July 2015 to December 2016, to identify and discuss the problems and constraints that have arisen during this crucial start-up period, to review loan administration and fiduciary aspects and to reach agreement on the way ahead.
2. The Mission spent 12 days in Ghana. Following an initial briefing by the IFAD Country Office (ICO) there was a kick-off meeting with the PCU team, which was also attended by MOFA Projects Coordination Unit representatives. The remainder of the first week was spent on meetings with the National Project Coordinator (NPC), the Policy and M&E Manager (now acting as Operations Manager), and other members of the management team. It also included a two-day field trip to Volta Region to meet with three of the short-listed cluster² drivers and other potential stakeholders.
3. The draft aide memoire was reviewed with the programme management team on Thursday 17th November and presented to a wrap-up meeting chaired by the Deputy Minister of Agriculture Hon. Dr Alhassan Yakubu on Friday 18th November. Comments received during wrap-up meeting were reflected in the final version of the aide memoire and this Supervision Report. IFAD will subsequently prepare a management letter to Government highlighting the Mission's key findings and recommendations.
4. The Supervision Mission team appreciates the assistance received from the GASIP PCU in facilitating its assignment. The Mission would also like to thank officials of MOFA, partners and agencies for their cooperation and assistance.

B. Overall Assessment of GASIP Implementation

The Programme

5. The goal of GASIP is to contribute to sustainable poverty reduction in rural Ghana. The Objective is: "agribusinesses, including smallholders, have enhanced their profitability and climate change resilience". The Programme includes three components: (i) Value Chain Development; (ii) Rural Value Chain Infrastructure and (iii) Knowledge

¹ The Mission comprised Esther Kasalu-Coffin (IFAD Country Programme Manager and Mission Leader); Franck Luabeya Kapiamba (IFAD Programme Officer); Paxina Chileshe (IFAD Climate Change Adaptation Officer); Mikael Anderson (IFAD Finance Officer); David Young (Lead Consultant/Value Chain Development Consultant); Aba Quainoo (Rural Finance Specialist); and Jean-Baptiste Hakizimana (Financial Management Consultant). Ohene Damptey participated in the mission as the representative of MOFA.

² GASIP defines a value chain cluster as "a group of inter-related actors operating in a geographical location, governed by a business model and pursuing a common objective". A cluster business model defines "the relationships among value chain actors in terms of delivery of, and access to goods and services".

Management, Policy Support and Coordination. The four key strategic interventions to achieve the objectives of GASIP include:

- linking smallholder farmers to agribusinesses and markets to enhance their growth;
 - nationwide scaling of successful value chain investments;
 - promoting and mainstreaming climate change resilience interventions through the ASAP grant; and
 - ensuring knowledge management, harmonisation of various value chain approaches and policy support and coordination.
6. GASIP is designed as a long-term programme that will be implemented in cycles of three years each. The initial design covers the first two cycles over six years. The Programme is national in scope with development activities to be concentrated into clusters in specific locations which will be governed by a demand and market-driven approach. Value chain development is expected to take place in 160 districts by the end of the first cycle and at least 180 districts by the end of the second cycle. Four value chains have been selected as entry points: cassava, rice, fruit and vegetables and fish farming.

Programme Start-up

7. GASIP was approved by IFAD's Executive Board in April 2014, the Financing Agreement was signed in May 2015 and the Programme entered into force in May 2015. A Programme Preparatory Grant of US\$ 0.5 million was provided by IFAD from September 2014 until September 2015. An AWPB that covers the 18 month period July 2015 to December 2016 was approved by IFAD in October 2015³. The AWPB focuses on developing the tools, procedures, implementation mechanisms and institutional arrangements to roll out the implementation of the Programme in 2016. The main achievements of the first AWPB include:
- Recruitment of PCU staff: positions for NPC, Policy and M&E Manager, Value Chain Manager, Climate Change Adaptation Manager, National Procurement Manager, National Finance Manager and Infrastructure Manager have all been filled. The renovation of the RTIMP Northern Zonal Offices at Tamale for the Climate change Adaptation Manager has been completed.
 - External auditors have been appointed.
 - The procurement and installation of the accounting software has been completed.
 - The functional and financial analysis of the cassava value chain is in progress.
 - Business proposals from 18 cassava and seven rice value chain operators (known as cluster drivers) have been evaluated and initial due diligence resulted in 10 of these being shortlisted for final evaluation. This work is being harmonised with other programmes and projects active in the cassava and rice value chains.

³ Normally the AWPB has to be approved by the National Programme Steering Committee. However this committee had not been formed when the first AWPB was submitted to IFAD for approval.

- Evaluation of consultants for the assessment of climate change vulnerability, climate change awareness capacity building and sensitisation, and climate change tool kit development have been completed.
- The National Programme Steering Committee has been inaugurated and has had two meetings.
- Sensitisation and awareness creation workshops on GASIP have been held in six of the ten administrative regions.

Overall Assessment

8. Everyone is concerned about GASIP's rate of progress since the Programme financing agreement entered into force in May 2015. The Programme Preparatory Grant does not appear to have achieved the intended result of getting the Programme off to a quick start.
9. This first supervision mission worked with the PCU and other stakeholders in an attempt to identify the reasons for implementation delays and formulate remedies. This follows two implementation support missions (June-July and September 2016) which agreed on a number of actions to accelerate implementation. The suggestion to adopt a two-pronged approach to developing partnerships with value chain clusters has been implemented and achieved significant progress. However the general call for EOIs has not yet been launched. The recommendation to create the position of Operations Manager in the PCU has been implemented and appears to be working well, but has left M&E under-resourced. However a number of other recommendations of the implementation support missions remain outstanding, a large proportion of the activities included in the 2015-16 AWPB are unlikely to be undertaken; consequently the 2015-16 disbursement targets will **NOT** be reached.
10. A number of factors have contributed to the slow implementation progress so far. The non-performance of the company (AESA) engaged to provide the services of the Value Chain Manager and three Value Chain Specialists delayed the development of agribusiness linkages and financing arrangements under Sub-Components 1.1 and 1.2. This was exacerbated by the general unfamiliarity with demand-driven and private sector-led approach of the Programme in Ghana in both the PCU and among the potential agribusiness partners themselves. MOFA requested AESA to replace the Value Chain Manager in July 2016 but no satisfactory replacement has been offered. MOFA has therefore given notice to AESA that their contract will be terminated. The positions occupied by AESA personnel will subsequently be filled by direct hiring, thus abandoning the option of outsourcing value chain management services. The PCU still has the option to procure value chain management services through short-term technical assistance (TA).
11. Given the time required to recruit short-term consultants, and the expected large demand for consultants by the Programme over the next few years as the pipeline of EOIs and proposals expands, the mission advised GASIP to engage a panel of pre-qualified consultants on standing (indefinite quantity) contracts. Such a panel should include all the areas of expertise likely to be needed by GASIP over the next few years. This approach will allow for rapid mobilisation of consultants when needed according to a predetermined schedule of fees and expenses.
12. There were also a number of delays early in the start-up period relating to satisfying the conditions for first disbursement, recruitment of PCU staff (including the Value Chain Manager, M&E and Policy Officer, etc.), preparation of operational manuals and

procedures, completion of the first AWPB, and Procurement Plan. Once these were in place, the programme experienced a slow start in rolling out the process of developing value chain partnerships.

13. The management structure and working arrangements within the PCU placed a heavy load on the NPC who had to address technical and operational matters as well as higher level strategic and partnership issues. Consequently in April 2016 the Policy/M&E Manager was assigned an additional role of Operations Manager as deputy to the NPC, to oversee technical implementation of the Programme. This allowed the NPC, to focus on providing a leadership, strategic and liaison role with Programme partners. To speed up the process of developing partnerships, IFAD agreed to a fast-track selective call for proposals for the development of partnerships with value-chain actors.
14. Other delays in procurement related to preparation of TORs and technical specifications. In the last two months there have also been some delays in obtaining no objections (NOs) partially due to incompleteness and quality of supporting documentation. The mission urges the PCU and ICO to jointly review, on a monthly basis, issues pertaining to requests for NOs. The mission further recommends that the ICO and PCU agree on which items do and do not require NOs and the documents that need to be submitted to IFAD for clearance.

Agreed Action	Responsibility	Agreed Date
Prepare a duty statement for the functions of Operations Manager to be performed by the Policy and M&E Manager and review the effectiveness of this arrangement during the next supervision mission.	PCU	End December 2016
Fill all staff vacancies and transfer the two Value Chain Specialists currently employed by AESA to the PCU payroll under standard conditions after the AESA contract is terminated.	PCU	February 2017
Complete the selection and contracting (under framework/standing contracts) of a panel of short-term consultants covering all required fields of expertise	PCU	February 2017
Review the procedures for submitting and approving NOs so that misunderstandings and delays can be minimised. Agree on procedures to be employed by both parties and define the rules under which NOs are required or not required.	ICO and PCU	End December 2016
Complete the due diligence process on the business plans submitted ten shortlisted cluster leaders and finalise the partnership agreements.	PCU (requiring NO from ICO)	End January 2017
Launch the general call for EOIs for the four priority value chains.	PCU	End November 2016

C. Outputs and Outcomes

15. Since GASIP is at an early stage of implementation the Programme does not have very much to report in terms of outputs and outcomes. However some progress is evident as shown in the following table:

Outcome/Output	Progress
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Outcome/Output	Progress
<p>Outcome 1: Smallholders have formalised commercial linkages to factor and output markets including small agribusinesses</p> <p>Output 1.1. Value Chain Committees (VCCs) and Farmer-Based Organisations (FBOs) are strengthened and value chain actors are linked</p> <p>Output 1.2. Commercial infrastructure is improved</p>	<ul style="list-style-type: none"> • Work has begun on the development of commercial partnerships between farmers and agribusinesses in order to improve market linkages within the ten short-listed value chain clusters. • VCCs will be created or (where they already exist), mobilised during the forthcoming final due diligence assessment for the short-listed value chain clusters. • FBOs are already involved in the development of the clusters • Both commercial and public infrastructure development needs have been identified as part of the due diligence process and investments will begin to take place as soon as the partnership agreements are finalised.
<p>Outcome 2: Increased and systematic access to and use of short and long term financing for value chain businesses</p> <p>Output 2.1: Partnerships with Participating Financial Institutions (PFIs) built</p> <p>Output 2.2: Matching grant scheme operating</p>	<ul style="list-style-type: none"> • There has been some progress in facilitating access to finance for the investments to be undertaken within the value chain clusters. • Partnerships with PFIs have not yet been formalised. • Matching grants are being negotiated during finalisation of the first ten value chain cluster agreements.
<p>Outcome 3: Value chain stakeholders are climate resilient</p> <p>Output 3.1: Stakeholders have been trained in climate change resilience (CCR)</p> <p>Output 3.2: CCR development has been supported</p>	<ul style="list-style-type: none"> • There has been some awareness raising on climate change resilience but outcomes from this are not yet evident. • Training not yet conducted • Establishment of CA trials/demonstrations and irrigation efficiency demonstrations unlikely until mid-2017.
<p>Outcome 4: The policy framework for smallholder farmers has improved</p>	<ul style="list-style-type: none"> • GASIP has contributed to the development of a harmonised M&E system incorporating all MOFA programmes and projects. • GASIP facilitated a harmonisation workshop for MOFA supervised projects in October and areas of synergies and complementarities were identified.

Component 1: Value Chain Development

Sub-Component 1.1: Agribusiness Linkages Development

16. The objective of this Sub-Component is to formalise agribusiness agreements with smallholder farmers, allowing them to reliably access factor and output markets.
17. This Sub-Component is the core activity of the entire Programme, and heavily influences the rate of progress on other Sub-Components. Within the Sub-Component the critical activities are the selection of value chain Cluster Leaders, evaluation of their project proposals and finalisation of partnership agreements between GASIP and the

Cluster Drivers and between the Cluster Drivers and secondary partners such as VCCs, FBOs, financial institutions etc.

18. Recognising the importance of this, GASIP has adopted a fast track approach which resulted in submission of proposals from 25 potential Cluster Drivers, of which seven were returned with requests for improvement and re-submission, and 18 were the subject of initial due diligence assessment, resulting in a shortlist of ten, all of which are agribusiness companies. The Programme has requested NO from IFAD to proceed with final due diligence of the ten projects leading to finalisation of the partnership agreements. The Mission visited three of the ten proponents and found that two of these appear very suitable.
19. In parallel with the fast-track process GASIP is preparing to launch a national call for EOIs for Value Chain Development for the four priority value chains under the two-stage selection process envisaged in the Programme design. The call for EOIs has been drafted and received NO from IFAD during the current mission. It is possible that a large number of EOI's will be forthcoming since any organisation will be eligible to apply (NGOs, FBOs, VCCs, cooperatives, trade associations, financial institutions, agribusiness companies etc.). This differs from the fast-track approach where only companies with established operations in their respective value chains were invited to apply. Screening of EOIs will need to be rigorously and systematically performed in order to focus efforts on a manageable number of around 60-80 applicants in order to reach the target of 50 new clusters in 2017. Experience from similar Programmes suggests that provision of consultancy services to assist short-listed applicants to prepare their proposals will result in better quality proposals that address the needs of the target group.
20. Progress on other activities under Sub-Component 1.1 in the 2015-16 AWPB include:
 - Regional sensitisation on GASIP as a programme and its approaches has been completed in six of the ten administrative regions. This was financed by the IFAD loan but should have been funded by the preparatory grant available during the first year. The remaining four will be undertaken in early 2017.
 - TORs have been prepared for recruitment of value chain facilitation agencies and received NO from IFAD.
 - Three Zonal Value Chain Specialists were recruited under the AESA contract, but one has resigned. It is planned to engage the two remaining Specialists directly after the AESA contract is terminated and recruit a replacement for the one who resigned.
 - FBOs have been identified in each of the ten districts where clusters are being formed. Capacity building will be undertaken when the clusters become operational. The same applies to training of MOFA staff on value chain approaches.
 - Value chain assessment studies were planned for rice and cassava. Some work has been done on cassava with the support of the UK Natural Resources Institute (NRI) under an IFAD-supported regional programme.
 - Steps have been taken to develop an agribusiness database through discussion with potential service providers.

Sub-Component 1.2: Value Chain Financing

21. The objective of this Sub-Component is to ensure increased and systematic access to and use of short and long-term financing for value chain businesses.
22. There has been limited activity under this Sub-Component. This is mainly because the PCU team lacks specialised expertise in this area and the recently terminated Value Chain Manager was unable to provide the expected level of support. Consequently it has been decided to engage Rural Finance Specialist as a retained consultant/TA. TORs for this position have been drafted and will be submitted to IFAD for NO.
23. The following activities were planned in the 2015-16 AWPB under Sub-Component 1.2. Most of these are yet to be implemented because of the PCU staffing issue and because they are also dependent on progress under Sub-Component 1.1. Activities include:
 - Sensitisation of financial institutions on GASIP.
 - Recruitment of consultants to provide technical assistance on financing issues.
 - Training of Participating Financial Institutions (PFIs) - (Rural Community Banks and Universal Banks) on structured trade finance, risk analysis, liquidity, delinquency management. This will draw on the training materials and approaches developed under RAFiP
 - Mentoring RCBs to improve financial management, also based on approaches developed under RAFiP
 - Support RCB's to develop specialised value chain financing products.
 - Matching grants, and credit from PFIs to FBOs and agribusinesses.
24. **Capacity Building of Cluster Leaders:** Some cluster leaders have weak governance, management and operational structures and would benefit from capacity building alongside the financing arrangements. Venture Funds for example, could address the governance and management weaknesses of the companies. In addition, Venture Funds bring equity which can reduce the debt burden of the cluster leaders. These capacity building needs must be addressed as part of the partnership arrangements.
25. **Participating Financial Institutions:** The programme has already identified potential PFIs such as the Royal Bank, UT Bank and Barclays Bank. In addition, the identified cluster leaders are already working with financial institutions that can provide them with the 60% loan component for the Matching Grant facility. However, interest on treasury bills of 22% is crowding out lending to businesses, for which the banks are demanding much higher rates. There is an opportunity to reduce the cost of funds for cluster actors through the Outgrowers Value Chain Fund (OVCF) which provides agribusiness value chains with on-lending at concessionary interest rates of 18% to 22% for end users. There is also potential for PFIs to take the lead in identifying clients who may be potential value chain leaders and referring them to GASIP for consideration.
26. **Matching Grants:** The matching grants facility is to enhance under-capitalised enterprises to finance investments that will improve value chain linkages. The Programme should consider a flexible approach (subject to the development and adoption of well-defined guidelines and procedures) to determine the level of subsidy (between 30% and 50%) to be provided for: (i) outreach to GASIP's target groups such as women, youth and poor rural farmers; (ii) climate change adaptation costs incurred by smallholder farmers; (iii) the type of equipment being used by smallholder farmers; (iv) commercial interest rate margins and how these generally increase the cost of

funds to small holder farmers. However, the terms and conditions attached to matching grants need to be harmonised with other such systems employed under MOFA programmes and projects.

Agreed Action	Responsibility	Agreed Date
Recruit a Financial Services Specialist as a retained consultant to support the PCU in activation of Sub-Component 1.2.	PCU (with NO from IFAD)	End January 2017
Sensitisation of PFIs on GASIP to ensure that they understand the GASIP financing approach and the role that they can play in this regard to ensure that the approval of loans to proponents is expedited.	PCU	End February 2017
Provide training to the PFIs that are linked to the 10 shortlisted value chain leaders using the training manuals developed by RAFiP and in collaboration with the REP training programmes.	PCU	March 2017
Provide mentoring services to Rural Community Banks (RCBs) to improve their capacity to provide financial services to selected value chain clusters.	PCU	Continuous

Subcomponent 1.3: Climate Change Resilience

27. The objective of this Sub-Component is to mainstream climate change resilience across the selected agricultural value chains through a broad promotion of technologies proven elsewhere.
28. Sub-Component 1.3 is financed by an ASAP grant as a fully integrated part of GASIP. Preparatory work has been completed on the establishment of a technical working group (TWG) on climate change but the group has not yet been created. The TWG should operate under the MOFA Environment and Climate Change Unit. Some implementing agencies have been identified but MOUs are not yet in place. TORs are being prepared for engagement of technical resource persons under framework contracts. It is also planned to engage a CA specialist as a retained consultant. Work is underway to develop training materials on CA and efficient water use, climate change awareness raising, regional and national exchange visits and procurement of equipment for CA and water efficient irrigation.
29. There are several challenges facing Sub-Component 1.3. The design of the Sub-Component is rather open-ended. The design does not specify the operating model for roll-out of CA trials/demonstrations, or irrigation efficiency demonstrations, how this should be integrated within the priority value chains, and how the learning from these trials/demonstrations will be utilised. It does not distinguish between trials and demonstrations although these are very different things.
30. Progress under Sub-Component 1.3 has mainly involved the selection of implementing partners and developing ToRs as well as drafting MOUs. Efforts have been made to develop an approach for the CA demonstrations and water use efficiency activities. In addition, concerted efforts have been made in ensuring the completion of ProVACCA, which is now being managed by GASIP. Going forward a dual approach is required involving both climate risk analyses in already identified value chains and the climate resilience building planned for the northern regions in preparation for the value chain development.
31. **Climate risk analysis** can be conducted on the cassava, rice, fruit and vegetables and aquaculture value chains that have been prioritised. These analyses should be

included as part of the final due diligence process for the value chain clusters. The process will involve selection of tools for the risk analyses and also selecting resource persons to do these analyses if required. It is recommended that key actors in the public sector be trained in climate risk analysis, particularly district agricultural officers and officers from the Environment and Climate Change Unit within MOFA. IFAD's "How to Do" note can provide a basis for the risk analysis.

32. **Conservation Agriculture:** The launch of CA activities requires an agreement on the model(s) to be used in the demonstrations, and articulation of end results expected. In this regard the Programme convened a workshop which included all of the important CA actors in Ghana in order to review the available options. The Mission recommends that technical assistance is recruited as soon as possible to undertake further analysis of the possible approaches. Three models can be considered. The first model, which is recommended as it will expedite implementation, is the use of service providers who own tractors and are willing to add CA equipment to their list of services. Tractor service providers can be contracted to set up the demonstration sites on fields of willing target smallholder farmers. The second model is to directly engage smallholders who are willing to demonstrate the use of small-scale/appropriate CA equipment on their landholdings. The third model is through mechanisation centres that will be in the form of public-private partnerships (PPPs). The demonstration sites will be phased with an initial batch of ten established in 2017. The proposed CA packages will incorporate approaches which have already been demonstrated successfully in Ghana and in the region, generally, including access to equipment and improved seeds, which will be critical for adoption by smallholders. Therefore particular consideration should be given to a sustainable approach to ensure this access.
33. **Efficient Water Use:** Water efficiency in irrigation schemes can be initiated for the fruit and vegetable value chains as well as other irrigated crops such as rice. In anticipation of the development of the cluster partnerships, existing schemes in the northern region can be identified and engaged to establish options for improvements in water use efficiency. These activities will be undertaken in partnership with the Ghana Irrigation Development Authority (GIDA) in tandem with strengthening of Water User Associations (WUAs). It is recommended that existing WUAs be identified using district level information and GIDA records. The functionality assessment can thereafter be undertaken to target the support to be provided under GASIP. Some of the value chains supported by NRGF can also be considered.
34. **Vulnerability analysis, awareness raising and sensitisation** will begin by identifying key risks faced by communities in the northern regions, options for adaptation and institutions identified for collaboration. Awareness-raising targets FBOs, district agricultural officers, VCCs and community leaders. The materials to be produced including videos, brochures and education materials will be provided to District Directorate of Agriculture and MOFA for future use. It is recommended that the PCU expeditiously negotiates contracts with firms selected to undertake these activities and articulates the deliverables. This should be undertaken in close collaboration with the Information Services Unit within the Extension Department of MOFA.
35. **Environment:** Incorporation of environmental management and good practices needs to be done as part of the due diligence on the value chain clusters. Cluster leaders need to be aware of their responsibility to obtain environmental permits and engage EPA to conduct the necessary monitoring to ensure compliance. The Environment and Climate Change Unit of MOFA also needs to provide guidance and training to farmers on waste management, safe use of agro-chemicals and natural resource management. The Mission recommends that EPA and the Environment and Climate

Change Unit designate focal points for GASIP and agree on the support required from the Programme.

Agreed Action	Responsibility	Agreed Date
Recruit Technical Assistance for CA and agree on an approach and package for the smallholders.	PCU	31 December 2016
Conduct climate risk analyses along the already identified value chains to be supported by GASIP and build capacity of selected officers.	PCU/MOFA/DDA	30 March 2017
Undertake inventory of existing irrigation schemes and WUAs and establish criteria for GASIP support with clear linkages to vegetable value chains.	PCU/DDA/GIDA	30 March 2017
Clearly define roles for EPA and Environment and Climate Change Unit under the Crop Services department of MOFA to provide input into AWPB and required GASIP support.	PCU/EPA/Crop Services	31 December 2016

Component 2: Rural Value Chain Infrastructure

36. The objective of this component is to leverage investments in commercial and public infrastructure and facilities for growth and viability of associated value chains. It has two sub-components: Sub-Component 2.1 will invest in commercial infrastructure owned by a private sector player or a District Assembly, but operated by a private sector entity for the benefit of value chain participants. Sub-Component 2.2 will finance public infrastructure, operated and maintained by the public sector. Activities planned for 2015-16 include:

- Sensitising target districts and communities on the GASIP approach to infrastructure development and the eligibility criteria for its investments.
- Developing and educating potential implementing communities on the framework, tools and procedures for selecting proposals for infrastructure investments.
- Conduct of baseline studies on rural value chain infrastructure.
- Construction and/or rehabilitation of selected infrastructure and facilities that are co-financed by District Assemblies and private actors including feeder roads, rural electrification, irrigation and water harvesting schemes.

Progress in implementing these activities has been constrained by the time taken to identify and appraise and initiate value chain cluster development, so that infrastructure works will not begin until 2017. However the Sub-Component has been active in the due diligence process for value chain clusters by identifying both private and public infrastructure investments that will enhance the effectiveness of these interventions. Once the cluster formation agreements have been finalised, work on the design and construction of the identified infrastructure will begin. Infrastructure investments will likely be included in seven of the 10 shortlisted projects amounting to around 220 km of feeder roads, 1,200 ha of irrigation and 12 warehouses each of 20 tonnes capacity.

37. As the number of value chain clusters supported by GASIP grows from the current pipeline of 10 to a target of 50 in 2017, the US\$ 29 million allocated to Component 2 is likely to be rapidly exhausted.

Agreed Action	Responsibility	Agreed Date
Identify alternative sources of funding for infrastructure development to be used after the current allocation is exhausted	PCU and NPSC	Mid 2017

Component 3: Knowledge Management, Policy support and Coordination

38. Component 3 is intended to create an enabling environment for smallholders, and to facilitate the coordination, monitoring and evaluation of Programme activities. It includes Sub-Component 3.1: Knowledge Management, Harmonisation and Policy Support; and Sub-Component 3.2: Coordination, Monitoring and Evaluation.
39. Central and Zonal office facilities have been created and the procurement of vehicles is in process. However the Zonal staff have not yet been out-posted. Programme launch and startup workshops were undertaken in August-September 2015. The National Programme Steering Committee (NPSC) was inaugurated in June 2016 and its first meeting was held in July. A second meeting is scheduled for December 2016. The Technical Steering Committee is also expected to be inaugurated by the end of December 2016. The 2015-16 AWPB was completed and approved in December 2015. The PIM has been completed and approved but is in need of further development. Accounting software has been installed, but the Programme website is yet to be launched due to non-performance of the contractor.

D. Programme Implementation Progress

40. **Organisation and Staffing of PCU.** GASIP has experienced delays in recruiting a full complement of staff and consultants. in particular:
- There is a need to engage a Rural Finance TA Specialist on a retainer basis. This expertise was supposed to have been provided by the Value Chain Manager whose services have been terminated.
 - The Policy and M&E Manager has been assigned responsibilities as the Operations Manager leaving the M&E function inadequately resourced. A management information systems (MIS) specialist with suitable M&E experience will be employed to continue development of the M&E system under the oversight of the Policy and M&E Manager who is expected to allocate about 20% of his time to M&E and the remainder to operations management. These arrangements will be reviewed by the next supervision/ implementation support mission.
 - MOFA has given notice of termination of the contract with AESA, the company engaged to provide the services of the Value Chain Manager and three Zonal Value Chain Specialists.
 - Only two of the three Zonal Value Chain Specialists that were recruited by ESA are in place. These will be transferred to the GASIP payroll when the AESA contract is terminated. These positions are important to complete the final due diligence process for the ten shortlisted clusters.
 - The Value Chain Manager formerly provided by AESA needs to be replaced through normal MOFA recruitment procedures, as well as the third Zonal Value Chain Specialist.

- In line with the recommendations of the July 2016 Implementation Support Mission, MOFA has requested for No Objection to regularise within PCU the Procurement position currently occupied by a MOFA staff on secondment to the programme.
 - An Administrative Officer is needed in the PCU to support the work of the NPC and Operations Manager.
 - The Accountant Specialist whose salary will be paid by ProVACCA until 30 November 2016 should be transferred to GASIP on an acting basis while the position is filled through standard recruitment procedures.
41. In addition to filling vacancies, inconsistencies between the employment contracts for various staff members, e.g. for insurance and retainer bonuses also need to be addressed. Some adjustments to the organisational structure of GASIP are needed following the creation of the Operations Manager position. The Mission recommends that organisational structure of the National and Zonal PCUs recommended by the September 2016 implementation support mission and amended during the current supervision mission be approved by the NPSC and incorporated in the Programme Implementation Manual (PIM).
42. **Monitoring and Evaluation:** The Policy and M&E Manager was appointed in December 2015 and commenced duties in January 2016. However, progress in the establishment of the M&E system has slowed down since this person was assigned duties as Operations Manager in April 2016. It is planned to recruit a MIS Specialist to develop and operationalise the M&E system under the supervision of the Policy and M&E Manager. This process would also benefit from support from a specialist M&E consultant with a thorough understanding of IFAD M&E protocols.
43. Under the 2015-16 AWPB, GASIP set out to establish a M&E system based on the Rural Enterprise Programme (REP) system through a number of activities including: (i) M&E refresher training for Programme staff; (ii) preparing a draft M&E Plan and Manual; and (iii) situational analysis of M&E systems operated by MOFA and its partners. Some steps were taken towards establishing the M&E system including: (i) preparation of a M&E Matrix or Results Measurement Framework; (ii) determining annual targets for outputs, outcomes and development objective indicators for the first cycle of the programme; (iii) preparation of an outline of the M&E Plan; (iv) drafting TOR for a consultant to develop an electronic web-based database; (v) organisation of a three-day M&E training Workshop for 12 GASIP and three MOFA staff to kick-start preparation of the GASIP M&E System and M&E manual; and (vi) completion of interviews of potential candidates to develop an interim database for the Programme.
44. Notwithstanding these tasks, GASIP does not yet have a functional M&E System. The M&E Matrix contains 58 indicators without clear definition of what is actually going to be measured and how the data will be collected and analysed. The Mission considers that further groundwork is needed to develop a set of planning, information gathering and synthesis, reflection and reporting processes and tools, along with the necessary supporting conditions and capacities for M&E to make valuable contribution to GASIP planning and decision-making and to integrate learning and knowledge within MOFA's M&E system.
45. The Mission recommends that GASIP recruit a M&E Consultant with proven experience in supporting IFAD-funded projects to prepare for the setting up of the Programme M&E system as an integral part of the overall MOFA M&E framework. This

will involve: (i) establishing the scope of M&E (how comprehensive should GASIP's M&E system be); (ii) identifying performance questions, information needs and indicators (what do we need to know to monitor and evaluate the programme in order to manage it well?); (iii) planning information gathering and organising (how will the required information be gathered and organised?); (iv) planning critical reflection processes and events (how will we make sense of the information gathered and use it to make improvements?); (v) planning for quality communication and reporting (what, how and to whom do we want to communicate in terms of GASIP's outputs, outcomes and impacts?); (vi) planning for the necessary conditions and capacities (what is needed to ensure that the M&E system actually works?). Meanwhile, recruitment of the MIS Specialist will be initiated as soon as possible.

46. For impact assessment it was agreed that, given the national scope of the Programme and its demand driven approach (clients decide to use (or not) certain technologies or services, implying that the “treatment” group is self-selecting), baseline data will be collected on a rolling basis as implementation proceeds. This will pre-emptively solve the limitations of randomised control trial methods in presence of self-selection problem.
47. In order to easily and accurately report on physical and the corresponding financial performance of the project, the Mission recommends to set up a database of tangible project sites with GPS coordinates. IFAD has already set up this system in many countries, with very positive feedback. The system has an added advantage of providing management information to the project as well as the government on progress of implementation.

Agreed Action	Responsibility	Agreed Date
NPSC approves the new management structure recommended by the September implementation support mission and incorporate this within a revised PIM.	PCU, with approval by the PMSC	End December 2016
Proceed with due procedures to filling the vacant positions.	NPC/MOFA	As soon as possible
Complete staff files, clean contract errors and inconsistencies and submit all IFAD for approval.	Financial Manager /NPC/MOFA	End December 2016
Finalise the process of recruitment of the Central and Southern Zonal Coordinators; and Initiate recruitment of the staff required for the Northern Zonal Office.	PCU	As soon as possible
recruit a M&E Consultant with proven experience in supporting IFAD-funded projects to prepare for the setting up of the M&E system		

E. Fiduciary Aspects

48. **Financial Management:** Overall, the Mission notes that the quality of financial management is acceptable considering the early stage of the Programme. However, the Mission stresses the importance to implement the recommendations outlined below in a timely manner to further improve the quality and efficiency financial management as well as reduce the risk of incurring ineligible expenditures.
49. **Staffing Costs:** The payroll includes 17 staff members cost approximately US\$ 600,000 per annum, although several positions are still vacant. Salary costs need to be monitored carefully to avoid category overdrafts at the end of the Programme. Any salary increases will have to be approved by the MOFA and MOF and receive a NO

from IFAD to be eligible for IFAD financing. Vacant positions should only be filled when required by the Programme workload and subject to NO from IFAD.

50. **Disbursement:** To date the programme has spent US\$ 1.2 million against the planned USD 113 million. Most of these expenditures have been incurred under the IFAD loan. Components 1 and 2 show weaker performance rate with execution rates of 1% and 0% respectively, compared to 7% for Component 3. The Programme has about US\$ 633,000 of firm commitments mainly as part of the contract (US\$ 804,365) with AESA which is being terminated. A substantial increase in investment expenditure is required to increase the disbursement rate and improve the investment to recurrent cost ratio. The combined disbursement under the IFAD loan and ASAP amounts to SDR 2.1 million out of the approved SDR 30.2 million yielding a disbursement rate of only 7%.
51. **Planning and Budgeting:** The 2016 AWPB, amounts to US\$ 22.3 million including US\$ 12.3 million under the IFAD loan and US\$3.5 million under the ASAP grant. Expenditure to date is only 10% of the budgeted amount for the loan and 1% for the grant. More realistic planning and budgeting should be done in the future. In addition, to improve budget controls the AWPB should contain the following financial tables: (i) status of funds by category taking into account the budgeted expenditures; and (ii) a full breakdown of the payroll with special reference to any salary increases. The 2017 budget is to be submitted to IFAD as soon as possible to avoid delay of activities scheduled for 2017.
52. **Accounting:** Transactions are recorded in accordance with IPSAS cash basis. Advances are tracked separately and only reported as expenditures when duly justified. The PCU is in the process of installing the iScala accounting package. Currently transactions are recorded in Access which is interfaced with iScala and able to produce most reports including withdrawal applications (WAs). The Mission recommends the following: (i) user rights are to be set up so that input and approval is duly segregated; (ii) the interface between iScala and access must be set up in a way that the reports and WAs are only based on data that has been inserted and approved in the accounting software; and (iii) accounting data must be backed up weekly. All expenditures paid to PCU staff (DSA, allowances, fuel etc.) must be classified under recurrent costs, with the exception of staff travel to receive training.
53. **Internal Controls:** There is sufficient level of segregation of duties. The Financial and Administrative Procedures Manual was approved by IFAD in April 2016. Outstanding advances have substantially increased to reach US\$ 66,000 equivalent at the time of the Mission. It was agreed that: (i) advances will be followed up monthly and procedures will be set up to withhold a part of the DSA (10-20%) until all documentation has been provided; (ii) the Financial Management Unit of the PCU will participate in setting up a GPS database for all project sites to improve the comparison between physical and financial progress; and (iii) the Financial Procedures Manual will be updated to reflect these agreements and as per standard procedure, will be submitted to IFAD for NO.

Fixed Asset Management: The PCU maintains an asset register in a format acceptable to IFAD and assets are tagged with a unique identification number but no inventory exercises are carried out. The Mission recommends that the asset register is maintained in the accounting software, that annual inventory exercises are undertaken and a report summarising the findings is issued and duly signed and submitted to MOFA and to the MOFA Assets Management Unit.

54. **Designated Account Reconciliations:** The Programme undertakes monthly bank account reconciliations for the Programme accounts but not for the designated accounts. The Designated Accounts should be reconciled on a monthly basis using IFAD form 104. The Mission noted cross financing of GHC 21,799 from the IFAD loan programme account which will need to be refunded from the government counterpart contribution.
55. **Use of SOEs and Supporting Documentation:** The Mission examined a sample of expenditures claimed using SOEs under the WAs submitted to IFAD, and expenditures incurred but not yet submitted. The mission found that the supporting documentation is available and duly filed, with the following exceptions: (i) a material amount of recurrent costs were wrongly classified under investment cost; (ii) a few Payment Vouchers were not authorised; (iii) invoices are not stamped "paid"; and (iv) travel related expenditures were not always supported by back-to-office (BTO) reports.
56. **Ineligible Expenditures:** US\$131,088 was deducted by IFAD from WA3 due to missing documentation. The mission agrees to accept as eligible, US\$ 100,550 spent on workshops for regional sensitisation, subject to: (i) submission of acceptable workshop reports to the ICO; and (ii) DSAs paid to PCU staff are reclassified under the "Salaries and Allowances" category and fuel cost under the "Operating Cost" category. Similarly, the reduced amount of US\$ 6,033 under consultancy, may be considered eligible subject to a written explanation to IFAD on the price differences between items 2, 4, and 6. These expenditures should be reclaimed in a separate WA once the missing documents have been submitted. The remaining amount of US\$ 24,505 is considered ineligible and will need to be transferred to the designated account by the end of 2016 to avoid a follow-up letter from IFAD to MOF. In order to avoid similar cases in the future, the Mission clarified some aspects regarding expenditure eligibility which are to be incorporated in the Financial Procedures Manual. Consequently the ICO would amend the Letter to the Borrower (LTB) to clarify these procedures.
57. **Counterpart Funds:** As per the Financing agreement the government contribution amounts to US\$ 5.3 million including tax exemptions and cash. In 2015 GOG paid US\$ 100,000 to the counterpart fund account, and in 2016 approved GHC 800,000 (approximately US\$ 200,000) which is yet to be received from MOFA. The PCU has applied for VAT exemption, and the mission learnt that it will be presented to the next parliament for approval. In the absence of a tax exemption unpaid VAT amounts are accumulating. The Mission urged the government to grant GASIP tax exemption as soon as possible, and that the PCU records all tax exemptions to fully capture the government's contributions. The Mission reiterated the importance of government provision of counterpart financing, including the tax exemption, to avoid eventual suspension of disbursement to the Programme.
58. **Compliance With Loan Covenants:** The Programme has complied with the key covenants of the Financing Agreement with the exception of: (i) absence of the tax exemption; (ii) cross financing/ineligible expenditures; and (iii) the imminent delay in submission of the 2017 AWPB.
59. **Internal Audit:** GASIP is included in the annual work plan of MOFA's internal audit unit, and a draft audit report covering the first six months of 2016 was shared with the Mission. The Mission also recommends that the internal audit be extended to include checks of field operations

60. **External audit.** To date only the preparatory grant has been audited while the first audit for the Programme covering the end of FY 2015 and whole of FY 2016 will be due on 30 June 2017. The grant audit was conducted by the Ghana Audit Service in accordance with ISSAI. The report was received on time and reviewed by IFAD. It contained an unqualified opinion on the financial statements and on the compliance with loan covenants. However, the auditors did not issue a separate opinion on the operation of the designated account and the use of SOEs. The management letter identified the following material internal control issues: **(i)** as no tax exemption had been granted by GOG, GHC 17,052 was used to pay taxes; **(ii)** three out of the seven main outputs of the preparatory phase were not completed and they are: *(a) M&E manual, (b) feasibility assessment of at least two value chains to be supported during the first cycle of GASIP, and (c) a three-year plan for the first GASIP cycle is prepared based on stakeholder process;* **(iii)** transactions recorded without account codes; and **(iv)** disbursements to beneficiaries undertaken by technical staff instead of accounts officers. The Mission was informed that observations (iii) and (iv) have since been resolved. The Mission recommends that in 2017 the PCU ensures the auditors issue all the required audit opinions and that the financial statements disclose all the information as outlined in the approved audit TORs.
61. **Closure of Preparatory Grant:** To date IFAD has not been able to close the grant due to pending obligations including the submission of the final WA, refund of ineligible expenditure of GHC 17,052 identified in the audit, and the submission of a completion report to IFAD. The mission reviewed the final WA and determined that the amount of GHC 29,867 claimed as part of office rent is ineligible as this was supposed to be covered by the Government. The Mission recommends that all the pending obligations are resolved by end of 2016 in order to avoid a formal follow-up letter from IFAD, which if left unresolved could lead to disbursement suspension.

Agreed Action	Responsibility	Agreed Date
Closely monitor payroll budget and follow due procedures when filling vacant staff positions..	Finance manager/PCU	Continuous
Submit the 2017 AWPB to IFAD including a breakdown of the payroll & incentives and status of funds including projected expenditures by category.	PCU	As soon as possible
Finalise the installation of the accounting software and classify recurrent costs in the right category.	Finance manager	Continuous
Follow up on the tax exemption from MOF and record all exemptions provided by GOG.	MOF/Finance manager	Immediate/Continuous
Prepare monthly financial reports for the PMU management. Submit to IFAD quarterly financial progress reports and unaudited PSF.	Finance manager	Continuous/ End of February 2017
Prepare monthly designated account reconciliation using form 104.	Finance manager	Continuous.
Improve the completeness and quality of supporting documentation for expenses incurred..	Finance manager	Continuous
Provide missing documentation to IFAD and Refund ineligible expenditures USD 24,505 to the IFAD loan designated account and the cross financing of GHC 21,799 to the IFAD loan programme account.	Finance manager	End of December 2016.
Extend the scope of the internal audit to include field visits. IA TORs/workplan to be shared with IFAD.	Finance manager/ IA/MOFA	June 2017.
Update the Financial Procedures Manual to include agreements regarding financial management and submit it for IFAD's NO.	Finance manager	End of December 2016.
Insert the FAR in the accounting software and conduct an annual inventory exercise.	Finance Manager and Procurement Officer	31. January 2017.
Ensure auditors submit all deliverables in line with the approved ToRs, especially with regards to audit opinions and ensure financial statements include all the required financial information.	Finance manager	Immediately/ 30 June 2017
Submit a final WA under the IFAD preparatory grant to justify all incurred expenditures and refund the ineligible expenditures GHC 17,052 + GHC 29,867 to IFAD.	Finance manager	January 2017
Submit WA4 using the ICP if possible. Submit WAs to IFAD on a quarterly basis.	Finance manager	Continuous

62. **Procurement and Contract Management:** GASIP is applying the Public Procurement Act and has adequate contract monitoring arrangements in place. Contracts with suppliers/consultants are signed by the NPC. When an invoice is submitted it goes to the relevant Manager for comments regarding whether or not deliverables are according to contractual requirements, who then submits his/her comments to the Procurement and Financial Managers for recording and processing. However, the IFAD Contract Monitoring Sheet and Contract Monitoring Form should be regularly updated and submitted to IFAD monthly according to LTB.

63. The Mission noted some minor irregularities in procurement procedures that could raise the risk of expenditure being declared ineligible. When the local shopping method is used this needs to involve, the procurement procedure calls for a survey of prices available, under the supervision of the Procurement Manager. Similarly, the procedures for sole sourcing method require that the PCU must seek IFAD No Objection for all such procurement, however small the amounts. Some tender evaluation reports revealed large gaps in scoring between panel members. This suggests differences in the understanding of the evaluation criteria, and in such cases the differences should be discussed and if necessary recorded in the evaluation minutes. The mission found that a lot of procurement records for ProVACCA are missing a lot of the necessary supporting documents, including IFAD NOs. The mission also noted that there has not been a proper hand over of ProVACCA records from RTIMP to GASIP in this regard.

Agreed Action	Responsibility	Agreed Date
Respect the procurement procedures and request for NO when required (sole sourced transactions, tenders and contracts above thresholds as in the LTB, evaluation be based on intrinsic criteria).	Procurement Manager/NPC	Continuous
Update a table of NO tracking and share it with the ICO on a weekly basis.	Procurement Manager/NPC	Continuous
Recover (follow-up) the performance guarantee on the cancelled mechanised roaster (10% of initial contract).	Financial Manager/NPC	November 2016

F. Exit Strategy/Sustainability

64. Whilst GASIP has made limited progress so far, the design of the Programme gives due consideration to sustainability issues. The basis for sustainability includes a number of design features including: (i) the focus on forging mutually beneficial linkages between value chain actors within a profit-driven agribusiness sector that embraces FBOs, PFIs and other service providers; (ii) participation of the VCCs as local facilitators between stakeholder groups; (iii) providing support to smallholders on commercial terms; (iv) focus on agribusiness activities that are fully integrated in the market economy; and (v) incorporating maintenance plans in the design of infrastructure investments. Measures to improve resilience to climate variability and climate change also underpin GASIP's prospects for sustainability including use of CA and water saving technologies which potentially increase productivity whilst reducing costs. The Programme is classified as environmental category B and incorporates measures to mitigate any negative environmental impacts within the national regulatory framework.

G. Other Issues

65. **Confidentiality Issues:** It is apparent that there are inadequate measures in place to protect the confidentiality of commercially sensitive information provided to GASIP by agribusiness companies who are potential cluster leaders. For example the recent due diligence exercise conducted on 18 potential cluster leaders is reported in a single document, available to all. The lack of confidentiality measures could affect the willingness of businesses to reveal important information, or to participate in value chain clusters at all. In future commercially sensitive information on each potential/actual partnership should be maintained in separate files and not revealed to third parties. GASIP should also offer to sign a confidentiality agreement with potential partners.
66. **Continuation of NRGP Value Chain Activities:** As NRGP comes to an end on December 31st 2016 GASIP could take over some of NRGP's un-finished value chain development activities. In particular, support for shea nut and baobab oil groups, including provision of equipment and civil works. NRGP is preparing firm proposals and cost estimates for this work for consideration by GASIP. The PCU Infrastructure Manager is working closely with NRGP PCU in Tamale to assess investment opportunities for GASIP. In view of the challenges being experienced by GASIP implementation, the mission recommends that the Programme be highly selective in taking on additional commitments outside the four priority value chains.
67. **Target Group and Targeting:** GASIP was designed to target smallholder rural farmers, entrepreneurs and resource-poor people, in particular women, youth and young adults. The ASAP grant targets households that are vulnerable to climate change, particularly in the three northern regions. Reaching these target groups will could be challenging. All value chain clusters selected so far involve linkages with smallholder FBOs, although the poor, women and young adults are not often well represented in such groups. The mission recommends that during finalisation of the cluster agreements, deliberate measures should be taken to encourage and facilitate the inclusion of large numbers of the Programme's target groups. The M&E system should also enable the actual beneficiaries to be characterised according to their socio-economic status, gender and age. Likewise the focus on the northern districts will not come automatically under a general call for EOIs, in which the majority of respondents are likely to come from the southern and central regions. To achieve the desired focus on the north, and on the target beneficiaries, the evaluation criteria for EOIs and proposals should be appropriately weighted.

68. Socio-economic and geographical targeting are real concerns for IFAD. But this is not unusual in agribusiness partnership programmes. This issue will need to be addressed by the PCU, in part by involving a gender and targeting specialist. Forthcoming IFAD supervision/implementation support missions will need to monitor this aspect of programme implementation. However despite these concerns, targeting issues should not delay finalising partnership agreements with the ten shortlisted cluster leaders.

H. Conclusion

69. Despite the slow start in GASIP implementation, the Mission believes that implementation of the agreed measures defined in this Aide Memoire will ensure significantly better performance in the coming year. Continued emphasis on the development of value chain clusters under Sub-Component 1.1 is the first priority since most other parts of the programme depend on progress in this area.
70. IFAD and the Government of the Republic of Ghana endorsed the findings of the supervision mission.

Appendix 1: Project Status Report – The Correct Version

A. Basic Facts

Country	Republic of Ghana	Project ID	1678 [1100001678]	Loan No: 2000000646	ASAP Grant No: 2000000647
Project	Ghana Agricultural Sector Investment Programme (GASIP)				
Date of Update	22 November 2016				
Supervising Inst.	IFAD				
No. of Supervisions	1	No. of Implementation Support/Follow-up missions		2	
Last Supervision	NA	Last Implementation Support/Follow-up mission		11-23 September 2016	

					USD million	Disb. rate %
Approval	8 April 2014			Total financing	113.0	
Agreement	18 May 2015	Effectiveness lag	13.5 months			
Entry into force	18 May 2015	PAR value		IFAD loan	36.6	5
First disbursement	21-Dec-2015			ASAP grant	10.0	9
MTR	NA	Last amendment	NA	Additional IFAD a/	35.0	NA
Original completion	30 June 2021	Last audit	NA	Government	9.3	0
Current completion	30 June 2021			PFI's b/	17.5	0
Current closing	31 December 2021			Beneficiaries	4.6	0
No. of extensions	0					
a/ Additional financing to be sought from IFAD in 2016-2018 PBAS allocation						
b/ Participating Financial Institutions						

B. Programme Performance Ratings

B.1 Fiduciary Aspects	Last	Current	B.2 Programme implementation progress	Last	Current
1. Quality of financial management	4	4	1. Quality of project management	3	3
2. Acceptable disbursement rate	2	2	2. Performance of M&E system	4	3
3. Counterpart funds	4	3	3. Coherence between AWPB and implementation	4	3
4. Compliance with financing covenants	4	3	4. Gender focus in implementation	4	4
5. Compliance with procurement	4	3	5. Poverty focus in implementation	4	4
6. Quality and timeliness of audits	4	4	6. Effectiveness of targeting approach	4	4
			7. Innovation and learning	4	4
			8. Climate and environment focus	4	3
B.3 Outputs and outcomes	Last	Current	B.4 Sustainability	Last	Current
1. Agribusiness linkage and development	4	4	1. Institution building	4	4
2. Value Chain Financing	4	3	2. Empowerment	4	4
3. Climate Change Resilience	4	3	3. Quality of beneficiary participation	4	4
4. Productive Value Chain Infrastructure	4	4	4. Responsiveness of service providers	4	4
5. Enabling Public Infrastructure	4	4	5. Exit strategy (readiness and quality)	4	4
			6. Potential for scaling up and replication	4	4

B.5 Justification of ratings

Fiduciary Aspects:

Quality of financial management: The Programme has made a good start but the financial management systems need to be strengthened and the accounting software needs to be fully operational. Financial reporting must be done on a quarterly basis.

Acceptable disbursement rate: 7% has been disbursed against the combined IFAD financing (loan and grant) of the PDP, which rates as moderately unsatisfactory (7/24=30%).

Counterpart funds: To date only USD 300 000 has been received, but tax exemption has still not granted.

Compliance with financing covenants: No tax exemption granted yet, some ineligible expenditures and late submission of AWPB

Compliance with procurement: Procurement often not in compliance with the approved plan . Application of procurement procedures is not transparent, though Corrective action is being taken.

Programme Implementation Progress

Many delays have been experienced in getting the Programme underway. The management structure has been overhauled in an attempt of accelerate implementation and this seems to be working. However, the 2015-16 AWPB remains far behind schedule and it is highly likely that many of the planned/budgeted activities will not be implemented.

The M&E system has not yet been fully set up.

There are some concerns about GASIP's poverty and targeting aspects, but this is not unusual in agribusiness partnership programmes. Targeting aspects, including geographic targeting need to be addressed through the selection criteria for value chain clusters.

The Programme design has a strong climate and environment focus but has not yet settled on an operating model for the roll out of conservation agriculture and water efficiency demonstrations. Only 1% of ASAP grant has been spent in the first 18 months.

Outputs and Outcomes:

There has been some progress towards delivery of outputs and outcomes, but most of this has been of a preparatory nature. There is no evidence yet of any benefits accruing to the target beneficiaries, although there are good reasons to believe that this will happen fairly quickly once the implementation of selected business proposals from agribusinesses starts rolling out . The programme is yet to roll out the planned activities related to climate change resilience.

Sustainability:

At this early stage of implementation there is not very much to sustain. However the Programme's strong focus on commercial partnerships provides a solid foundation for sustainability in the medium term. Measures to improve resilience to climate variability and climate change also underpin GASIP's prospects for sustainability including use of CA and water saving.

C. 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	3
C.4 Overall implementation progress (Sections B1 and B2)	4	4

Rationale for implementation progress rating

In spite of the slower than expected pace of implementation in the first year due to innovative nature of its implementation approach (demand-driven, private sector-led, innovative management and governance structure to ensure effective private sector participation), the Programme has now made substantial steps in developing necessary tools, procedures and institutional arrangements for the roll out of its activities. Performance has improved in the last six months with the launch of call for proposals, the identification of 25 potential agribusinesses for support and the selection of 10 for a full assessment before designing the full investment packs.

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

While there are delays in effective implementation and the realisation of outcomes likely to be under targets for the first two years, there is a reasonable likelihood that the development objectives will eventually be reached, provided there is better progress in the next 12 months.

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

Fiduciary aspects	Financial procedures and systems needs to be strengthened. Recurrent cost and especially the salary and allowances are high and needs to be monitored. The risk of incurring ineligible expenditures is significant and needs to be addressed by careful attention to the recommendations arising from the fiduciary assessment.
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Project implementation progress	Slow process in evaluating call for proposals for the upgrading of cassava and rice value chains as well the launch of expression of interest for the identification of other priority Value Chains for support continue to delay roll out of implementation activities planned for all the components and subcomponent of the Programme.
Outputs and outcomes	The performance of the Value Chain Manager recruited through a contract with a consulting firm is somehow below expectation. There is no clear indication that he has good grasp of the the Programme implementation approach.
M&E	GASIP has not yet set-up its M&E system. This is due to the Policy and M&E Manager having been assigned other responsibilities as Operations Manager. The supervision report incorporates recommendations to put the M&E work back on track so that the M&E system can be operationalised early in 2017.
Sustainability	The design of GASIP gives due consideration to sustainability issues through the establishment of partnerships based on commercial incentives. The Programme is in the process of developing the first ten of such partnerships which must include explicit measures to ensure sustainability after Programme support ends.

Proposed Follow-up

Issue / Problem	Recommended Action	Timing	Status
Implementation Capacity	<ul style="list-style-type: none"> -Launch and accelerate the process of direct recruitment of the Value Chain Manager. Recruit a Financial Services Specialist as a retained consultant to support the PCU in activation of Sub-Component 1.2 (Value Chain Financing). -Transfer the two Value Chain Specialists currently employed by AESA to the PCU payroll under standard conditions after the AESA contract is terminated; -Complete the selection and contracting (under framework/standing contracts) of a panel of short-term consultants covering all required fields of expertise 	Between December 2016 and 31 March 2017	
Value Chain development	<ul style="list-style-type: none"> -Complete the due diligence process on the business plans submitted by the ten shortlisted cluster leaders and finalise the partnership agreements; - Launch the general call for EOIs for the four priority value chains. 	Immediate	First due diligence completed
Fiduciary	-As a low hanging fruits strategy for quick disbursement, agree on NRGF scalable activities and transfer their implementation to GASIP without delay	1 June 2016	On-going

Additional observations

Appendix 2: Updated Logframe: Progress Against Objectives, Outcomes and Outputs

Narrative Summary	Key Performance Indicators	Baseline	Cycle 1	Cycle 2	Means of Verification	Assumptions (A)/Risks (R)
Goal						
Contribute to a sustainable poverty reduction in rural areas of Ghana	Decreased rural poverty incidence in Ghana	29% (2011)			Ghana Statistical Services	
	Increased agricultural GDP	16,687m GHS			Ghana Statistical Services	
	Decreased 0-5 year child malnutrition	14% (2011)			Multiple Indicator Cluster Survey (MICS) – UNICEF	
Programme Development Objective (PDO)						
Smallholder farmers have enhanced their profitability and climate change resilience	Direct clients (of which 50% women, 20% 15-24 years, 30% 25-34 years)	50,000	62,900	86,400	Value Chain Facilitator	Favourable macro-economic environment (A)
	Estimated number of households	44,000	55,000	76,500	PCU Estimation	
	Total number of beneficiaries	300,000	374,000	514,200	PCU Estimation	
	Direct clients that are more climate change resilient	0	5,000	10,000	Value Chain Facilitator	
	Average crop yields (MT/ha) – cassava (c), maize (m)	C: 9.4 M: 2.0	C: 18.0 M: 3.8	C: 16.4 M: 3.5	Farmers book tracer study	
	Net farm income (GHS/ha) – cassava (C), maize (M)	C:212 M:37	C: 425 M: 362	C: 875 M: 875	Farmers book tracer study	
	Additional volume of produce marketed by smallholders (MT)	C: 0 M: 0	C: 36,000 M: 7,000	C: 216,000 M: 40,000	Farmers book tracer study	
Outcome 1: Smallholders have formalized commercial linkages to factor and output markets including small agribusinesses	Number of agribusinesses experiencing sustainable growth	n/a	180	270	Tracer study	Inability of VCCs to formalize commercial linkages (R)
	Number of farmers linked to markets by programme	45,000	55,000	80,000		
	Number of FBOs reaching category four (4) status (sustainability)	0	300	800	Value Chain Facilitator	
	Hectares under improved production techniques	0	30,000	74,300	Value Chain Facilitator	
Outputs: 1. VCCs and FBOs are strengthened and value chain actors are linked 2. Commercial infrastructure is improved	Number of functional VCCs (RIMS)	43	34	180	Value Chain Facilitator	Agribusinesses are willing to work with smallholders (A)
	Number of agribusinesses supported	105	200	300	Value Chain Facilitator	
	Number of FBOs involved (RIMS)	0	3,100	4,300	Value Chain Facilitator	
	Number of farmers trained (RIMS)	0	30,000	60,000	Value Chain Facilitator	
	Number of commercial facilities constructed (by type) (RIMS)	0	50	100	ZPO	
	Km of rural roads rehabilitated (RIMS)	0 km	1,000 km	Tbd	ZPO	
	Km of rural electrical connections	0 km	450km	Tbd	ZPO	
Outcome 2: Increased and systematic access to and use of short and long term financing for value chain businesses	Number of clients using structured trade financing	10,000	30,000	50,000	PFIs quarterly reporting	Low capacity of programme to interest PFIs in financing value chains (R)
	Number of clients accessing leasing, equity investments and/or mezzanine debt	0	4,000	10,000	Funds and PFIs quarterly reporting	
	Number of savers among clients	30,000	50,000	70,000	PFIs quarterly reporting	PFIs have liquidity available (internally or through credit
	Value of loans facilitated by GASIP with tenure <= 1 year	n/a	1.5 mio \$	1.5 mio \$	PFIs quarterly reporting	
	Value of loans facilitated by GASIP with tenure > 1 year	n/a	0.5 mio \$	0.75 mio \$	PFIs quarterly reporting	

Narrative Summary	Key Performance Indicators	Baseline	Cycle 1	Cycle 2	Means of Verification	Assumptions (A)/Risks (R)
Outputs: 1. Partnerships with PFIs built 2. Matching grant scheme operating	Improvement in PAR among PFIs	n/a	n/a	n/a	PFIs quarterly reporting	lines) (A)
	Number of active PFIs (universal banks and RCBs)	50	100	150	ZPO	
	Number of PFI staff trained	0	500	...	ZPO	
	Value of loans leveraged by matching grants	0	7 mio \$	20 mio \$	ZPO	
Outcome 3: Value chain stakeholders are climate resilient	Hectares under conservation agriculture practices, increase	0	7,500	10,000	Value Chain Facilitator	Low capacity of Programme to mainstream commercial Climate change technologies (R)
	Hectares of irrigated land using efficient technology, increase	0	200	1,000	Value Chain Facilitator	
	Direct clients having improved water management (ASAP)	0	1,000	4,000	Value Chain Facilitator	
Outputs : 1. Stakeholders have been trained in CCR 2. CCR development has been supported	Number of functional WUAs (ASAP) supported by GASIP	0	30	50	Value Chain Facilitator	
	Hectares with reliable access to water (ASAP), under GASIP	0	250	350	Value Chain Facilitator	
	Yield from conservation farming (by crop) (maize (M), soja (S))	M: 1.0t/ha S: 0.7t/ha	2.5t/ha 1.6t/ha	3.0t/ha 2.0t/ha	Value Chain Facilitator	
	Number of clients trained in CCR (ASAP)	0	10,000	15,000	Value Chain Facilitator	
Outcome 4: The policy framework for smallholder farmers has improved	General satisfaction with the policy framework among value chain actors (scale 1 – 6)	Tbd	Tbd	5	Participatory outcome assessment	Inefficient data collection and analysis (R)
Outputs: Policy development supported	Number of policy forums held	0	3	6	PCU	MOFA provides leadership (A)
	Number of white papers addressing key policy issues	0	3	6	PCU	

Appendix 3: Summary of Key Actions to be Taken Within Agreed Timeframe

Programme Management

Agreed Action	Responsibility	Agreed Date
Prepare a duty statement for the functions of Operations Manager to be performed by the Policy and M&E Manager and review the effectiveness of this arrangement during the next supervision mission.	PCU	End December 2016
Fill all staff vacancies and transfer the two Value Chain Specialists currently employed by AESA to the PCU payroll under standard conditions after the AESA contract is terminated.	PCU	February 2017
Complete the selection and contracting (under framework/standing contracts) of a panel of short-term consultants covering all required fields of expertise	PCU	February 2017
Review the procedures for submitting and approving NOs so that misunderstandings and delays can be minimised. Agree on procedures to be employed by both parties and define the rules under which NOs are required or not required.	ICO and PCU	End December 2016
Complete the due diligence process on the business plans submitted ten shortlisted cluster leaders and finalise the partnership agreements.	PCU (requiring NO from ICO)	End January 2017
Launch the general call for EOLs for the four priority value chains.	PCU	End November 2016

Organisation and Staffing

Agreed Action	Responsibility	Agreed Date
NPSC approves the new management structure recommended by the September implementation support mission and incorporate this within a revised PIM.	PCU, with approval by the PMSC	End December 2016
Proceed with due procedures to filling the vacant positions.	NPC/MOFA	As soon as possible
Complete staff files, clean contract errors and inconsistencies and submit all IFAD for approval.	Financial Manager /NPC/MOFA	End December 2016
Finalise the process of recruitment of the Central and Southern Zonal Coordinators; and Initiate recruitment of the staff required for the Northern Zonal Office.	PCU	As soon as possible

Financial Services

Agreed Action	Responsibility	Agreed Date
Recruit a Financial Services Specialist as a retained consultant to support the PCU in activation of Sub-Component 1.2.	PCU (with NO from IFAD)	End January 2017
Sensitisation of PFIs on GASIP to ensure that they understand the GASIP financing approach and the role that they can play in this regard to ensure that the approval of loans to proponents is expedited.	PCU	End February 2017
Provide training to the PFIs that are linked to the 10 shortlisted	PCU	March 2017

Agreed Action	Responsibility	Agreed Date
value chain leaders using the training manuals developed by RAFiP and in collaboration with the REP training programmes.		
Provide mentoring services to Rural Community Banks (RCBs) to improve their capacity to provide financial services to selected value chain clusters.	PCU	Continuous

Climate Change Resilience

Agreed Action	Responsibility	Agreed Date
Recruit Technical Assistance for CA and agree on an approach and package for the smallholders.	PCU	31 December 2016
Conduct climate risk analyses along the already identified value chains to be supported by GASIP and build capacity of selected officers.	PCU/MOFA/DDA	30 March 2017
Undertake inventory of existing irrigation schemes and WUAs and establish criteria for GASIP support with clear linkages to vegetable value chains.	PCU/DDA/GIDA	30 March 2017
Clearly define roles for EPA and Environment and Climate Change Unit under the Crop Services department of MOFA to provide input into AWPB and required GASIP support.	PCU/EPA/Crop Services	31 December 2016

Value Chain Infrastructure

Agreed Action	Responsibility	Agreed Date
Identify alternative sources of funding for infrastructure development to be used after the current allocation is exhausted.	PCU and NPSC	Mid 2017

Fiduciary Aspects

Agreed Action	Responsibility	Agreed Date
Closely monitor the payroll budget and follow due procedures when filling vacant staff positions.	Finance manager/PCU	Continuous
Submit the 2017 AWPB to IFAD including a breakdown of the payroll & incentives and status of funds including projected expenditures by category.	PCU	As soon as possible
Finalise the installation of the accounting software and pay due attention to classification of recurrent cost in the right category.	Finance manager	Continuous
Follow up on the tax exemption from MOF and record all exemptions provided by GOG.	MOF/Finance manager	Immediate/Continuous
Prepare monthly financial reports for the PMU management. Submit to IFAD quarterly financial progress reports and unaudited PSF.	Finance manager	Continuous/End of February 2017
Prepare monthly designated account reconciliation using form 104.	Finance manager	Continuous.
Improve the completeness and quality of supporting documentation.	Finance manager	Continuous
Provide missing documentation to IFAD and Refund ineligible expenditures USD 24,505 to the IFAD loan designated account and the cross financing of GHC 21,799 to the IFAD loan programme account.	Finance manager	End of December 2016.
Extend the scope of the internal audit to include field visits. IA	Finance	June 2017.

Agreed Action	Responsibility	Agreed Date
TORs/workplan to be shared with IFAD.	manager/ IA/MOFA	
Update the Financial Procedures Manual to include mission recommendations regarding financial management and submit it for IFAD's NO.	Finance manager	End of December 2016.
Insert the FAR in the accounting software and conduct an annual inventory exercise.	Finance Manager and Procurement Officer	31. January 2017.
Ensure auditors follow the approved ToRs with regards to audit opinions and that financial statements include all the required financial information.	Finance manager	Immediately/ 30 June 2017
Submit a final WA under the IFAD preparatory grant to justify all incurred expenditures and refund the ineligible expenditures GHC 17,052 + GHC 29,867 to IFAD.	Finance manager	January 2017
Submit WA4 using the ICP if possible. Submit WAs to IFAD on a quarterly basis.	Finance manager	Continuous

Procurement

Agreed Action	Responsibility	Agreed Date
Respect the procurement procedures and request for NO wherever required (sole sourced transactions, tenders and contracts above thresholds as in the LTB, evaluation be based on intrinsic criteria).	Procurement Manager/NPC	Continuous
Update a table of NO tracking and share it with the ICO on a weekly basis.	Procurement Manager/NPC	Continuous
Recover (follow-up) the performance guarantee on the cancelled mechanised roaster (10% of initial contract).	Financial Manager/NPC	November 2016

Appendix 4: Physical Progress Measured Against AWP&B, Including RIMS Indicators

Three-Year Cycle Plan

Logframe Element	Indicators ⁴	Definition	Baseline Figure	Target				Nov. 2016
				PY1 (2015/16)	PY2 (2016/17)	PY3 (2017/18)	End PY3	
Goal: Contribute to a sustainable poverty reduction in rural areas of Ghana								
Goal	Decreased rural poverty incidence in Ghana	Poverty incidence by locality (Poverty line = GHS 1,314) Extreme poverty incidence by locality (Poverty line = GHS 792.05)	29% (2011)					
	Increased agricultural GDP	Agricultural GDP	16,687m GHS					
	Decreased 0-5 year child malnutrition	0-5 year malnutrition	14% (2011)					
Development Objective: Smallholder farmers have enhanced their profitability and climate change resilience								
Development Objective	Direct clients (of which 50% women, 20% 15-24 years, 30% 25-34 years)	Direct clients by gender and age per district	50,000		5,805	7,095	62,900	
	Estimated number of households	Beneficiary households per district	44,000		4,950	6,050	55,000	
	Total number of beneficiaries	Programme beneficiaries per district by gender and age	300,000		33,300	40,700	374,000	
	Poor smallholder household members supported in coping with the effects of climate change (ASAP/RIMS)	Number of farmers with ASAP support	-		30,150	36,850	67,000	
	Direct clients that are more climate change resilient	Number of Climate change-resilient farmers	0		2,250	2,750	5,000	
	Average crop yields (MT/ha) – cassava (c), maize (m)	Average cassava yields (MT/ha) per district Average maize yields (MT/ha) per district	C:9.4 M:2.0		C:13.7 M:2.81	C:18 M:3.8	C:18 M:3.8	
	Net farm income (GHS/ha) – cassava (C), maize (M)	Net farm income (GHS/ha) for cassava farmers Net farm income (GHS/ha) for maize farmers	C:212 M:37		C:97.85 M:146.25	C:117.15 M:178.75	C:425 M:362	
	Additional volume of produce marketed by smallholders (MT)	Volume of cassava (MT) marketed by smallholders Volume of maize (MT) marketed by smallholders	C: 0 M: 0		C:16,200 M:3,150	C:19,800 M:3,850	C:36,000 M:7,000	

⁴ All client level indicators will be gender and age disaggregated as much as possible

Logframe Element	Indicators ⁴	Definition	Baseline Figure	Target				Nov. 2016
				PY1 (2015/16)	PY2 (2016/17)	PY3 (2017/18)	End PY3	
Outcomes and outputs								
Outcome 1: Smallholders have formalized commercial linkages to factor and output markets including small agribusinesses	Number of agribusinesses experiencing sustainable growth	Net income (GHS) of participating agribusinesses	n/a		81	99	180	
	Number of farmers linked to markets by programme	Farmers linked to domestic and export markets Farmers linked to agro-industries	45,000				55,000	
	Number of FBOs reaching category four (4) status (sustainability)	Status (category) of participating FBOs	0		135	165	300	
	Hectares under improved production techniques	Extent of land (Ha) under improved production techniques	0		13,500	16,500	30,000	
	Effectiveness: Producers benefiting from improved access to markets (RIMS)	Number of farmers signing contract with buyers Volume/value of marketed produce by beneficiaries						
	Likelihood of sustainability of community groups formed/strengthened (RIMS)	Status of community groups formed/strengthened						
	Likelihood of sustainability of apex organisations formed/strengthened (RIMS)	Operational and financial performance of apex organisations formed/strengthened						
	Likelihood of sustainability of constructed/rehabilitated commercial infrastructure/facilities by type (RIMS)	Financial, institutional, technical and social aspects of commercial infrastructure facilities						
	Likelihood of sustainability of roads constructed/rehabilitated (RIMS)	Financial, institutional, technical and social aspects of constructed/rehabilitated roads						
Output 1.1 VCCs and FBOs are strengthened and value chain actors are linked	Number of functional VCCs (RIMS)	Functional VCCs	43		41	50	134	
	Number of agribusinesses supported	Agribusinesses supported	105		43	52	200	
	Number of FBOs involved (RIMS)	Number of FBOs	0		1,395	1,705	3,100	
	Number of farmers trained (RIMS)	Farmers trained	0		13,500	16,500	30,000	
Output 1.2 Commercial infrastructure is improved	Number of commercial facilities constructed (by type) (RIMS)	Commercial facilities (by type)	0		22	28	50	
	Km of rural roads rehabilitated (RIMS)	Length of roads	0 km		540	660	1,200	
	Km of rural electrical connections	Km of rural electrical connections	0 km		202	248	450	
Outcome 2:	Number of clients using structured trade	Agribusinesses using structured trade	10,000		9,000	11,000	30,000	

Logframe Element	Indicators ⁴	Definition	Baseline Figure	Target				Nov. 2016
				PY1 (2015/16)	PY2 (2016/17)	PY3 (2017/18)	End PY3	
Increased and systematic access to and use of short and long term financing for value chain businesses	financing	financing						
	Number of clients accessing leasing, equity investments and/or mezzanine debt	Agribusinesses with access to leasing, equity investments and/or mezzanine debt	0		1,800	2,200	4,000	
	Number of savers among clients	Clients with active savings accounts	30,000		9,000	11,000	50,000	
	Value of loans facilitated by GASIP with tenure <= 1 year	Value of loans with tenure <= 1 year facilitated by GASIP	n/a				1.0 m \$	
	Value of loans facilitated by GASIP with tenure > 1 year	Value of loans with tenure > 1 year facilitated by GASIP	n/a				0.5 m \$	
	Improvement in PAR among PFIs	Level of PAR achieved by PFIs	n/a				n/a	
	Effectiveness: Improved access of the poor to financial services (RIMS)	Number of loans disbursed to resource poor smallholders						
	Sustainability: Improved performance of financial institutions (RIMS)	Financial viability and overall performance of participating financial institutions						
Output 2.1 Partnerships with PFIs built	Number of active PFIs (universal banks and RCBs) - RIMS	Number of formal credit and financial institutions that participate in the Programme	50		22	28	100	
	Number of PFI staff trained (RIMS)	Staff of financial institutions that have been trained by the Programme (by gender)	0		225	275	500	
Output 2.2 Matching grant scheme operating	Value of loans leveraged by matching grants	Value of loans leveraged by matching grants	0		3 m \$	4 m \$	7 m \$	
Outcome 3 Value chain stakeholders are climate resilient	Hectares under conservation agriculture practices, increase	Extent of land under conservation agriculture practices	0		3,375	4,125	7,500	
	Hectares of irrigated land using efficient technology, increase	Extent of irrigated land using efficient technology	0		90	110	200	
	Direct clients having improved water management (ASAP)	Water management techniques adopted by smallholder farmers	0		450	550	1,000	
	Effectiveness: Increased ability of people to manage environmental and climate-related risks (RIMS)	Capacity of smallholder farmers to manage short and long term climate risks to reduce losses from weather-related disasters						
	Likelihood of sustainability of climate risk management, natural resources management (NRM) and disaster risk	Status and capacity of community groups engaged in climate risk management, ENRM and DRR						

Logframe Element	Indicators ⁴	Definition	Baseline Figure	Target				Nov. 2016
				PY1 (2015/16)	PY2 (2016/17)	PY3 (2017/18)	End PY3	
	reduction (DRR) activities (RIMS)	activities						
	Likelihood of sustainability of climate-resilient rural infrastructure (RIMS)	Financial, institutional, technical and social aspects of climate resilient rural infrastructures built by GASIP.						
	Effectiveness: project contribution to national and international dialogue on climate issues (RIMS)	National programmes and policies resulting from GASIP or GASIP-supported partners' participation in dialogues on climate change issues.						
Output 3.1 Stakeholders have been trained in CCR	Number of clients trained in CCR (ASAP)	Clients trained in CCR	0		4,500	5,500	10,000	
Output 3.2 CCR development has been supported	Number of functional WUAs supported by GASIP (ASAP)	Functional WUAs supported by GASIP	0		22	28	50	
	Hectares with reliable access to water under GASIP (ASAP)	Extent of land with reliable access to water under GASIP	0		112	138	250	
	Yield from conservation farming (by crop) (maize (M), soja (S))	Yield from conservation farming (by crop) (maize (M), soja (S))	M:1.0t/ha S:0.7t/ha		M:1.68t/ha S:1.11t/ha	M:2.5t/ha S:1.6t/ha	2.5t/ha 1.6t/ha	
	Extent of land with rehabilitated or restored ecosystem services (ASAP/RIMS)	Hectares of land under conservation agriculture practices			4,500	5,500	10,000	
	Extent of land with rehabilitated or restored ecosystem services (ASAP/RIMS)	Hectares of irrigated land using efficient technology			450	550	1,000	
	Number of hectares of land under climate-resilient practices (ASAP)	Hectares with reliable access to water under GASIP			157.5	192.5	350	
	Number of households in vulnerable areas with increased water availability for agricultural production and processing (ASAP/RIMS)	Households that have better access to freshwater to satisfy their water needs in a more variable and uncertain climate			486	595	1,081	
	Number of Agricultural production/processing facilities in vulnerable areas with increased water availability (ASAP/RIMS)	Agricultural production or processing facilities with better access to freshwater			22	28	50	
	Number of individuals involved in climate risk management, natural resources management (NRM) or disaster risk reduction (DRR) activities	Individuals engaging and/or participating in climate risk management activities, disaster risk reduction efforts and/or a collective			6,750	8,250	15,000	

Logframe Element	Indicators ⁴	Definition	Baseline Figure	Target				Nov. 2016
				PY1 (2015/16)	PY2 (2016/17)	PY3 (2017/18)	End PY3	
	(ASAP/RIMS)	shift towards less climate-sensitive livelihoods.						
Outcome 4: The policy framework for smallholder farmers has improved	General satisfaction with the policy framework among value chain actors (scale 1 – 6)	Level of satisfaction with the policy framework among value chain actors	tbd				Tbd	
Output 4.1 Policy optimization supported	Number of policy forums held	Policy forums held under the auspices of GASIP	0			3	3	
	Number of white papers addressing key policy issues	Number of white papers addressing key policy issues on agribusiness value chains	0			3	3	

Appendix 5: Financial: Actual Financial Performance by Financier; by Component and Disbursements by Category

Table 3A: Financial performance by financier - as at 31/10/2016

Financier	Approval (USD '000)	Disbursements (USD '000)	Percent disbursed
IFAD loan 2000000646	36,600	1,165	3%
Finance gap	35,000	0	0%
IFAD ASAP grant 2000000647	10,000	33	0%
Government	7,627	1	0%
District Assembly	1,661	0	0%
Domestic Financing Institutions (local banks)	17,474	0	0%
Beneficiaries	4,625	0	0%
Total	112,987	1,199	1%

Table 3 b. Financial performance by financier by component - as at 31/10/2016 (USD 000)

Component	IFAD Loan 2000000646			IFAD ASAP Grant2000000647			Government			Financing gap /IFAD future loan)			District Assembly			Beneficiaries			Domestic Financing Institutions (local banks)			Total		
	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%
1.Value chain development																								
1.1 Agribusiness linkage Development	10 644	334	3%	0			844		0%	11 679		0%	0			0			0			23 166	334	1%
1.2 Rural financial Services	5 836	1	0%	0			161		0%	7 239		0%	0			2 751		0%	17 474		0%	33 460	1	0%
1.3 Climate Change recslience	0			7 750	33	0%	1 099		0%	2 960		0%	0			308		0%	0			12 117	33	0%
Subtotal	16 479	335	2%	7 750	33	0%	2 103	0	0%	21 878	0	0%	0	0		3 059	0	0%	17 474	0	0%	68 743	367	1%
2 Rural Value Chain Infrastructure																								
2.1 Commercial Infrastructure and Facilities	3 910	7	0%	0			1 349		0%	3 559		0%	199		0%	1 566		0%	0			10 584	7	0%
2.2 enabling public infrastructure	11 858	8	0%	1 510		0%	2 888		0%	4 700		0%	1 462		0%	0			0			22 418	8	0%
Subtotal	15 768	15	0%	1 510	0	0%	4 237	0	0%	8 259	0	0%	1 661	0	0%	1 566	0	0%	0	0		33 001	15	0%
3. KM, policy support and Coordination																								
3.1 KM, Harmonization and policy support	906	10	1%	740		0%	146		0%	883		0%	0			0			0			2 675	10	0%
3.2. Coordination and M&E	3 447	806	23%	0			1 141	1	0%	3 980		0%	0			0			0			8 568	807	9%
Subtotal	4 353	816	19%	740	0	0%	1 287	1	0%	4 863	0	0%	0	0		0	0		0	0		11 243	817	7%
TOTAL	36 600	1 165	3%	10 000	33	0%	7 627	1	0%	35 000	0	0%	1 661	0	0%	4 625	0	0%	17 474	0	0%	112 987	1 199	1%

TABLE 3C: loan 2000000646 Expenditures by category - as at 31/10/2016 (USD)

Category description	Allocation (SDR)	Unclaimed Expenditures (USD)	Commitments (contracts signed not paid (USD)	Disbursed	%	Available Balance
Authorised Allocation				1,083,306		-1 083 306
Works	7,590,000	84,660	9,433	934	0.01	7 589 066
Consultancies	4,350,000	4,890	563,056	197,920	4.55	4 152 080
Equipment And Materials	770,000	33,472	0	29,934	3.89	740 066
Grants And Subsidies	2,090,000	0	0	0	0.00	2 090 000
Operating Costs	400,000	50,920	61,077	42,166	10.54	357 834
Salaries And Allowances	2,230,000	253,057	0	141,058	6.33	2 088 942
Training	3,900,000	93,632	0	49,557	1.27	3 850 443
Unallocated	2,370,000			0	0.00	2 370 000
Total	23,700,000	520,632	633,566	1 544 874	6.52	22 155 126

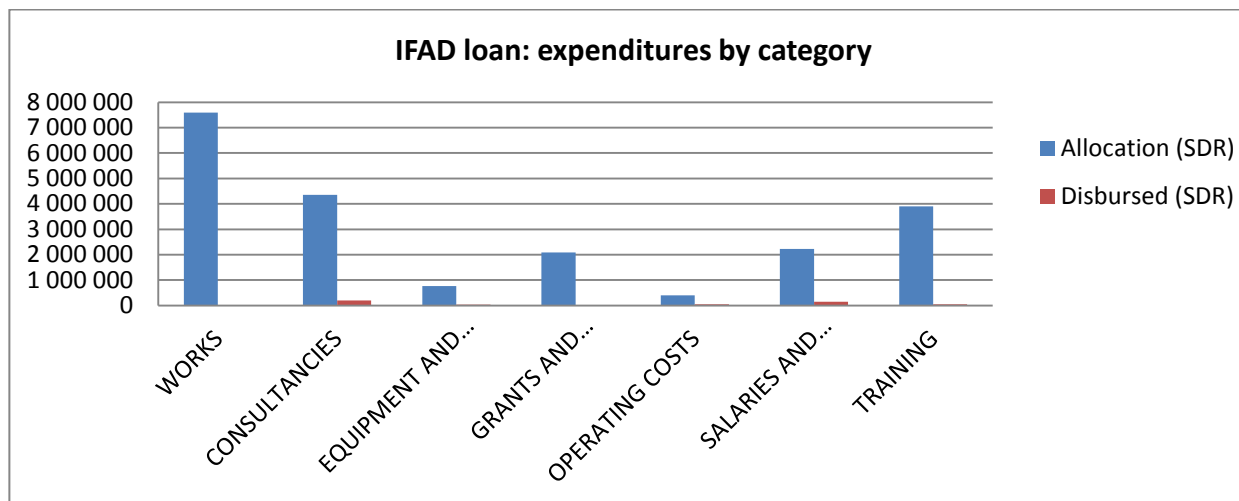
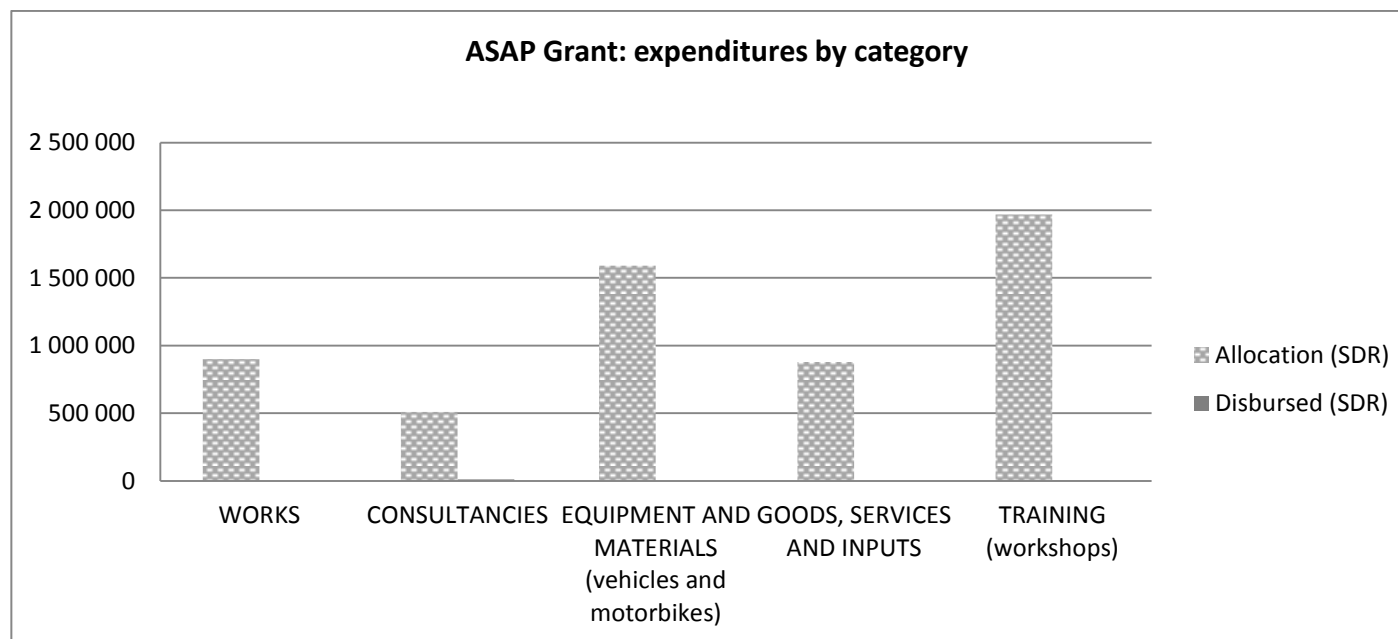


TABLE 3d: Grant ASAP 2000000647 expenditures by category - as at 31/10/2016 USD)

Category description	Allocation (SDR)	Cumulative Incurred Expenditures (USD)	Commitments (contracts signed not paid (USD)	Disbursed	%	Available Balance
Authorised Allocation				577,763		-577,763
Works	900,000		0	0	0.00	900,000
Consultancies	510,000	1,108	0	9,975	1.96	500,025
Equipment and Materials (Vehicles and Motorbikes)	1,590,000	13,298	0	0	0.00	1,590,000
Goods, Services and Inputs	880,000		0	0	0.00	880,000
Training (Workshops)	1 970,000		0	3,227	0.16	1,966,773
Unallocated	650,000		0	0	0.00	650,000
Total	6 500 000	14 406	0	590,966	9.09	5,909,034



Appendix 6: Compliance with Legal Covenants: Status of Implementation

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Section B paragraph 6.	The Borrower to open two designated accounts in USD at the Bank of Ghana and programme account in Cedis in a commercial bank managed by the PCU. Three additional Pas to be opened at zonal level in Cedis in commercial banks.	Continuous	Complied	
Section B paragraph 7.	Borrower to provide counterpart financing USD 5.3 million to cover taxes and cash contribution for which PA is to be opened.	Continuous	Only partly complied	Tax exemption has not been approved by MOF to date.
Section E paragraph 2 b.	Borrower to deposit in advance USD 100 000 I cash contribution in the counterpart fund account.	Continuous	Complied	
Section E paragraph 2 c	The national project coordinator and the Finance manager have been appointed. And received IFAD non objection.	Continuous	Complied	
Section E paragraph 2 d.	The PIM has been approved by IFAD	Continuous	Complied	PIM (financial procedures manual) is to be updated.
Schedule 3, paragraph 2	The recipient shall exempt the proceeds from taxes	Continuous	Not complied	Tax exemption has not been approved by MOF to date
Schedule 3, paragraph 2	The recipient shall accept IFAD framework on preventing fraud and corruption	Continuous	Complied	Newly hired FM staff to be trained in IFAD anticorruption procedures.
Schedule 3 paragraph 1	LPA in consultation with MOF shall ensure that the programme personnel is done through a competitive process and in accordance with criteria and procedures to be developed in agreement with IFAD. The appointment of the such personnel shall have IFAD's prior no objection	Continuous	Complied	
GC Section 7.01.	Recipient to prepare an AWPB and submit it to IFAD 2 months before the beginning of the fiscal year		Not complied/ in progress	AWPB 2017 not submitted to yet.
GC Section 7.08. Insurance	Insurance of vehicles, equipment and civil works financed from the loan proceeds to be consistent with sound commercial practice.	Continuous	Complied with	
GC Section 8.03	Progress Reports to be submitted to IFAD on a six-monthly basis	No later than six weeks after the end of each six-month period	Complied with	
GC Section 8.03.	A Mid-Term Review (MTR) to be carried out jointly by the Borrower and IFAD.		N/A	
GC Section 8.04.	Formulation of a completion report by the closing date	N/a	N/A	
GC Section 9.02	Submission of Financial Statements	Within 4	Complied with	

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
		months after the end of each fiscal year		
GC Section 9.03	Audit Reports on project accounts of each year to be submitted to Fund	Within 6 months after the end of each fiscal year	Complied with/N/A	The Audit for the GASIP preparatory grant was submitted on time. With regards to the IFAD loan and ASAP grant no audit has been due to date as no material expenditures were incurred in 2015.

Appendix 7: Knowledge Management: Learning and Innovation