

Republic of Ghana

Root and Tuber Improvement and Marketing Programme (RTIMP)

Supervision report

Main report and appendices

Mission Dates: 11-Nov-2013 to 6-Dec-2013
Document Date: 23-Dec 2013
Project No. 1312
Report No: 3273-GH

West and Central Africa Division
Programme Management Department

Contents

Abbreviations and acronyms	iii
A. Introduction	1
B. Overall assessment of RTIMP implementation	2
C. Outputs and outcomes	3
D. RTIMP implementation progress	8
E. Fiduciary aspects	8
F. Sustainability	10
G. Conclusion	11

List of Tables

Summary Reconciliation of the Special Account as at 30 September 2013
Agreed actions

Appendices

Appendix 1 :	Summary of project status and ratings	12
Appendix 2:	Updated logical framework: Progress against objectives, outcomes and outputs	15
Appendix 3:	Summary of key actions to be taken within agreed timeframes	22
Appendix 4:	Physical progress measured against AWP&B,including RIMS indicators	26
Appendix 5: Financial:	Actual financial performance by financier; by component and disbursements by category	31
Annex:	Financial management report	36

Abbreviations and acronyms

BAC	Business Advisory Centres
BDS	Business Development Services
CRI	Crop Research Institute
CSIR	Council for Scientific and Industrial Research
DADTCO	Cassava processor supplying cassava cake to Accra Brewery
DADU	District Agricultural Development Units
DSF	District Stakeholder Fora
ERB	Enterprise Record Book
FBO	Farmers-based Organizations
FDB	FDB- Food and Drugs Board, it should be FDA- Food and Drugs Agency/Authority
FFF	Farmer's Field Forum
GPC	Good Practice Center
GoG	Government of Ghana
GSA	Ghana Standard Authority
HQCF	High Quality Cassava Flour
IEC	Education and communication
IF	Initiative Fund
MOU	Memorandum of Understanding
MoFA	Ministry of Food and Agriculture
QMS	Quality Management Systems
GPC	Good Practice Centres
MEF	Micro-Enterprise Fund
NBSSI	National Board for Small-Scale Industries
PPRSD	Plant Protection and Regulatory Services Directorate
PCO	Programme Coordinating Office
PCF	Plywood Cassava Flour
ProVACCA	Promoting a value chain approach to climate change adaptation in Agriculture in Ghana
RAFiP	Rural and Agricultural Finance Programme
R&T	Root & Tuber
RTIMP	Root and Tuber Improvement and Marketing Programme
RCB	Rural and Community Banks
SoE	Statements of Expenditure
SCF	Supply Chain Facilitators
SARI	Savanna Agriculture Research Institute
WA	Withdrawal Applications

A. Introduction¹

1. A joint GoG-IFAD Country Programme Supervision and Implementation Support Mission visited the Root and Tuber Improvement and Marketing Programme from November 11th until December 6th 2013. The mission was based at Sunyani for the fieldwork proportion of the visit. The methodology for the mission included:

- (a) An initial detailed briefing from the PCO;
- (b) Field visits to inspect prominent processing facilities and farmer groups;
- (c) Detailed discussions with staff involved with the management of each component, M&E and overall programme management;
- (d) Joint formulation of findings and proposals; and,
- (e) Discussion of the above in a joint “mini wrap-up” meeting.

2. The Root and Tuber Improvement and Marketing Programme (RTIMP) is in its seventh year of implementation (programme duration is 8 years from 2007 to 2014). The programme objective is that livelihoods are enhanced for the rural poor who rely on roots and tubers for their income and food security. The programme promotes the development of competitive, market-based and inclusive R&T commodity chains by providing relevant, effective and sustainable services, accessible by the rural poor.

3. Specifically, RTIMP develops linkages within the commodity chain for roots and tubers; enhances the production of roots and tubers through improved technologies; and develops the processing and marketing infrastructure for roots and tubers. The programme connects farmers with processors, markets and relevant, effective and sustainable services to increase agricultural productivity and profitability. Additionally, it empowers farmers by developing capacity within farmer-based and other trade organisations.

4. The programme consists of the following components:

5. **Component A: Support to Commodity Chain Linkages:** provision of information, education and communication (IEC), building networks to allow for knowledge transfer, investments, marketing, and the creation of an Initiative Fund (IF) to provide needed capital in small amounts to finance pilot activities of the R&T Commodity Chain identified on a case-by-case basis.

6. **Component B: Support to R&T Production:** Multiplication and distribution of R&T planting material, agricultural research, Integrated Pest and Disease Management and soil fertility management and technology dissemination adoption through Farmer's Field Forum (FFF). The FFF is an innovative platform for mutual learning for smallholder farmers, extension agents and researchers, together with programme staff.

7. **Component C: Upgrading of small-scale R&T processing, business and marketing skills:** Support to the establishment of Good Practice Centres (GPC) for the development and upgrading of cassava processing technologies including business development training. The component also provides support for the operation of a Micro-Enterprise Fund (MEF) (matching grant facility).

8. **Component D: Promoting a value chain approach to climate change adaptation in Agriculture in Ghana (ProVACCA).** Support for awareness raising on climate change and capacity to address its impacts along the cassava value chain and other complementary food production; adaptation to climate change of cassava production; and, promotion of innovative adaptation solutions along the agriculture value chain.

¹ Mission Composition: Mr Andrew MacPherson, Value Chain Expert; Mr Theophilus Otchere Larbi, Country Programme Officer; Mr Niels Bossen, Associate Professional Officer; Mr Richard Pelrine, Agribusiness Finance Specialist; Mr Godfrey Wanjohi, Financial Management Specialist. Ulaş Demirag, IFAD Country Programme Manager Ghana, assisted the mission as required. Representatives from the Ministry of Finance and Economic Planning (Mr Wisdom Akaba) and the Ministry of Food and Agriculture (Mr Richard Donkoh and Mr A.R.Z. Salifu) also participated in the mission.

9. **Mission Focus.** It was agreed that the mission would focus on assessing constraints and opportunities for up-scaling successful interventions in R&T production, processing and marketing, to enable larger numbers of the rural poor to benefit from programme support.

10. The mission agreed with the programme management that a more inter-active process would be followed, enabling management and implementation partners to develop full ownership of the review, assessment and proposals. Accordingly, the following observations are a joint assessment by the PCO/implementers and the mission team. The aim is to develop greater ownership and self-assessment in forthcoming implementation support exercises.

B. Overall assessment of RTIMP implementation

11. As the programme approaches the completion of implementation, it has made important progress in several key areas. The most important of these are:

- (a) The spontaneous new investment in cassava processing observed. The programme reports that seven new cassava processing plants have been constructed in seven districts, based entirely on spontaneous adoption of practices demonstrated in the RTIMP Good Practice Centres (GPCs).
- (b) There are substantial improvements in productivity being observed at the processor and farm levels. These include:
 - (i) Production increases observed in 19 GPCs from 9,079.2 tonnes to 15,799.5 tonnes of Gari from 2011 to 2012;
 - (ii) For participants in Farmer Field Fora (FFFs), application of improved technologies has enhanced yam yields from 6.8 tonnes to 18.7 tonnes/ha;
 - (iii) Similarly, FFF participants have applied improved technologies for cassava production to improve yields from 12.9 tonnes to 28.2 tonnes/ha.
- (c) The programme has made major progress in developing commercial planting material re-production capacity. During 2013, some 377 seed/planting material growers (205 cassava growers and 172 yam growers) have been assisted to produce high quality improved planting materials.

The Main Limitations and Risks.

12. The relatively limited outreach and overall failure to scale up and make durable linkages with the private sector is the main limitation in the assessment of programme progress. A further restriction on further development of the programme outreach is commercial financing constraints. These continue to inhibit expansion of production and processing, and are caused by a variety of factors, including limited liquidity within Rural and Community Banks (RCBs), lack of activity by larger banks and poor perceptions concerning lending in the agricultural sector.

13. Related to the above, there is a continued observed shortage of supply of raw materials for processing, especially of cassava, despite buoyant market demand. There are some signs of a supply response, but most cassava processors continue to operate below their capacity and supply opportunities.

14. The observed deficiencies in programme financial management are a chronic problem. These lead to a low level of confidence in financial reporting, and attendant management distraction.

15. To address these risks, the following mitigation strategies were agreed:

- (a) Focus on engagement of commercial banks and facilitation of partnerships between those and existing RCBs, and with larger agribusiness entities. This will be done in conjunction with NRGP and REP, and with the support of RAFiP;
- (b) Continue and emphasis on linking farmers with GPCs other localised processing facilities, and with larger buyers such as breweries. There is ample evidence that the creation of such

links leads to dramatically improved farm productivity. This can be combined with the testing and rapid roll-out of the mechanical cassava harvester;

- (c) A number of recommendations have been made to improve programme financial management, and if these are adopted, the issue ought to be resolved.

16. The overall rating of the programme is moderately satisfactory.

C. Outputs and outcomes

Component A. Commodity Chain. Linkages

A.1: Effective Information, Communication and Knowledge Management

17. The focus of District Stakeholder Fora (DSF) has been to establish structures to ensure effective participation in R&T value chains. DSFs have provided the various value chain actors a platform to interact, build relationships and make trade deals. Field results have shown the DSFs as the local think-tank on root and tuber development.

18. The programme agenda for this activity is on course with 73,373 information materials on various topics out of a programme target of 74,755 developed and distributed. Various subjective assessments from DADUs and other stakeholders on these activities are positive.

19. Several success stories have been developed and prepared for publication as part of a programme communication plan. These include the following titles:

- (a) Cassava Sticks attract the market;
- (b) Commercial seed yam production, the lifeline to yam production in Ghana;
- (c) Transforming FFF to FBO; The case of Emaahi Food Farmers Association;
- (d) Enhancing market access in the cassava value chain through the GPCs.

20. The programme has continued to work with the Esoko electronic market information system. Voice messages in the local language are currently on trial as a means of informing farmers with poor literacy. This pilot work is continuing with a total of 1,151 R&T value chain actors exchanging market information.

21. **Planned Activities:** A tracer study is planned in 2014 to determine qualitative and quantitative outcomes of the DSF activity. This would include

- Volumes traded and the values involved;
- Number of farmers/processors accessing MEF as a result of the DSF activity;
- Number of farmers becoming RTIMP secondary and tertiary farmers as a result of DSF participation; and,
- Number of people becoming processors as a result of DSF participation.

22. It is also planned to apply the communication plan for the rest of the programme life. This will commence with a press event followed by television and radio talk shows as well as food fairs and meetings among others. These communications efforts will be crafted in partnership with the private sector and banks to shape the messages to be attractive to investors.

23. The programme will also continue to work with Esoko, with a new proposal for localised services to be formally agreed in December, with training for farmers to commence by 6th January 2014.

A.2: Link Small Producers to Larger Scale Markets and Promoting New Uses of R&T

24. Supply Chain Facilitators (SCFs) have continued to be active in four value chains; namely Export Gari, High Quality Cassava Flour (HQCF), Plywood Cassava Flour (PCF) and Export of Yams. The engagement of SCFs has been completed at the end to October 2013. They were tasked to build sustainable and viable chains based on specific market opportunities for Yam, Gari, HQCF and Plywood Cassava Flour.

25. There has been impressive performance. Some examples are:

- (a) Yam exports have gone from 493mt in 1987 to 33,693mt in 2012. The six RTIMP/SCF facilitated chains contributed 14,487mt (43%) of this;
- (b) For Gari at both regional and ethnic markets, volumes rose from 7,241mt in 2009 to 11,896mt in 2012, with a value of some 8.9mUSD. The RTIMP facilitated chains have contributed 6,467.44 mt (54%) of this.

26. RTIMP intends to make an assessment on two out of the four commodities (Gari and Yam) to ascertain their impact and contribution to exports in 2013 and 2014.

27. **The Initiative Fund** has been utilised to support the development and acquisition of Mechanical Cassava Harvesters, in collaboration with KNUST, and for the fabrication of a prototype of a dryer for HQCF, in collaboration with institutional partners like such as GRATIS, St Baasa, SIS Engineering, and CSIR – FRI.

A3: To strengthen Commodity Chain partnership and policy dialogue

28. The Value Chain Groups of Kanyitewalle and Asueyi have provided excellent services to their members over a prolonged period in terms of facilitating communication and access to commercial services within the value chains. The value chain group concept at Kanyetiware is now being replicated at Adwenepa and Asueyi GPCs.

Component B. Support to Root & Tuber Production

29. **B.1: Planting Material Multiplication and Distribution.** The programme has distributed free improved R&T planting materials to 184,122 individual farmers since its inception. However, in recognition of the need for sustainable supply of these improved cultivars, there has been a major effort to develop a viable commercial planting material multiplication industry. This is now showing good signs of progress, and sales of improved seed/planting materials by commercial growers is accelerating. The Programme has supported 205 cassava and 172 yam seed/planting material growers with planting materials and partial production funding in 2013.

30. Commercial cassava planting materials growers have sold planting materials to Cocoa Livelihood Project, and DADTCO (cassava processor supplying cassava cake to Accra Brewery). RTIMP has signed an MOU with DADTCO to strengthen their linkage with farmers. Sales to a value of GhC 23,094 have been recorded by 15 commercial cassava planting material growers in 5 districts.

31. In order to enhance preparedness for complete commercial production of planting materials, the programme has:

- (a) Prepared and Printed Guidelines for Inspection & Certification of planting materials, which are soon to be distributed as required;
- (b) Prepared draft Manuals for Commercialization of R&T planting material, which will be edited and printed by 31/12/13.

32. It is planned that farmers will be sensitized to obtain healthy improved planting materials from trained commercial planting material producers. The locations of these commercial planting material producers will be publicized to enable easy identification and access by potential clients. RTIMP will also provide the ERB to commercial growers to enable them record all transactions, and ensure that their business is viable.

33. The Programme in collaboration with the University of Cape Coast, Plant Protection and Regulatory Services Directorate, Crop Research Institute & SARI drafted guidelines for the commercialization of cassava, yam, sweet potato and cocoyam. The guideline is yet to be validated and finalized, but this is planned to be achieved and the guidelines printed for wider circulation by January 2014. This is to be followed by intensive awareness and publicity on the commercialisation initiative. The Guidelines for Inspection and Certification of R&T planting materials has been finalised and 500 copies printed for distribution. It was agreed that the Programme will expedite the circulation of the draft document to the MoFA PPRSD, the CSIR-CRI and SARI for their final comments and printing by December 2013.

34. **Farmer Field Fora (FFF).** The programme is in the process of supporting the transformation of 10 post-FFF groups to FBOs. A key element in the transformation is a link to reliable markets such as GPCs and aggregators. As part of such a strategy, GH¢ 640,000 has been released by the Outgrower and Value Chain Fund (OVCF) to produce ware yam for the export value chain established by Freshmacs. A further GH¢ 380,000 is available for the production of seedyam to supply ware yam producers. It is recognized that meeting this increase in demand for seedyam could be dependent on transformation of post FFF groups into seedyam producing FBOs.

35. **As part of the FFF Transformation process,** RTIMP will categorize all post-FFF groups into three categories, as follows:

- (a) Stage 1 group: absence of clear leadership;
- (b) Stage 2 groups: functional leadership, a binding constitution, active bank accounts and effective use of ERBs;
- (c) Stage 3 groups: As for Stage 2, plus dues paying members, regular meetings and demonstrated initiative to access services and funds to improve group welfare or enterprises.

36. Only Stage 3 groups are ready for transformation into FBOs.

37. **Integrated Pest Management:** RTIMP has supported the mass production and release of two bioagents (*Typhlodromalus manihoti*-Tm 2.2 million and *Teretrius nigresens*-Tn 1.4 m) for the control of the Cassava Green Mite and Larger Grain Borer respectively. However, the impact of these bio-agents in reducing damage by these pests needs to be assessed, and TORs have been developed for a study to undertake the assessment. RTIMP will request 'No Objections' by IFAD by 31st December 2013 to enable the studies to be undertaken in early 2014.

Component C. Upgraded R&T Processing & Marketing

38. **C1: Transfer of relevant processing technologies.** The new HQCF prototype dryer was completed and is now being tested. The programme will continue further testing and performance evaluation, as well as a comparative financial analysis of the prototype.

39. The 10 newly acquired mechanical cassava harvesters have been deployed for testing by AMSECs. Testing will include an assessment of their capacity and a comparative financial analysis, compared with manual harvesting. Some of this testing will be done on farmers fields, and with collaboration with MoFA staff.

40. Training programmes for new chain actors in Quality Management Systems (QMS), Packaging and Labelling have been continued. Studies to ascertain the impact of the use training on profitability and other outcomes will be commissioned in 2014.

1. C2: Development and operation of Good Practice Centres (GPC).

41. Only one of five new GPCs commenced in 2012 has been completed and handed over to the beneficiaries. The remaining four are only partially completed due to delays in work by contract RTFs. Two new GPCs planned for construction in 2013 have been put on hold. Final inspections and assessments of four GPCs under construction will be done by December 15, 2013. If works are unsatisfactory, contracts will be terminated and re-awarded to other private stakeholder fabricators. Contracts for the upgrading of the remaining two new GPCs are to be awarded to other private fabricators in 2014.

42. The Programme continues to assess financial viability of GPCs. It will prepare a financial analysis on all GPCs by January 31, 2014. It also plans to intensify financial analysis monitoring to ascertain the profitability of all the actors in the chains with emphasis on total cost/revenue ratio as an indicator of profitability and sustainability. It is agreed that such financial analysis data is to become a major and integral part of information routinely linked with the programme M & E system.

43. **Performance Summary.** There have been some impressive performance improvements amongst the GPCs supported by the programme. Some of the highlights are:

- (a) Two centres have introduced improved packaging that has been certified by the relevant regulatory agencies (FDB & GSA). They have also produced improved quality Gari through QMS training and enhanced sanitation and hygiene;

- (b) GPCs have continued to improve their productivity. For example, Asueyi has increased production from 12 tonnes/month to 27 tonnes/month due to an upgrade, while Milenovisi has improved from 3.6 tonnes/month to 24 tonnes/month after a similar upgrade;

- (c) At Asueyi GPC, there are now 30 supplying farmers financed within a tripartite arrangement.

44. Overall, there are now 7,662 value chain actors linked to the 19 GPCs. All are maintaining better record keeping through use of the Enterprise Record Book (ERB). There have also been seven known instances of spontaneous new investment in cassava processing, such as the decision by Adwenepa GPC owners to build and operate a new plant in an adjacent village as a result of skills and confidence developed through the operation of their GPC.

2. C3: Clients equipped with technical, business, marketing skills

45. The highlights of this activity are:

- (a) The cumulative achievement of entrepreneur training by mid-year was 3,647, compared to a target of 3000;
- (b) Leadership and group development/dynamics training has been designed and conducted for 6 post FFF groups aimed at supporting their transformation into self-managed, sustainable FBOs;
- (c) Some selected growth-oriented processing enterprises and entrepreneurs have been selected and equipped with specialized knowledge and skills on quality processing, packaging/labelling, and the use of financial tools in all aspects of business operations; and,
- (d) The distribution and use of the revised ERB has enabled better business records management by enterprises.

46. While the overall training activities under this component have been impressive, their impact has not been rigorously analysed. The programme plans to rectify this in 2014 through

- 3. the conduct of Tracer Studies for assessment of outcomes and emerging impacts of training, with focus on:

- (a) Numbers trained in all zones, and in which thematic areas;
- (b) Assessment of knowledge/skills acquired and extent of application/adoption;
- (c) Extent of transformation of clients enabling operation along formal business lines;
- (d) Multiplier effects on other non- RTIMP micro-small enterprise operators; and,
- (e) Sustainability of achievements from training with BACs, DADUs, etc.

47. RTIMP has continued collaboration with the National Board for Small-Scale Industries (NBSSI)/Business Development Services (BDS). This has involved the training and building capacities of Heads of Business Advisory Centres (BACs) for further training of RTIMP clients/beneficiaries. RTIMP has provided training for 19 BACs in Business Development and marketing to deliver day-to-day mentorship to actors in the GPC chains

C4: Facilitation of MEF disbursement.

48. The previous issue of a non-performing programme deposit with Ecobank has been resolved, and the bank has returned an undisbursed USD 99,972 (see Para 64).

49. There has been continued steady progress with MEF disbursements and application of investment funds. So far, 82 enterprises/groups constituting a total of 1,189 (713 females and 476 males) clients have received MEF grants through 11 PFIs (10 Rural & Community Banks under ARB Apex Bank, and Ecobank). The total grant disbursed now amounts to USD 546,457.00.

50. Loan repayment rates for MEF co-financing have been monitored closely. So far, there have been repayments from 58 enterprises/groups, and 90% of these (53 beneficiary enterprises) have met

repayment deadlines. Some 52% have made full repayment. However, six enterprises have not met repayment schedules, with one 30 days in arrears, two 90 days in arrears, and three in default. The programme will monitor the banks' performance in ensuring full repayment in the near future. Given the overall profitability of the roots and tubers value chains, this should not be problematic. The programme should analyse the performance, and help banks learn lessons.

51. RTIMP has facilitated an IFAD/FAO Matching Grant Study to better understand the benefits and limitations of such an initiative. The consultancy report is at Draft Final stage and will be completed in the near future.

52. RTIMP recognises the limitations now being imposed through lack of access by clients to seasonal and medium-term finance. In common with NRGp and REP, it will seek the support of RAFiP to improve client financing. As part of this strategy, the programme intends to take the following actions to improve access to finance:

- (a) Acceleration of disbursements to active processors whose MEF applications are being processed;
- (b) Intensification of practical refresher training for PFIs;
- (c) Peer interaction between leading RCBs and others;
- (d) Agency Banking through RCBs, using Fidelity Bank and others;
- (e) Accessing the Outgrower Value Chain Fund (OVCF) for medium-term investment finance; and,
- (f) Identification of more Universal/Commercial Banks to participate in client financing.

53. There is a clear need to make arrangements to ensure monitoring of the performance of loans coupled with MEF grants beyond the RTIMP implementation period to ensure that data and the opportunity to learn from the experience are available in the future. It is recommended that specific information on this aspect of implementation be consolidated within the GASIP NPCO as soon as it is formed in 2014.

Component D. Promoting a Value Chain Approach to Climate Change Adaptation in Agriculture in Ghana (ProVACCA).

54. **D1: Awareness raising on climate change and capacity to address its impacts along the cassava value chain and other complementary food production.** Progress to date has seen ProVACCA launched in seven districts involving 320 farmers, processors, traders, students and district level decision makers in July and August 2013

55. As a means to identifying specific CCA needs of value chain actors, the programme intends to undertake baseline studies, conduct topical PRAs and then develop strategies to address identified needs. The programme will identify the specific needs of the various value chain actors and stakeholders in relation to climate change so as to fashion specific interventions to meet those needs.

56. **D2: Support adaptation to climate change of cassava production.** Proposed activities in this sub-component include building links with existing FFF groups and working with them to undertake adaptive research on drought-resistant and improved varieties, adaptive land management practices to improve soil and water moisture conditions and identifying agroforestry options for cassava production.

57. **D3: Promote innovative adaptation solutions along the agriculture value chain. Strengthening of beneficiary groups.** There has been good progress with six groups at Asuoyi and Akrofrom to begin to analyse and outline their roles and responsibilities towards each other and the planned installations i.e. Biogas plant, gasification plant, borehole and water distribution. However, the group analysis and profiling exercise revealed that three of the beneficiary groups at Asuoyi had informal business relationships and therefore would require assistance to form into formal groups. Proposed activities are for a MOU to be signed among participating groups to formalise their relationship, follow up on the Preliminary Environmental Assessment for the gasification and biogas plants and training of beneficiaries to comply with environmental permit conditions.

D. RTIMP implementation progress

Programme Management/M&E.

58. The RTIMP M&E system has previously been assessed as underperforming. However, with a review of the logframe in December 2012 and the re-staffing of the M&E unit in 2013, RTIMP M&E performance is steadily improving. Since June 2013, the M&E system/logframe has been improved upon with more data, and the development of a client database has been finalised.

59. However, there is a continuing lack of reporting on outcome level data. As the programme is moving towards completion, more focus should now be put on harvesting the results for learning and scaling up. To facilitate this, a total of 12 studies to be carried out on outcome level analyses in 2014. In addition, an overarching participatory outcome assessment, PIALA, will be carried out in collaboration with IFAD/IDS. Furthermore, it is expected that the programme M&E unit will provide leadership in coordinating M&E and Knowledge Management in the PCU and specifically in following up on the agreements of the current mission.

E. Fiduciary aspects

60. **Financial management.** The overall status of programme financial management is below the required levels. One positive aspect is that the replenishment of the Special Account is up- to date as at 30 September 2013. However, key negative aspects of the financial management include:

- (a) Inaccurate and unreliable audited financial statements for 2012 financial year;
- (b) Failure to prepare financial statements regularly at quarterly intervals; and,
- (c) Imprests amounting to USD 222,127 do not appear to have been retired and yet they have been claimed from IFAD through Withdrawal Applications (WAs), contrary to procedures.

61. The Programme financial transactions are captured and accounted for using the Scala Accounting System. However, there are significant performance gaps relative to the regularity, timeliness of financial reporting, as well as accuracy of reports. In addition, the intensity and consistency of oversight supervision within and over the financial management team should be deepened to requisite levels. The other gap is that imprests remitted for financing field activities take too long to be retired to account for intended use of funds. It was agreed that the PCO will improve to acceptable standards the quality of accounting, regularity, timeliness and accuracy of financial reports, as well as speeding up the follow up of accountabilities for imprests.

62. It was also agreed that the PCO will draw up and adhere to a result oriented work plan that will accommodate the following tasks:

- (a) A revision to be carried out on the financial statements and accounts for 2012 financial year that ensures full and accurate agreement of surplus in the statement of receipts and expenditure to the cash balances as at 31 December 2012. This is to be done before 31 December 2013;
- (b) All the issues raised in the Auditors management letter should be fully addressed and incorporated in the revised financial statements. In order to ensure that this important task is carried out, the mission recommends that a consultant with skills to operate Scala accounting software is recruited to assist the Financial Management Team in the revision. The revised financial statements accounts and reports will then be returned to the auditors for re-audit;
- (c) In consultation with the rest of PCO, complete the 2014 AWPB that accommodates expenditure estimates to 30 June 2015 given the need to include all costs to the loan closure date;
- (d) On the basis of expenditure estimates prepare, a recovery/justification plan for the USD 1 million initial deposit. This process is estimated to start on or before 1 July 2014. The recovery may start early depending on when and if the balance in the Loan account reduces to USD 2 million, being twice the initial deposit amount.

- (e) Update the books of account for 2013, and prepare accurate and up-to-date management financial statements as part of preparedness for timely preparation of the 2013 draft financial statements for audit. This is to be done between 31 January 2014 and 31 March 2014.
- (f) The financial management team adopt strict discipline to:
 - (i) update the books of account regularly at the end of each month,
 - (ii) carry out the Special Account reconciliation,
 - (iii) submit WAs to IFAD in a timely manner,
 - (iv) prepare accurate financial statements at the end of each quarter, and,
 - (v) follow-up accountabilities of imprests in accordance with the PAM procedures.

63. **Statements of Expenditure (SoEs) Review:-** The Mission reviewed at random the SoEs supporting the withdrawal applications (WAs) 83 and 84, totalling USD 863,553. The random selection included 37 items totalling USD 386,010 representing 45 % of the total WAs value. The mission reviewed the supporting SOEs of the sample with the aim of confirming the expenditures' eligibility for claim and replenishment from IFAD. The bulk of the expenses in the sample were validated with supporting documents and were found to be in accordance with the laid down procurement procedures and the Financing Agreement, and therefore eligible for claim. However, the tests confirms that a large number of items in the register for imprests remitted to implementers totalling GHC 475,352 or USD 222,127 equivalents have not been retired to PCO. The mission recommends that the amount of GHC 475,352 or USD 222,127 be followed up for accountability retirement by 15 December 2013 at the latest. Any imprest not retired to PCO will be a subject to being set aside for ineligibility and should be deducted from subsequent WA, for settlement by GoG.

64. **Review of the SPA and other Programme Accounts:** The mission reviewed the operation of the Special Account and other Programme Account and confirms that the Special Account allocation of USD 1 million is fairly accounted for as at 30 September 2013. The Special Account has a cash balance of USD 209,584 while the Programme Operation and Zones accounts had a combined balance of USD 26,608. The key reconciling items are WA 83 for USD 513,922, which has since been settled by IFAD, and WA 84 for USD 349,631, which is undergoing review, processes in IFAD. The account also includes a credit amount of USD 100,000 returned by ECO bank after failure to disburse it to the beneficiaries. **It was agreed that this amount will be paid back to IFAD for credit to the Loan account by 15 December 2013.**

Summary Reconciliation of the Special Account as at 30 September 2013

Item	Description	Value (USD)	
1	Authorised Allocation		1,000,000
2	Balance in the Special Account	209,584	
3	Balance in the Programme Account	23,794	
4	Balance in the local accounts in the Zones	2,814	
5	Proceeds of WA 83 that has since been settled	513,922	
6	Proceeds of WA 84 Pending payment by IFAD	349,631	
7	Proceeds of Transfer from Ecobank on account of MEF Account	(100,000)	
8	Exchange difference	256	
	Total		1,000,000

65. **Disbursement.** The planned IFAD supported expenditure has achieved 62% of its target as at 31 October, while expenditure supported by the GoG achieved 53% of target. The total projected utilization is estimated at SDR 10.22 million or 78% of the loan. The projected Loan balance as at 31 October 2013 is USD 4.2 million at the current exchange rates.

66. **Counterpart funds.** To-date the GoG has contributed USD 2.07 million against the USD 3.9 million allocated at appraisal. This represents 53% of agreed amounts. Nothing has been contributed for 2013 financial year against the AWPB provision of USD 227,560. It is recommended that GoG provide the funds consistent with the AWPB and loan agreement provisions.

67. **Compliance with loan covenants.** The mission reviewed the compliance of the covenants and did not note any contraventions

68. **Procurement.** The mission reviewed procurement progress and notes that the bulk of the procurement for 2013 was for the GEF Grant. The plan was initiated during the last six months and will be completed in 2014.

69. To address the issues that have been highlighted above, the following actions will be taken.

Agreed action	Responsibility	Agreed date
Follow-up unretired imprests amounting to USD 227,127	PC/FC	15 12 2013
As an extension of 2014 AWPB, project expenditure estimates to 20 June 2015	PC/FC	15 12 2013
Based on the 2014-2015 AWPB Projections prepare an expenditure categories Re-allocation schedule for consideration by IFAD	PC/FC	15 01.2013
Recruit a qualified Accountant to assist the FM team to re do 2012 Financial statements, Accounts and reports	PC/FC	15 12 2013
Prepare financial statements at the end of each quarter	FC	Quarterly
On the basis of 2014 budget prepare a recovery schedule for the USD 1 million	FC	31 01 2014
Submit revised accounts for 2014 for Re-audit	PC/FC	15 01 2014

F. Sustainability

70. The prospects for sustainability of programme impact have continued to improve. Specifically, improved productivity at the farm and processor levels have resulted in increased profitability and reduced costs per unit of revenue. There is also greater application of rigorous financial management, especially at the processor level.

71. A new factor that provides cause for optimism is that spontaneous investments in seven new cassava processing plants have been made as a result of the success of GPCs. This points to the growing recognition that the sector can be sustainably profitable. Another new factor is the entry of large breweries into the market for cassava, under-pinning an already burgeoning demand situation.

72. The continued good progress in promoting commercial reproduction of improved planting materials also is a positive factor in ensuring sustainability. This should ensure that this improved technology remains available to farmers after programme conclusion.

73. The largest risk working against sustainable growth for the R&T sector is the continued reluctance of banks to provide seasonal and medium-term finance for value chain entities. If this continues, it will stifle the growth processing and farm productivity alike. Fortunately the problem is well identified, and probable solutions are available through adoption of procedures already being successfully applied by NRGP, as well as through support from RAFiP. This will assist farmers to address the other main issue concerning sustainability, which is the continued shortage of raw materials for processing and sale. There are signs that farmers are addressing this, especially when linked to viable processors and export markets.

74. Proposed Tracer Studies to be implemented in 2014

1. The effectiveness of GPC model. cost/revenue, income/HA, Employment creation along the value chain
2. Outcome of Improved Planting Material dissemination. Adoption, impact on yield, incomes, etc.
3. Impact of FFF scheme. Technology adoption, yield and income increases.
4. ESOKO, cost-benefit of the subscription
5. Market linkages. To which extend and with which impact has RTIMP succeeded linking farmers to the markets through SCFs and DSF? Impact on yield, production, incomes along each chain
6. Public awareness, especially R&T farmers, of RTIMP programme and possibilities in R&T chains. Extent and effectiveness of awareness raising activities. How many farmers have copied lessons learned from RTIMP?
7. Effect of bio-agent release 1
8. Effect of bio-agent release 2
9. Effect of MEF in enabling private investment in R&T value chains
10. Tracer study on effectiveness of business training. Has it changed the farmer's/processors' behavior?
11. Assessment of fresh yam for export chain
12. Impact of new processing equipment. Cost-benefit of new equipment

G. Conclusion

75. As RTIMP enters its final year of operation, it is relatively well placed to ensure sustainability of the impact of its interventions. The programme now needs to continue to focus on activities that will make these successful modalities for commercialisation of roots and tuber production to become available to the majority of poor farmers in the country, and to further encourage spontaneous investment in the sector. This would be coupled with the need for RTIMP to develop further PPP models to be ready for GASIP implementation and scaling up.

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

Appendix 1: Summary of project status and ratings

Project 1312 [670] Root and Tuber Improvement and Marketing Programme - Draft

Basic Facts

Country	Ghana			Project ID	1312	Loan/DSF Grant No.	670
Project	Root and Tuber Improvement and Marketing Programme					Top-up Loan/DSF Grant	
Date of Update	19-Dec-2013						
Supervising Inst.	IFAD/IFAD						
No. of Supervisions	10	No. of Implementation Support/Follow-up missions	6				
Last Supervision	21-Jun-2013	Last Implementation Support/Follow-up mission	30-Nov-2012				

USD million Disb. rate %						
Approval	08-Sep-2005			Total financing	32.05	
Agreement	20-Jan-2006	Effectiveness lag	14.2	IFAD Total	18.96	
Entry into force	08-Nov-2006	PAR value	-----	IFAD loan	18.96	83
First disbursement	02-Mar-2007			DSF grant		
MTR	07-May-2010	Last amendment	05-Feb-2010	IFAD grant		
Original completion	31-Dec-2014	Last audit	27-Jun-2012	Domestic Total	8.72	
Current completion	31-Dec-2014			Beneficiaries	0.83	0
Original closing	30-Jun-2015			Government (National)	3.89	53
Current closing	30-Jun-2015			Domes. Fin. Inst.	4.00	0
No. of extensions	0			External Cofinancing Total	4.36	
				EC	1.34	100
				OFID	0.52	0
				GEF	2.50	0

Project Performance Ratings

B.1 Fiduciary Aspects	Last	Current	B.2 Project implementation progress	Last	Current
1. Quality of financial management	3	2	1. Quality of project management	4	4
2. Acceptable disbursement rate	4	4	2. Performance of M&E	3	3
3. Counterpart funds	5	4	3. Coherence between AWPB & implementation	4	4
4. Compliance with financing covenants	4	4	4. Gender focus	4	4
5. Compliance with procurement	4	4	5. Poverty focus	4	4
6. Quality and timeliness of audits	4	3	6. Effectiveness of targeting approach	4	4
			7. Innovation and learning	4	4
			8. Climate and environment focus	4	4
B.3 Outputs and outcomes	Last	Current	B.4 Sustainability	Last	Current
1. Upgrading of Small-Scale R&T processing business	4	4	1. Institution building (organizations, etc.)	4	4

2. Support to R&T crop production	4	4	2. Empowerment	4	4
3. Support to increased commodity chain linkages	5	5	3. Quality of beneficiary participation	4	4
			4. Responsiveness of service providers	4	4
			5. Exit strategy (readiness and quality)	4	4
			6. Potential for scaling up and replication	5	5

B.5 Justification of ratings

The November 2013 supervision mission noted some improvement in programme management and in results delivery thanks to a continued business orientation of the programme and the demonstration of the profitability of the R&T value chains. However, the financial management of the programme is unsatisfactory, because of 1) inaccurate and unreliable audited financial statements for 2012 financial year; 2) Failure to prepare financial statements regularly at quarterly intervals; and, 3) Imprests amounting to USD 222,127 do not appear to have been retired and yet they have been claimed from IFAD through Withdrawal Applications (WAs), contrary to procedures. In addition, the quality of the audit has not been satisfactory and there is a need to re-audit the 2012 financial year. Finally, counterpart funding has been downgraded to 4, as no funds were received during 2013.

Overall Assessment and Risk Profile

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

Rationale for implementation progress rating

As the programme approaches the completion of implementation, it has made important progress in several key areas. However, the relatively limited outreach and overall failure to scale up and make durable linkages with the private sector is the main limitation in the assessment of programme implementation progress. The Programme has made progress in adopting a commercial orientation to the production of R&T planting material. The next step is to widely disseminate the register of commercial growers and to collaborate with GSID in the certification of planting material. Furthermore, there is a need to widen the market prospects in conducting intensive market search to identify off-taker markets and other market openings for GPCs.

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

Rationale for development objectives rating

The outreach (i.e. number of clients) is significantly lower than initially planned for RTIMP. However, among clients, there are substantial improvements in productivity being observed and financial analysis of the chain actors (farmers, processors, GPCs) has demonstrated the profitability of the R&T value chains. In addition, the GPC model is starting to spread on own initiative to private investors wanting to link farmers to processing and market the produce.

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

Fiduciary aspects	The overall status of programme financial management is below the required levels. There is a risk that the weak financial management will continue to the completion of the programme, which poses a risk for efficient programme implementation and closing.
Project implementation progress	The main risks observed in the programme are: (a) The lack of experience of SFCs in financial intermediation, very few financial mechanisms that can satisfy the specific financial needs of VCs have been found; (b) Knowledge generation and dissemination of the project outcomes and best practices is not mainstreamed in programme operations; (c) Limited liquidity within Rural and Community Banks (RCBs), lack of activity by larger banks and poor perceptions concerning lending in the agricultural sector.
Outputs and outcomes	The outreach of the programme has been smaller than originally expected. One constraint has been the programme management. Another risk factor is the capacity of the RCBs to provide adequate financing. An underlying risk factor is that the programme M&E system is not very well capable of estimating the outcomes of the different components. A range of studies have been programmed for 2014 to evaluate the outcomes and impact of selected programme mechanisms to evaluate how and what to scale up under the new programme GASIP.
Sustainability	The prospects for sustainability of programme impact have continued to improve. Specifically, improved productivity at the farm and processor levels have resulted in increased profitability and reduced costs per unit of revenue. There is also greater application of rigorous financial management, especially at the processor level. A new factor that provides cause for optimism is that spontaneous investments in seven new cassava processing plants have been made as a result of the success of GPCs. The largest risk working against sustainable growth for the R&T sector is the continued reluctance of banks to provide seasonal and medium-term finance for value chain entities. If this continues, it will stifle the growth processing and farm productivity alike.

Proposed Follow-up

Issue / Problem	Recommended Action	Timing	Status
M&E	To ensure stronger focus and coordination of M&E issues weekly meetings on	31 March	

	progress on M&E and KM activities in the PCU will be instituted. The logframe/M&E framework will be updated with relevant outcome indicators and data according to discussions during supervision mission	2014	
M&E	12 specific tracer studies on outcomes of specific programme components will be carried out along with a broader participatory impact assessment (PIALA)	30 June 2014	
Fiduciary	Follow-up unretired imprests amounting to USD 227,127. On the basis of 2014 budget prepare a recovery schedule for the USD 1 million. Submit revised accounts for 2014 for Re-audit	31 January 2014	
Fiduciary	The financial year 2012 should be re-audited together with 2013.	Immediately	
Programme Management	Recruit a qualified Accountant to assist the FM team to re do 2012 Financial statements, Accounts and reports	Immediately	

Additional observations

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

Narrative Summary	Key Performance Indicators	Means of Verification	Assumptions (A) / Risks (R)
<i>Goal:</i>			
To enhance incomes and food security to improve the livelihoods of the rural poor of Ghana	x% reduction in rural poverty in Ghana by 2014.... <ul style="list-style-type: none"> 20 % reduction in the frequency of national food shortage among households by 2014.... 20 % reduction in malnutrition among households (Children under 5 years) in Programme support districts by 2014.... 	<ul style="list-style-type: none"> SRID report Ghana Living Standard Survey (GLSS) report RTIMP impact assessment reports 	
<i>Project Development Objective:</i>			
To build competitive and market-based R&T commodity chains supported by relevant, effective and sustainable services that are easily accessible by the rural poor	<ul style="list-style-type: none"> 20 % increase in income levels of R&T farmers, processors and traders (by gender) by 2014... Increase in the number of sustainable R&T chains established by 2014 Existence of relevant, effective and sustainable service delivery systems by 2014... (RIMS L. 3) 	<ul style="list-style-type: none"> SCF Report, RTIMP RTIMP Annual Reports 	<ul style="list-style-type: none"> Integrated R&T commodity chains remain pro-poor Increased market for R&T products
Outcome 1: Selected market-based R&T commodity chains established	4 viable market-based R&T commodity chains established and functioning by 2014 (RIMS L2)	<ul style="list-style-type: none"> Quarterly and Annual Reports, M&E Reports Financial Analysis Report Enterprise Record Books(ERBs) Supply Chain Facilitators (SCFs) reports 	<ul style="list-style-type: none"> Willingness of Actors to belong to Chains Rural infrastructures (access roads, electricity etc.) are improved

Narrative Summary	Key Performance Indicators	Means of Verification	Assumptions (A) / Risks (R)
Outputs: 1.1. R&T Chains established 1.2. (RIMS) Quantity of R&T commodities traded annually 1.3. Increased participation of R&T actors (disaggregated by gender) engaged in the four chains by 2014	<ul style="list-style-type: none"> 6 plywood chains established (RIMS L. 2) by 2014 6 HQCF supply chains established (RIMS L. 2) by 2014 75 gari chains established (RIMS L. 2) by 2014. 1 fresh yam supply chain established (RIMS L. 2) by 2014... (Note: SM recommendation) 56,400 tons of R&T commodities traded by product by 2014 (RIMS L.1) : <ul style="list-style-type: none"> 13,200 tons of PCF traded by 2014, 12,800 tons of HQCF traded by 2014, 2,400 tons of Yam (chain only) traded by 2014, 28,000 tons of Gari traded by 2014. 10,500 clients (disaggregated by gender) engaged in the four chains by 2014 (RIMS L.1) 	<ul style="list-style-type: none"> SCF Report RTIMP Progress and Annual Reports Supervision Mission Reports Special Studies Reports RTIMP Annual Report Quarterly and Annual Reports, M&E Reports Financial Analysis Report Enterprise Record Books (ERBs) Supply Chain Facilitators (SCFs) reports RTIMP Annual Report Supply Chain Facilitators (SCFs) reports 	<ul style="list-style-type: none"> Existing processing facilities are financially viable R&T products remains competitive R&T products remain profitable
Outcome 1.1 Public sensitized, informed and educated on RTIMP activities	<ul style="list-style-type: none"> 50% of population of target districts aware of RTIMP activities by 2014 (Not an Appraisal target) 	<ul style="list-style-type: none"> Surveys 	<ul style="list-style-type: none"> Information reaches total population in target districts Actors are willing to use the information
Outputs: 1.1.1 RTIMP activities promoted in beneficiary districts 1.1.2 RTIMP web-site operational 1.1.3 Market information system operational. 1.1.4 Commodity Chain Partnership Platform established	<ul style="list-style-type: none"> 30,000 copies of promotional materials developed and distributed by 2014 (leaflets, fact sheets, brochures, poster etc.) (RIMS L. 1) 160 radio discussion organised by 2014, 10 TV documentaries etc.) organised by 2014 (RIMS L. 1) 	<ul style="list-style-type: none"> Copies of promotional materials, DVDs of documentaries, write-ups, Radio recordings RTIMP Progress Reports Progress report M&E unit website address /uniform resource locator (URL) RTIMP Progress reports 	<ul style="list-style-type: none"> Interest in R&T activities sustained. Internet host remain operational Interest in R&T activities sustained Esoko platform still in place Interest of Actors sustained

Narrative Summary	Key Performance Indicators	Means of Verification	Assumptions (A) / Risks (R)
	<ul style="list-style-type: none"> • People accessing the RTIMP web-site by 2014 (To be monitored.) • RTIMP website is updated 4 times annually (RIMS L. 1) • 10,500 R&T actors accessing market information through the Market Information system by 2014 (RIMS L.1) • 417 District Stakeholder Fora (DSF) organized by 2014 ((RIMS L.1) 	<ul style="list-style-type: none"> • ESOKO platform • Progress report by ZOCs • Progress report by Component A • 	
Outcome 2 Yields of R&T-based cropping systems increased	<ul style="list-style-type: none"> • Yield of FFF Cassava farmers increased by 30% by 2014 (RIMS L.2) • Yield of FFF yam, cocoyam and sweet potato farmers increased by 25% each by 2014 (RIMS L.2) • Yield of FFF Frafra potato farmers increased by 30% by 2014 (RIMS L.2) 	<ul style="list-style-type: none"> • M&E Surveys reports • MoFA Statistics • Research / Impact Study report 	<ul style="list-style-type: none"> • There would be no adverse weather conditions and disease outbreaks • Farmers are willing to use the new technologies
Outcome 2.1: Availability and access to planting material for R&T crops improved	<ul style="list-style-type: none"> • 174,400 R&T farmers receive healthy planting material by 2014 (by crop / gender) 	<ul style="list-style-type: none"> • Progress reports by GLDB • Progress reports by DDA • Progress reports by Component B • Progress reports by ZOCs 	<ul style="list-style-type: none"> • Farmers' interest sustained. • Favourable weather conditions
Outputs: 2.1.1 Fields of improved planting materials established	<ul style="list-style-type: none"> • 608 hectares of R&T primary fields established by 2014 (RIMS L.1) • 2,514 hectares of R&T secondary fields established by 2014 (RIMS L.1) 	<ul style="list-style-type: none"> • Progress reports by GLDB • Progress reports by DDA • Progress reports by Component B • Progress reports by ZOCs 	<ul style="list-style-type: none"> • Favourable weather conditions • Farmers' interest sustained.
Outcome 2.2: Improved technologies adopted by FFF farmers (improved integrated pest management practices, improved varieties, crop husbandry practices, soil fertility management practices)	<ul style="list-style-type: none"> • 85% adoption rate among FFF farmers by 2014 (Disaggregated by gender) (RIMS L.2) 	<ul style="list-style-type: none"> • Progress reports by DDA • Progress reports by research institutes • Progress report by ZOCs • Progress report by Component B 	<ul style="list-style-type: none"> • Farmers are willing to use the new technologies
Outputs: 2.2.2 R&T farmers trained (by gender)	<ul style="list-style-type: none"> • 17,639 FFF farmers to be reached by 2014 (by gender) (RIMS L.1) 	<ul style="list-style-type: none"> • Progress reports by DDA • Progress reports by research 	<ul style="list-style-type: none"> • Farmers' interest sustained.

Narrative Summary	Key Performance Indicators	Means of Verification	Assumptions (A) / Risks (R)
	<ul style="list-style-type: none"> • 500 FFF to be established by 2014 (RIMS L.1) • 365 FFF facilitators trained by 2014 (RIMS L.1) 	<ul style="list-style-type: none"> • institutes • Progress report by ZOCs • Progress report by Component B 	
Outcome 2.3: Incidence of diseases and pests on R&T crops minimised	<ul style="list-style-type: none"> • Reduction in the incidence of pests and diseases on R&T crops in project districts by 2014 (To be monitored) (Not an Appraisal target) 	<ul style="list-style-type: none"> • Progress reports PPRSD, SARI • Progress reports IITA (backstopping) 	
Output 2.3.1 Bioagents for pest and disease management produced/released	<ul style="list-style-type: none"> • Produce/release: 2,500,000 of CGM predators (<i>Typhlodromalus manihoti</i>) released (RIMS L.1); 1,312,000 of LGB predators (<i>Teretriusnigresens</i>) released. (RIMS L.1); Bioagents released in 620 locations (RIMS L.1) 	<ul style="list-style-type: none"> • Progress reports PPRSD, SARI • Progress reports IITA (backstopping) 	<ul style="list-style-type: none"> • Farmers would cooperate and not apply insecticides in released areas
Outcome 2.4 Improved adoptable technologies released for farmers use	<ul style="list-style-type: none"> • New research technologies adopted by 2014 (To be monitored) 	<ul style="list-style-type: none"> • Research reports • Interview of beneficiaries/Extension agents 	<ul style="list-style-type: none"> • Conducive environment for research • Favourable policy towards research in sub-sector.
Output: 2.4.1 Improved adoptable technologies developed	<ul style="list-style-type: none"> • 840 farmers participate in the research project by 2014. (RIMS L.1) • 23 on-farm research projects on R&T crops conducted by 2014 (RIMS L.1) 	<ul style="list-style-type: none"> • Research reports • Interview of beneficiaries/Extension agents 	<ul style="list-style-type: none"> •
Outcome 3: R&T processing and marketing upgraded	<ul style="list-style-type: none"> • % increase in volumes through GPCs (To be monitored) 	<ul style="list-style-type: none"> • ERB • Reports of the SCFs 	
Outcome 3.1 Improved processing technologies adopted by Processors	<ul style="list-style-type: none"> • 500 processors adopt good technologies by 2014 (disaggregated by gender) (RIMS L.2) • 80% of processors trained adopt QMS and GMP by 2014 (RIMS L.2) 	<ul style="list-style-type: none"> • Progress reports GRATIS, SIS Eng., RTFs, RTSC • Progress reports by research institutes • Zonal reports 	<ul style="list-style-type: none"> • Processors can afford stainless steel equipment • Improved technologies are user-friendly

Narrative Summary	Key Performance Indicators	Means of Verification	Assumptions (A) / Risks (R)
	<ul style="list-style-type: none"> • 4 R&T commodity chains functional by 2014 • xx% increase of R&T products from GPCs annually • xx% increase in profit levels of R&T GPCs annually 	<ul style="list-style-type: none"> • progress report by Component C 	
Output: 3.1.1 Processing technologies/innovations identified, tested and transferred 3.1.2 Good Practices Centres (GPC) established 3.1.3 Good Practices Centres (GPC) used for demonstration	<ul style="list-style-type: none"> • 30 prototypes tested by 2014 (RIMS L.1) • 30 prototypes adopted and mainstreamed by 2014 (RIMS L.2) • 200 local artisans trained in manufacturing of equipment and construction of processing units by 2014 (RIMS L.1) • 40 GPC-1 for gari processing established by 2014 (RIMS L.1) • 5 GPC for agbelima processing established by 2014(RIMS L.1) • 30 GPC-2 (only frying + fermentation) established by 2014 (RIMS L.1) • 75 Financial Analysis conducted for GPCs annually (RIMS L.1) • 5,449 processors exposed to good technologies by 2014. (RIMS L.1) • 200 processors trained in quality management systems(QMSs) and good manufacturing practices (GMPs) by 2014 • 	<ul style="list-style-type: none"> • Progress reports GRATIS, SIS Eng., RTFs, RTSC • Progress reports by research institutes • Progress reports by IITA • Zonal reports • progress report by Component C • Physical observation • Progress reports GRATIS • Progress reports research institutes • Field observation • Physical observation • Progress reports GRATIS • Progress reports research institutes • Field observation 	<ul style="list-style-type: none"> • Improved and appropriate technologies available and accessible. • Processing facilities are financially viable
Outcome 3.2: Access of R&T chain actors to financial services and recovery of credit improved	<ul style="list-style-type: none"> • 100% repayment rate of Loan (RIMS L.1) by 2014 • 100% Disbursement rate of MEF (RIMS L.1) by 2014 • 2000 clients acquiring improved equipment (RIMS L.1) by 2014 	<ul style="list-style-type: none"> • Reports : Component C, • BACs, DADU, ZOCs, Consultants, PFIs. 	<ul style="list-style-type: none"> • Clients able to meet requirements of PFIs

Narrative Summary	Key Performance Indicators	Means of Verification	Assumptions (A) / Risks (R)
Output 3.2.1 Adoption of business and marketing skills by R&T actors improved. 3.2.2 Clients equipped with technical, business and marketing skills 3.2.3 Micro Enterprise Fund Disbursed	<ul style="list-style-type: none"> • 3000 entrepreneurs adopt business and marketing skills (operating business accounts etc) by 2014. • 190 business plans developed (RIMS L.1) • 6,000 clients trained by type (Business development and Marketing Skills, Records Keeping and Basic Financial Management, Banking Culture, Business Plan Preparation and Implementation) and gender by 2014. ((RIMS L.1) • 1,800 clients access MEF (by gender) by 2014 (RIMS L.1) • 30 PFIs financing R&T Value Chains by 2014. (RIMS L.1) • US\$610,368 MEF disbursed by 2014 	<ul style="list-style-type: none"> • Reports : Component C, • BACs, DADU, ZOCs, Consultants, PFIs. • Reports : Component C, • BACs, DADU, ZOCs, Consultants. • Reports : Component C, • BACs, DADU, ZOCs, Consultants, PFIs 	<ul style="list-style-type: none"> • PFIs are willing to disburse funds
Outcome 4: Programme effectively managed, monitored and evaluated.	<ul style="list-style-type: none"> • Programme objectives attained. 	<ul style="list-style-type: none"> • AWPB document • Reports. 	Conducive environment in the country maintained
Outputs: 4.1 Programme activities effectively implemented. 4.2 Financial Management and procurement monitored and evaluated. 4.3 Effective M&E systems in place	<ul style="list-style-type: none"> • 2 PDIP meetings held annually. • 2 NPSC meetings held annually. • 6 technical working group meetings held annually. • 12 PCO/ZOCs meetings held annually. • AWPB developed and reviewed. • 2 ISMs held annually. • Satisfactory disbursement rate • External audit • Sound financial system 	<ul style="list-style-type: none"> • Minutes of Meetings. • AWPB Document • Aide memoires • Withdrawal applications • Financial Reports • Audit Reports • Procurement plan • Minutes of meetings Reports 	

Narrative Summary	Key Performance Indicators	Means of Verification	Assumptions (A) / Risks (R)
	<ul style="list-style-type: none"> • Sound procurement plan • Operational plan • Quarterly monitoring • Quarterly meetings • Baseline/Midline surveys • Mid-year and annual review 		

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

Action Area	Action Agreed	Date	Whom	Progress
Project Implementation				
ProVACCA	(i)Recruiting GEF-ProVACCA accountant and submit the withdrawal application on OFID grant. (ii)Sensitization of the different groups on their roles and responsibilities and also the potential benefits that they may gain from the plants (iii)Conduct the baseline and environmental assessment	Immediately	ProVACCA& PCO	<ol style="list-style-type: none"> 1. Accountant Recruited 2. Withdrawal application for OFID submitted to IFAD. 3. Project beneficiaries groups have been analysed and profiled. Group cohesion gaps have also been identified for capacity building. 4. Contract signing for baseline studies scheduled for early November and the contract for preliminary Environmental Assessment is also yet to be signed.
Commodity Chain Development	(i)Conduct an assessment of the impact of distributed IEC materials to ascertain impact (ii)Closer supervision of SCFs by PCO specialists (iii)Interaction with SCFs to ensure consistency of knowledge and technical approach (iv) Test and pilot a localised Esoko services for specific VC (v)Conduct Financial and technical assessment of new technologies (dryer)	December 2013	PCO Specialists & SCFs	<ol style="list-style-type: none"> 1. A TOR has been developed and forwarded to IFAD for No Objection.. 2. Specialists have instituted the following measures to closely supervise SCFs; <ul style="list-style-type: none"> • SCFs now submit plan of action ahead of schedule to specialists and ZOCs to enable them monitor implementation. • Submission of quarterly Reports besides the deliverables in the contract. 3. A refresher training to deepen the knowledge of SCFs in Financial Analysis has been organised. Regular review meetings instituted. 4. Esoko has submitted a proposal on localised Esoko services for two value chains. And joint meeting of RTIMP and Esoko has reviewed the proposal and concluded as follows; <ol style="list-style-type: none"> a. Esoko to review proposal and resubmit by 15th Nov, 2013 b. Review Implementation Plan in line with the revised proposal c. Sign contract in December 2013. d. Start training for farmers by 6th January 2014.

Commodity Development /Chain Access to Finance	Seek support from RAFiP in facilitating access to commercial banks and RCBs	Immediately/Continuous	PCO Specialists & RAFiP	An initial meeting has been held with the National Programme Coordinator of RAFiP .A collaborative plan of action has been put together for discussion by RTIMP and RAFiP.
Commodity Development /Chain	The facilitators required to keep cumulative data on the volumes and values produced and exported	Immediately/Continuous	PCO Specialists & SCFs	Second Interim report with cumulative data on volumes and values produced and exported submitted by the SCFs.
Commodity Development /Chain	Closer supervision of SCFs by PCO specialists, greater direction & inter-action	Immediately/Continuous	PCO Specialists	Specialists have instituted the following measures to closely supervise SCFs; <ul style="list-style-type: none"> • SCFs now submit plan of action ahead of schedule to specialists and ZOCs to enable them monitor implementation. • Submission of quarterly Reports besides the deliverables in the contract.
Enterprise Record book	Finalization and printing	31 August	PCO Specialists	2000 copies of the ERB has been printed. Distribution and usage has started.
Value Chain Groups/ GPCs	The Value Chain Groups process should be further strengthened and replicated at the other GPCs.	Immediately/Continuous	PCO Specialists	The programme has started with replication of the value chain group concept at three new chains (Asueyi, Adwenepa and Dannes Anointed). Preliminary meetings and interaction s with the groups have started.
GPCs	Establishment of two more GPCs during 2013 Conduct Financial and technical assessment of new technologies (dryer)	December 2013	PCO Specialists	Two processing enterprises identified. Upgrading works on the two put on hold to enable the RTFs to complete the delayed work on current GPCs awarded to them for upgrading. Technical assessment of HQCF dryer commenced. Dryer is mechanically performing well. Investigation on drying capacity on-going. The financial analysis will be done as soon as the drying capacity is ascertained.
Entrepreneur training	Increase entrepreneurs trained in business development and marketing skills to 3,000	December 2013	PCO Specialists	Number of entrepreneurs trained in business development and marketing has passed the 3,000 mark (at 3617). Training emphasis has shifted from general training to specialized capacity building in Leadership and group development/dynamics designed and conducted for key Farmer Field Fora (FFF) graduates aimed at transforming them into formidable and sustainable farmer groups.

Value Chain Groups/ GPCs	Investigate the development and provision of localised Esoko services for value chain groups for development testing	Immediately	PCO Specialists	Esoko has submitted a proposal on localised Esoko services for two value chains. And joint meeting of RTIMP and Esoko has reviewed the proposal and concluded as follows; <ul style="list-style-type: none"> a. Esoko to review proposal and resubmit by 15th Nov, 2013 b. Review Implementation Plan in line with the revised proposal c. Sign contract in December 2013.
Planting material commercialization	(i)Update and Disseminate the register of commercial growers (ii)Circulate the inspection and the certification guideline	Immediately	PCO Specialists	1. Register continuously being updated. Dissemination yet to be done. 2. Guidelines ready for printing
Planting material commercialization	Draft final form of guidelines for commercialization of R&T crops planting material final editing and printing for wider circulation	September 2013	PCO Specialists	Draft guideline yet to be edited and printed.
Planting material commercialization	Intensive awareness and publicity on the planting materials commercialisation initiative	September 2013 onwards	PCO Specialists	Data gathering on planting material commercialization in progress while modalities for awareness creation and publicity being discussed.
FFF	(i)Develop a guideline or manual on the upgrading of FFF to into viable farmers groups (ii)Categorize all post-FFF groups based on their level of professional development and tailor training needs	December 2013	PCO Specialists	1. Guidelines development in progress. 2. Categorization of Post FFF groups (Farmer groups, Cooperatives, Associations) in progress.
Rural Finance/MEF	IFAD/RTIMP negotiate for return of USD 100,000.00 to Programme from Ecobank	Immediately	PCO & IFAD	Following negotiations with ECOBANK, an amount of USD100,00.00 from ECOBANK has been returned to RTIMP Special Account
Fiduciary Aspects				
Initiative Fund	AWPB be reviewed to allow the Initiative Fund to accommodate the cassava harvesters.	June 2013	PCO	AWPB Revised to allow the Initiative Fund to accommodate the cassava harvesters.
Programme Accounts	SCALA engineers to finish settings of SCALA to allow the optimization of benefits from SCALA by the project, Strictly adherence to the monthly reconciliation of all projects bank accounts to avoid erroneous transactions, submit audit report before the 30th June deadline and follow up on the payment of counterpart funds for	Immediately	Financial Specialist/Scala Eng.	<ul style="list-style-type: none"> • Settings of SCALA on-going • Bank reconciliation done for every month. • Audit report submitted before 30th June 2013. • There have been follow-ups on 2013 counterpart funds. No remittance has been received for this as yet.

	2013.			
Programme Management	(i) Review the 2013 AWPB and PP. (ii) Identify and train a focal person for gender related issues in the PCO. (iii) Prepare a "No Objection" tracking sheet. (iv) Initiate and conclude outstanding large tenders.	June 2013	Coordinator/Financial Specialist	1. Done 2. Focal person identified. Yet to be trained. 3. Done 4. Done
Programme Management/Fiduciary	Reallocate funds among categories including the unallocated amount of USD 1.2 million		Coordinator/Financial Specialist	Done
M&E	Improve and implement the operational plan Improve communication between component specialists and the M&E unit	Immediately	M&E Spec and PCO Spec	Use of the M&E Operational Plan ongoing. Communication between component specialists and the M&E continuously being enhanced, M&E Specialist consults and holds regular dialogue with component Specialists on daily basis.
M&E	(i)Enhanced database and better assessment of Programme impact (ii)Coordinate Programme reporting (iii)Identify intermediate indicators and indicators to track employment creation in processing and the profit margins at each step of the value chain (farmer, farmer processor, processor, service provider).	Immediately	M&E Spec and PCO Spec	1. Database enhancement in progress. 2. Collaborating with PCO Specialists on reporting. 3. Work on the intermediate indicators and indicators for job creation ongoing.
M&E	RTIMP will conduct a POA in 2013. Draft TOR including methodology and questionnaire will be shared with IFAD.	1st August	M&E Spec and PCO Spec	Draft TOR including methodology and questionnaire have been prepared. Yet to be shared with IFAD..
M&E/Client ID	RTIMP and NRG, as well as REP, will work with MOFA to develop a uniform client ID No.	Immediately	M&E Spec and PCO Spec & NRG/REP SPEC	Initial contacts/clarifications on the issue made with NRG/MOFA. A formal meeting with MOFA yet to be held to discuss modalities and appropriate format of the client ID.

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

Component/ Sub- component or Output			PERIOD: JAN.—DEC. 2013						CUMMULATIVE: NOV. 2006— <u>Oct</u> 2013					
	Indicator	Unit	Target for 2013	Total achieved of 2013 target by gender (Jan-Oct, 2013)			%	Remarks	Cumulative Achieved as at <u>Oct</u> , 2013			MTR revised Program me targets	% achieved of MTR target	Remarks
				Male	Female	Total			Male	Female	Total			
COMPONENT A														
Sub-Comp. A1														
Information, Communicati on and Knowledge Management	Promotion materials developed and distributed	Number	4,000	-	-	3200	80%	Distribution of printed materials is in progress at district levels.	-	-	74,073	74,755	99.09%	
	RTIMP website set up as knowledge center	Number	1	-	-	1Website in place and operation al	100							
<u>Sub-Comp.A 2</u> R&T chainsdeveloped														
Commodity Chains development through IF	Disbursement rate of IF	Rate	USD 591,64 0	-	-	USD 213,017	36%	Payment of final instalment on SCF consultancies	-	-	USD 762,634	USD 944,617	80.73	Supply Chain Facilitators (SFCs) recruited have enhanced commodity chain developme nt
<u>Sub-Comp.A 3</u> Commodity Chain	District Stakeholder Fora (DSF) organised	Number	40	-	-	30	75%		-	-	325	417	77.94%	Good collaborat ion with DADU's

Component/ Sub- component or Output			PERIOD: JAN.—DEC. 2013						CUMMULATIVE: NOV. 2006— <u>Oct</u> 2013					
	Indicator	Unit	Target for 2013	Total achieved of 2013 target by gender (Jan-Oct, 2013)			%	Remarks	Cumulative Achieved as at <u>Oct</u> , 2013			MTR revised Program me targets	% achieved of MTR target	Remarks
				Male	Female	Total			Male	Female	Total			
Partnership														
COMPONENT B														
Support to R&T Crop Production														
<u>Sub-Comp. B 1:</u> Availability and access to planting materials	Number of farmers who receive healthy tertiary planting material	Number	13,000	6,800	3,874	10,674	82.1%	Distribution in progress by the operating districts	125,883	58,239	184,122	174,400	105.57	Farmers are enthusiastic about the improved materials.
<u>Sub-Comp.B 2</u> Dissemination of improved crop husbandry technologies enhanced	Number of farmers reached (by gender)in FFF (R.1)	Number	-	328	422	750	-	Most of the farmers are enthused about the fora.	7,111	7,590	14,701	17,639	83.34	Willingness to participate is very high
<u>Sub-component B 3</u> : Dissemination of improved pest and disease management (IPM) practices improved														
	Number of CGM predators released	Number	-	-	-	-	-	Releases peak in the 2 nd and 3 rd quarters with the rains.	-	-	2,220,511	2,500,000	88.82%	
	Number of LGB predators released	Number	-	-	-	-	-	Releases peak in the 2 nd and 3 rd quarters with the rains.	-	-	1,504,555	1,312,000	114.68%	

Component/ Sub- component or Output			PERIOD: JAN.—DEC. 2013						CUMMULATIVE: NOV. 2006— <u>Oct</u> 2013					
	Indicator	Unit	Target for 2013	Total achieved of 2013 target by gender (Jan-Oct, 2013)			%	Remarks	Cumulative Achieved as at <u>Oct</u> , 2013			MTR revised Program me targets	% achieved of MTR target	Remarks
				Male	Female	Total			Male	Female	Total			
<u>Sub-Comp. B 4</u> : Participatory research to develop new improved adoptable technologies conducted														
	<i>Number of Research Topics conducted</i>	Number	-	-	-	-	-	No new proposal was funded. Research proposals are based on problems emanating from the field.	-	-	16	23	69.5	Three (3) New Varieties of Cocoyam have been released. A boom Sprayer ideal for the spraying of cassava fields have been released.
<u>COMPONENT C</u> : Upgrading of Root and Tuber Processing and Marketing														
<u>Sub-component C1</u> Processing technologies identified and transferred	<i>Number of prototypes and technologies tested</i>	Number	4 (2 Equipm ent, 2 Prototy pes)	-	-	2	50%	Dryer under construction; Hydraulic Press identified but not acquired	-	-	26	30	86.67%	-Good collaborat ion with Lead fabricator s

Component/ Sub- component or Output			PERIOD: JAN.—DEC. 2013						CUMMULATIVE: NOV. 2006— <u>Oct</u> 2013					
	Indicator	Unit	Target for 2013	Total achieved of 2013 target by gender (Jan-Oct, 2013)			%	Remarks	Cumulative Achieved as at <u>Oct</u> , 2013			MTR revised Program me targets	% achieved of MTR target	Remarks
				Male	Female	Total			Male	Female	Total			
	<i>Number of artisans trained in manufacturing of equipment and construction of processing units</i>	Number	8	8	-	8	100		202	3	205	200	102.5	Good collaborat ion with Implemen ting. Partners. Lot more have shown interest
	<i>Number of beneficiaries of exposure visits</i>	Number	0	0	0	0	0		1000	2,777	3,777	5,449	69.3	Interest shown by participan ts
<u>Sub-Comp C2</u> GPC's established and used for demonstratio n	<i>Number of GPCs established</i>	Number	2	-	-	0	0	Preparations underway to engage IPs to commence upgrading	-	-	24	75	32	*Upgrading work is on- going for five (5) as follows: -3 GPC I -1 GPC II -1 Agbelima GPC.
<u>Sub-Comp C3</u> Clients equipped with technical business and marketing skills	<i>Entrepreneurs trained in business development and marketing skills by gender</i>		100	48	27	75	75%		1468	2,179	3,647	6,000	60.7	Effectivene ss of RTIMP's training Programme .
R&T based Business	Disbursement rate of MEF	Rate	USD 14,700	-	-	11,902	80.96	Change procedure is	-	-	USD 554,456	USD 610,368	90.08	Achieveme nt include

Component/ Sub- component or Output			PERIOD: JAN.—DEC. 2013						CUMMULATIVE: NOV. 2006— <u>Oct</u> 2013					
	Indicator	Unit	Target for 2013	Total achieved of 2013 target by gender (Jan-Oct, 2013)			%	Remarks	Cumulative Achieved as at <u>Oct</u> , 2013			MTR revised Program me targets	% achieved of MTR target	Remarks
				Male	Female	Total			Male	Female	Total			
developed and financed								slowing down disbursement						USD200, 000 direct Transfers to Ecobank from IFAD out of which USD 20,000 has been disbursed.
	Entrepreneurs accessing financial services facilitated by the project (R1)	Number	10	6	8	14	140.0	Involvement of BACs and addition of active PFIs have enhanced service delivery	476	713	1189	1,800	66.05	—Refresher training for PFIs with Apex Bank - Forum for PFIs on sharing of successful experience s

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

Appendix 5A: Financial Performance by Financier			
Financier	Allocation at Appraisal	Disbursements	disbursed
	(USD '000)	(USD '000)	%age
IFAD Loan	18 965.0	16 318.8	86.0%
Private Sector	3 998.0	2 107.0	52.7%
GEF Grant	2 500.0	171.0	6.8%
OFID Grant	500.0	0.0	0.0%
Government	3 894.0	2 068.0	53.1%
Beneficiary Contribution	832.0	524.5	63.0%
Total	30 689.0	21 189.3	69.0%

Appendix 5B: Financial Performance By Component as at 31 May 2013

	Component Description	IFAD Loan			GEF			OFID			GOG			PFI			Beneficiaries			Total		
		At appraisal	Actual	%age	At appraisal	Actual	%age	At appraisal	Actual	%age	At appraisal	Actual	%age	At appraisal	Actual	%age	At appraisal	Actual	%age	At appraisal	Actual	%age
A	Support to Increased Commodity Chain Linkages	5 840	3 958	68%							287	202	70%							6 127	4 159	68%
B	Support to Root and Tuber Crop Production	6 194	5 063	82%							1 456	948	65%				692	405	59%	8 342	6 417	77%
C	Upgrading of Small-Scale Root and Tuber Processing , Business and Marketing Skills	4 028	3 891	97%							368	290	79%	3 998	2107	53%	140	119	85%	8 534	6 408	75%
D	Promoting a value chain Approach to climate change adaptation in Agriculture in Ghana				2 500	171	7%	500	0	0%										3 000	171	6%
E	Programme Coordination, Monitoring & Evaluation	2 903	2 890	100%							1 783	628	35%							4 686	3 518	75%
	Total	18 965	15 802	83%	2 500	171	7%	500	0	0%	3 894	2 068	53%	3 998	2 107	53%	832	524	63%	30 689	21 952	72%

Appendix 5C: IFAD loan disbursement by Category (SDR'000) and projected loan utilisation.											
Category		Financing	Original allocation	Revised allocation	Disbursement up to WA 83		Pending expenditure-		Projected Loan	Prjected Loan	Projected Loan
		%age	SDR'000	SDR'000	SDR'000	%age	USD'000	SDR'000	SDR000	SDR'000	%age
I	Vehicles and Office Equipment	100	970	2 160	1 462	68%	136	91	1 553	607	72%
II	Materials and Supplies	100	630	1 350	1 174	87%	12	8	1 182	168	88%
III(A)	Technical Assistance, Professional Services and Studies	100	1 150	1 250	1 191	95%	20	13	1 204	46	96%
III(B)	Subject Matter Specialist	100	180	410	293	72%	28	19	312	98	76%
IV	Training, Worksops, Farmers and Entrepreneurs	100	4 740	3 940	3 289	83%	86	57	3 346	594	85%
V(A)	Initiative Fund	100	1 790	650	330	51%	34	23	353	297	54%
V(B)	Micro-Enterprise Fund	40	1 380	420	350	83%	-	-	350	70	83%
VI	Salaries and Allowances	100	640	1 470	1 413	96%	151	101	1 514	(44)	103%
VII	Operating Costs	40	570	570	396	69%	15	10	406	164	71%
	Unallocated		1 000	830	-	0%			-	830	-
Sub-total			13 050	13 050	9 898	76%	483	322	10 219	2 831	78%
	Authorised Allocation		-	-	665						-
TOTAL			13 050	13 050	10 562	81%	483	322	10 219	2 831	

Appendix 6: Compliance with legal covenants: Status of Implementation

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Section 2.03	Opening of a Special Accounts in USD	Signature of agreement	Done	
Section 2.03	Deposit of Authorized Allocation of USD 1,000,000 for the Loan Special Account.	Start of programme	Done	
Section 3.02	Submission of AWPB each year to IFAD for approval	Annual	On-going	
Section 3.02	Opening of Programme Accounts in cedis	Start of programme	Done	IFAD Operational account opened in June 2009 to separate IFAD funds from GoG Funds
Section 3.05	Transfer of annual GoG counterpart funds in accordance with AWPB	Quarterly transfers	On-going	
Section 3.06	Transfer of loan funds to Apex Bank and Leaseafric as per AWPB	Not specified	Done – Apex Bank only	Transfers based on applications from PFIs
Section 4.02	Submission of semi-annual and annual progress reports to IFAD	Twice a year	On-going	
Section 4.03	Mid-Term Review (MTR) carried out jointly by Borrower, IFAD and UNOPS	4 th project year	Done	Completed in May 2010
Section 4.04	Submission of completion report	2017	Not due	
Section 5.01	Submission of consolidated annual financial statements to IFAD	3 months after year end	On-going	2012 Financial Statements were submitted on time.
Section 5.02	Appointment of auditors by Borrower for each fiscal year	Not specified	Done	Egala, Atitso and Associates appointed for 2012 to 2014.
Section 5.02	Submission of audit report to IFAD each year	30 th June	Done	
Schedule 2	Submission to IFAD of selection/eligibility criteria and operation guidelines for the Initiative Fund	Disbursement Condition	Done	
Schedule 2	Signature of ARB Apex Bank, Leaseafric and PFI subsidiary agreements for the Micro Enterprise Fund	Disbursement Condition	Done	

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Schedule 3	Establishment of National Programme Steering Committee	Programme effectiveness	Done	
Schedule 3	Establishment of Programme Development & Implementation Partnership	Start of Programme	Done	
Schedule 3	Establishment of Programme Coordination Office and recruitment of key staff	Programme effectiveness	Done	
Schedule 3	Establishment of 3 zonal offices (Tamale, Techiman, Koforidua)	Not specified	Done	
Schedule 3	Submission of Project Implementation Manual for IFAD's approval	90 days after effectiveness	Done	Revised PIM submitted for IFAD's approval
Schedule 3A	Insurance of staff against health and accident risks.	Not specified	Done	
Schedule 4	Procurement of goods, works and services in accordance with the procedures laid down in Schedule 4	On-going	Done	

Annex 1: Financial management report

Detailed work done and recommended way forward

A. Financial management.

1. **Overall Overview:** - The Programme is in the last 13 and half months of implementation before the completion date of 31 December 2014. On the overall the financial management is significantly below the required satisfaction levels. On the positive side the replenishment of the Special Account is up- to date to 30 September 2013 and disbursement rate is significantly high at 81%. The WA's are well prepared and consolidated; with the SoEs supporting expenditure items logically organized. The key negative aspects of the financial management include inaccurate and unreliable audited financial statements for 2012 financial year, and failure to prepare financial statements regularly at quarterly intervals as required in the PAM, and for use as management tools for ensuring the highest level of Financial management performance. Imprests amounting to USD 222,127 equivalents, as contained in the imprests register do not appear to have been retired and yet they have been claimed from IFAD through WA's, contrary to procedures. The mission recommends that the financial management team prioritize its time resources in addressing the above negative issues. It was therefore agreed that the PCU will draw up and adhere to a result oriented work plan that will accommodate the following tasks: -

- a) Follow up the retirement of the imprests recorded in the Imprests register at USD 227,127 equivalents.
- b) Before 31 December 2013, a revision is carried out, of the 2012 financial statements, accounts and reports, which ensure a full and accurate agreement of the surplus in the statement of receipts and expenditure, to the cash balances as at 31 December 2012. In addition, all the issues raised in the Auditors management letter should be fully addressed and incorporated where applicable in the revised financial statements. **In order to ensure that this important task is carried out, it was agreed that a qualified accountant consultant with skills to operate Scala accounting software is recruited to assist the financial Management Team in the revision. The revised financial statements accounts and reports will be returned to the auditors for re-audit.**
- c) In consultation with the rest of PCO, complete the 2014 AWPB that accommodates expenditure estimates to 30 June 2015 given the need to include all costs to the loan closure date.
- d) On the basis of 2014 AWPB expenditure estimates prepare a recovery/justification plan for the USD 1 million initial deposits estimated to start on or before 1 July 2014. The recovery may start early depending on when and if the balance in the Loan account reduces to USD 2 million which is twice the initial deposit allocation.
- e) Update the books of account for 2013, and prepare accurate and up-to-date management financial statements as part of preparedness for timely preparation of the accurate 2013 draft financial statements for audit between 31 January 2014 and 31 March 2014.
- f) In order to ensure highest degree of accuracy and timeliness in the financial management, the financial management team **adopt an iron clad discipline of updating and balancing the books of account regularly at the end of each month, carry out the Special Account reconciliation, submit to IFAD the WA's in a timely manner, and prepare accurate financial statements at the end of each quarter, and follow-up accountabilities of imprests in accordance with the PAM procedures.**

2. **Review of the Actions agreed during the last Mission:** All the agreed actions were implemented.

3. **Financial Management Systems, Internal Controls and their performance:** The financial management systems, internal controls and procedures exist and have largely been incorporated in the Programme Accounting Manual (PAM). These include financial planning

through AWPBs, financial data capturing and accounting system, financial cash flow management, monitoring and reporting, and procurement and auditing. The Programme financial transactions are captured and accounted for using the Scala Accounting System. However, there are significant performance gaps relative to the regularity, timeliness of financial reporting, as well as accuracy of reports. In addition, intensity and consistency of oversight supervision within and over the financial management team should be deepened to result oriented levels. The other gap is that imprests remitted for financing field activities take long in retiring with requisite accountabilities in support of intended use of funds. **It was agreed that the PCO will improve to acceptable standards the quality of accounting, regularity, timeliness and accuracy of financial reports, and speed in following up accountabilities for imprests. The improvement should take the following arrangements:**

- a) Maintenance and Weekly review of the imprests register so as to ensure accountability for each of the imprest is within the required 14-day period after the implementation.
- b) Weekly posting of the financial data transactions generated in the implementation of activities
- c) Monthly update and balancing of the books of accounts and ledgers and full reconciliation with the bank accounts.
- d) The reconciliation of the Special Programme Account should be prepared at the end of each month for use as a management tool, and for checking the accuracy of the cash flow and expenditure accounting records, as well as tracking the levels of the expenditure that are pending Withdrawal Application preparation and submission as soon as the prescribed threshold are achieved.
- e) Submission of the WA as soon as the 30% threshold of the Initial deposit is achieved, or every 90 days, whichever of these indicators comes first.
- f) Quarterly resources and expenditure statements should be prepared. The expenditures should be presented by components as well as by expenditure categories. The resulting surplus or deficit must be reconciled with the cash and Bank Balances.
- g) Quarterly report on actual expenditure by activities and compared with the respective budgets. Significant variances should be suitably explained.
- h) The reports as above should be reviewed by the full PCU and action list be generated for follow-up.

4. **2013 AWPB Performance against actual:** The mission reviewed the budget performance to date for the financial year. The IFAD planned expenditure has achieved 62%, while GoG achieved 53%. It is hoped that these rates will be stepped up before the year-end.

Table 1: **2013 AWPB performance compared with Actual.**

Category	IFAD			GEF			GOG			PFIs			Beneficiaries			GRAND TOTALS		
	BUDGET USD'000	ACTUALS USD'000	%age	BUDGET USD'000	ACTUALS USD'000	%age	BUDGET USD'000	ACTUALS USD'000	%age	BUDGET USD'000	ACTUALS USD'000	%age	BUDGET USD'000	ACTUALS USD'000	%age	BUDGET USD'000	ACTUALS USD'000	%age
I Vehicles and Office Equip	254.7	205.4	81%	71.5	1.0	1%	-	-	-	-	-	-	-	-	-	326.2	206.4	63%
II Materials and Supplies	166.3	118.9	71%	-	-	-	44.9	-	-	-	-	-	0.3	-	-	211.6	118.9	56%
III(A) Technical Assistance, Professional Services and Studies	255.6	107.8	42%	149.7	17.6	12%	-	-	-	-	-	-	-	-	-	405.3	125.4	31%
III(B) Subject Matter Specialist	143.7	91.2	63%	35.3	-	0%	-	-	-	-	-	-	-	-	-	178.9	91.2	51%
IV Farmers and Entrepreneurs	456.2	344.9	76%	168.8	28.6	17%	2.1	-	-	-	-	-	-	-	-	627.1	373.5	60%
V(A) Initiative Fund	591.6	213.5	36%	-	-	-	-	-	-	-	-	-	-	-	-	591.6	213.5	36%
V(B) Micro-Enterprise Fund	14.7	3.9	27%	-	-	-	-	-	-	18.4	-	-	3.7	-	-	36.8	3.9	11%
VI Salaries and Allowances	584.1	426.8	73%	62.0	14.9	24%	24.1	11.8	49%	-	-	-	-	-	-	670.1	453.5	68%
VII Operating Costs	88.4	71.5	81%	15.8	1.7	11%	156.4	107.2	69%	-	-	-	-	-	-	260.7	180.4	69%
TOTAL	2,555.3	1,584.0	62%	503.0	63.8	13%	227.6	119.0	52%	18.4	-	-	4.0	-	-	3,308.2	1,766.8	53%

5. **Assets Register and utilisation of assets therein:** The mission reviewed the Asset register and confirms that on the overall it is appropriately maintained. However recent procurement of air conditioners recently acquired are yet to be updated. **It was agreed that these should be entered in the registers.**

6. **Review of the SPA and other Programme Accounts:** The mission reviewed the operation of the Special Account and other Programme Account and confirms that the Special Account allocation of USD 1 million is fairly accounted for as at 30 September 2013. The Special Account has a cash balance of USD 209,584 while the Programme Operation and Zones accounts had a combined balance of USD 26,608. The key reconciling items are WA 83 for USD 513,922, which has since been settled by IFAD, and WA 84 for USD 349,631, which is undergoing review processes in IFAD. The account also includes a credit amount of USD 100,000 returned by ECO bank after failure to disburse it to the beneficiaries. **It was agreed that this amount would be paid back to IFAD for credit to the Loan account by 15 December 2013.**

Table 2: Summary of the Reconciliation of the SPA as at 30 September 2013.

Item	Description	Value (USD)	
1	Authorised Allocation		1,000,000
2	Balance in the Special Account	209,584	
3	Balance in the Programme Account	23,794	
4	Balance in the local accounts in the Zones	2,814	
5	Proceeds of WA 83 that has since been settled	513,922	
6	Proceeds of WA 84 Pending payment by IFAD	349,631	
7	Proceeds of Transfer from Ecobank on account of MEF Account	(100,000)	
8	Exchange difference	256	
	Total		1,000,000

7. **Statements of Expenditure (SoEs) Review:-** The Mission reviewed at random the SoEs supporting the withdrawal applications (WAs) 83 and 84, totalling USD 863,553. The random selection included 37 items totalling USD 386,010 representing 45 % of the total WAs value. The mission reviewed the supporting SOEs of the sample with the aim of confirming the expenditures' eligibility for claim and replenishment from IFAD. The bulk of the expenses in the sample were validated with supporting documents and were found to be in accordance with the laid down procurement procedures and the Financing Agreement, and therefore eligible for claim. However, the tests confirms that a large number of items in the register for imprests remitted to implementers totalling GHC 475,352 or USD 222,127 equivalents have not been retired to PCO. **The mission recommends that the amount of GHC 475,352 or USD 222,127 be followed up for accountability retirement by 15 December 2013 at the latest. Any imprest not retired to PCO will be a subject of being set aside as ineligible and will be deducted from subsequent WA, for settlement by GoG.**

8. In addition, the receipts form for accounting for DSAs require improvements in terms of details of the number of days spent in the field or workshop and the rate applicable for each claimant. Other improvements required include the maintenance of the Logbook records for the project motor vehicles. The distances and fuel spent, maintenance service records should be regularly updated in the relevant motor vehicle logbook sheet.

Table 3: Analysis of SoEs Expenditure Random Tests For WA's 83 and 84

Item	WA	WA Amount USD	Item no.	Category	Transaction description	GHC	USD Amount	Consistent with Loan Agreement	
1	83	513,922.12	Sheet 1 of 82-item3	I	port charges for lab equipments-pv/400/6033/06/13	17,960.51	9,093.93	✓	Agreed to the Clearing Agent Charges Invoice. However the cost including shipping line charges while the goods were procured at CIF:6426.51
2			sheet 4 of 82 item 40	II	final weeding costs-pv/400/6007/06/13	5,660.00	2,865.82	✓	Agreed to the Supporting documents.
3			sheet 18 of 82-item71	IIIA	30% Payment for consultancy services	14,071.87	7,125.00	✓	Rate of 40% agreed to the Contract. Contract procured on single source and there is no NO objection from IFAD. Declare ineligibility because the procurement was not open and transparent.
4			sheet 19 of 82-item 79	IIIA	Audit cost for 2012 fy-pv/400/7038/07/13	11,188.73	5,645.17	✓	Agreed with the contract.
5			sheet 20 of 82-item 85	IIIA	40% payment consultanc for Micro enterprise fund-pv/400/8014/08/13	19,475.00	9,500.00	✓	Rate of 40% agreed to the Contract. Contract procured on single source and there is no NO objection from IFAD. Single source is not preferred procurement avenue when other competitors are available.
6			sheet 22 of 82 item 86	IIIB	Staff salaries may 2013-pv/400/5167/05 13	4,177.53	2,115.21	✓	Agreed to the Payroll
7			sheet 23 of 82 item 95	IIIB	Staff salary June 2013-Vincent Akoto pv/400/6084/06/13	3,711.55	1,872.63	✓	Agreed to the Payroll
8			sheet 23 of 82 item 97	IIIB	Staff salary June 2013-ANGELA IV/1033a	4,191.66	2,114.86	✓	Agreed to the Payroll
9			SHEET 28 OF 82 Item111	IV	Cost of Farmers field for a-pv/400/5048/05/13	10,152.00	5,224.91	✗	Accountability for the funds not available. It should have been received 2 weeks after disbursement but almost 6 months later no accountability has been received. This item forms part of the USD 227,127 unretired imprests. PCO to followup as recommended in the AM report
Item	WA	WA Amount USD	Item no.	Category	Transaction description	GHC	USD Amount	Consistent with Loan Agreement	Comments
10			SHEET 30 OF 82 item 122	IV	Cost of district stakeholder for a-pv/400/5193/05/13	8,430.00	4,268.35	✗	Accountability for the funds not available. It should have been received 2 weeks after disbursement but almost 6 months later no accountability has been received. This item forms part of the USD 227,127 unretired imprests. PCO to followup as recommended in the AM report
11			SHEET 31 OF 82 item 127	IV	cost of workshop to develop IEC materials	22,425.00	11,354.43	✓	Documents not available. Declared ineligible. Filing to be improved.
12			SHEET 31 OF 82 item 127	IV	COST OF AIRFARE ON KM TRAINING IN DAKAR-PV /400/6062/06/13	12,751.00	6,433.40	✓	5 attendants. IFAD NO received.
13			sheet 33 of 82 item 139	IV	cost of course for rural entrepreneurship-pv/400/7210/06/13	19,095.00	9,634.21	✓	Agreed to the Supporting documents.
14			sheet 34 of 82 item 145	IV	cost of training workshop of packaging etc-pv/400/7020/07/13	17,288.41	8,722.71	✗	Accountability for the funds not available. It should have been received 2 weeks after disbursement but almost 6 months later no accountability has been received. This item forms part of the USD 227,127 unretired imprests. PCO to followup as recommended in the AM report
15			sheet 44 of 82 item 194	IV	cost of assessment of harvesting and yield assessment cassava and coco yam-pv/400/7130/07/13	5,990.20	2,998.10	✗	Accountability for the funds not available. It should have been received 2 weeks after disbursement but almost 6 months later no accountability has been received. This item forms part of the USD 227,127 unretired imprests. PCO to followup as recommended in the AM report
16			sheet 45 of 82 item 200	IV	cost of assessment of harvesting and yield assessment cassava and coco yam-pv/400/7199/07/13	7,273.11	3,547.86	✗	Accountability for the funds not available. It should have been received 2 weeks after disbursement but almost 6 months later no accountability has been received. This item forms part of the USD 227,127 unretired imprests. PCO to followup as recommended in the AM report
17			sheet 46 of 82 item 205	IV	cost of assessment of harvesting and yield assessment cassava and coco yam- Central Zone pv/400/7206/07/13	10,258.50	5,004.15	✓	Payment confirmed with the supporting documents. However accountability statements and reports require additional analysis to validate the number of days declared for DSA.
18			sheet 47 of 82 item 208	IV	Cost of conducting 13th NPSC meeting in KOFORIDUA pv/400/8039/08/13	30,704.10	14,977.61	✓	NPSC meeting. Expenses agreed to the the Receipts and signed documents.
19			sheet 49 of 82 item 212	VA	60% cost of mechanical cassava harvester	60,000.00	30,272.45	✓	Single source NO from IFAD seen. Negotiated price authenticated. The supplied items validated.
20			sheet 50 of 82 item 217	VA	20 % consultancy fees PV/400/8036/08/13	16,257.95	7,930.71	✓	Agreed to the contract, which was a rollover of the previous one. Agreed to the IFAD NO objection
21			sheet 50 of 82 item 218	VA	Payment to LD consultant - Pv/400/8038/13	31,285.00	15,260.98	✓	Agreed to the relevant contract, which was a rollover of the previous one. Agreed to the IFAD NO objection. Agreed to the receipts
22			sheet 52 of 82 item 219	VB	Mismatching grant payment to ACKON pv /400/7200/07 13	8,000.00	3,902.44	✓	Agreed to the supporting document and NO from IFAD
23			sheet 53 of 82 item 221	VI	May salary for Seth and Amakye-pv/400/5163/05/13	8,400.95	4,253.65	✓	Agreed to the payroll
24			sheet 54 of 82 item 226	VI	MAY SALARYFOR HARUNA AND FATAWUAND YEMBAH-PV/400/5170/05/13	6,410.38	3,245.76	✓	Agreed to the payroll
25			sheet 55 of 82 item 230 and 232	VI	May salary for Jeff, Vifa, etc	15,126.68	7,659.08	✓	Agreed to the payroll
26			sheet 59 of 82 item 250	VI	DSAs for RTIMP staff on KM training in Dakar-pv/400/6155/06/13	18,903.92	9,537.80	✓	Agreed to the supporting documents and the authoritative rates.
27			sheet 67 of 80 item 292	VI	Staff salary for July 2013-pv/400/7162/07/13	10,292.03	5,151.17	✓	Agreed to the supporting documents and the authoritative rates.
28			sheet 79 of 80-item 346	VI	Premium for RTIMP personal accident insurance	9,144.75	1,830.78	✓	Agreed to the supporting documents validated the staff to the PCO personnel.
29	84	349,630.86	sheet 1 of 35 item 3	I	trial payment for the Lab equipment-pv/400/9145/09/13	251,465.36	120,896.81	✓	Agreed to the No-objection, evaluation bids, bid opening
30			sheet 1 of 35 item 1	I	ANNUAL MAINTENANCE COST FOR THE SCALA-pv/400/9074/09/13	25,704.00	12,600.00	✓	Agreed to the contract.
31			sheet 5 of 35 item 9	IIIA	Final fees to SRC consulting-pv/400/8082/08/13	27,539.65	13,433.98	✓	bids, Evaluation and IFAD o bjection
32			sheet 5 of 35 item 13	IIIA	20% for training in SCALA	7,536.16	3,694.20	✓	Agreed to the contract. Report on training. Nodocumentary evidence exists on account of having carried out the training.
33			Sheet 12 of 35 item 29	IV	Wrap meeting cost for GRGP	9,950.00	4,937.97	✓	Agreed to the supporting documents. To analyse accountability.
34			sheet 14 of 35-item 40	IV	COST OF ZONE 3 ANNUAL AWPB-pv/400/9056/09/13	17,434.20	8,652.21	✓	Accountability received. Improvements required are daily signed attendance lists and invoices for supplies together with the receipts.
35			sheet 17 of 35 item 48	VI	consultancy services for high quality cassava flour supply	24,204.00	12,011.91	✓	Agrees to the payment document. The contract was rolled over from a previous contract. No objection was required but not obtained but relied on the AM action plan
36			sheet 22 of 35	VI	staff salary for August-PV/400/8064/08/13	10,599.24	5,170.36	✓	Agreed to the Payroll, and the Letter of appointment.
37			sheet 32 of 35 item 107	VII	Procurement of vehicle tyres-pv/400/9024/09/13	6,185.74	3,069.85	✓	Agreed to the procurement process. Lowest of the 3 quotations. GRN and Stock record.
Total		863,552.98					386,010.46	45%	

B. Disbursement

9. The Cumulative disbursement to date of the IFAD loan is SDR 10.56 million or USD 16.32 million representing 81% of the total, including the Special Programme Account (SPA) allocation of USD 1 million. This status has been reconciled to the IFAD statements. However, the loan utilization, excluding the SPA allocation is SDR 9.9 million, or USD 15.32 million, and represents utilization level of 76%. The mission has gone further to factor in expenditure for the pending WA 84 and others pending consolidation into WA totalling to USD 483,000 or SDR 322,000 equivalents at the current exchange rates. Consequently, the projected utilization is estimated at SDR 10.22 million or 78% of the loan. Taking all these factors into account, the projected Loan balance as at 31 October 2013 is SDR 2.83 million, or USD 4.2 million at the current exchange rates.

Table 4: IFAD Loan Disbursement and projected Loan Utilisation as at 31 October 2013

Category	Financing	Original allocation	Revised allocation	Disbursement up to WA 83		Pending expenditure-WA		Projected Loan	Loan Balance	Projected Loan utilisation
	%age	SDR'000	SDR'000	SDR'000	%age	USD'000	SDR'000	SDR000	SDR'000	%age
I Vehicles and Office Equipment	100	970	2,160	1,462	68%	136	91	1,553	607	72%
II Materials and Supplies	100	630	1,350	1,174	87%	12	8	1,182	168	88%
III(A) Technical Assistance, Professional Services and Studies	100	1,150	1,250	1,191	95%	20	13	1,204	46	96%
III(B) Subject Matter Specialist	100	180	410	293	72%	28	19	312	98	76%
IV Training, Workshops, Farmers and Entrepreneurs	100	4,740	3,940	3,289	83%	86	57	3,346	594	85%
V(A) Initiative Fund	100	1,790	650	330	51%	34	23	353	297	54%
V(B) Micro-Enterprise Fund	40	1,380	420	350	83%	-	-	350	70	83%
VI Salaries and Allowances	100	640	1,470	1,413	96%	151	101	1,514	(44)	103%
VII Operating Costs	40	570	570	396	69%	15	10	406	164	71%
Unallocated		1,000	830	-	0%			-	830	-
Sub-total		13,050	13,050	9,898	76%	483	322	10,219	2,831	78%
Authorised Allocation		-	-	665						-
TOTAL		13,050	13,050	10,562	81%	483	322	10,219	2,831	

10. **GEF Grants:** To date expenditure estimated at USD 171,000 equivalents has been incurred. Utilisation is expected to rise with the implementation of the Procurement Plan for 2014.

11. **OFID Grants:** No expenditures have been incurred to the date of the mission.

C. Counterpart Funds

12. The mission notes that to-date the GoG has contributed USD 2.07 million or 53% of the USD 3.9 million allocated at appraisal. Although this is significant, this is low given the project is one year to completion. The mission observes that nothing has been contributed for 2013 financial year against the AWPB provision of USD 227,560. The mission recommends that GoG provide the funds consistently with the AWPB provisions.

D. Compliance with Loan covenants

13. The mission reviewed the compliance of the covenants and did not note any contraventions..

E. Procurement

14. The mission reviewed procurement progress and notes that the bulk of the procurement for 2013 was for GEF Grant. The plan was initiated during the last six months and will be completed in 2014.

15. **Strategy for the next one year:** The mission recommend that the NPCO exert the team's diligence and ensure that the procurement plan for 2014 be fully implemented otherwise there is a danger of closing the loan with unutilized balance. The Procurement should be prepared early given that all contracts must be procured and paid for by 31 December 2014.

16. **Review of procurement carried out during the year:** Tyres and a few consultancies were procured during the year. The mission confirms that the process was carried out in accordance with the laid down procedures and goods procured validated and the services of the consultancy ascertained through the reports.

F. Audit.

17. **Statutory Audit:** The mission reviewed the status of the external audit to date. The audit for the 2012 financial year was audited on time and delivered to IFAD and GoG by 30 June 2013. However, the review revealed major and material discrepancies and inaccuracies. The reported surplus in the key statement of receipts and expenditure of USD 369,979 is not in agreement with the cash and Bank balances of USD 934,200, being the key yardstick for measurement of accuracy. Although the financial statements are prepared on cash basis, probably IPSAS, this accounting standard is not disclosed in the notes to the accounts or even in the statement of accounting policies of the project management which itself is not signed by the Project manager and the accounting officer

18. The auditors themselves raised major issues in their management letter. The comparative figures for 2011 in the statements of the receipts and expenditures are inaccurately stated from those in the audited 2011 financial statements and the errors are major. The cumulative figures as presented have defective surplus of USD 1,638,250, which should not be different from the surplus for 2012 financial year. The vehicles and equipment as presented in the Statement of receipts and payments under page, is USD 1,388,608 and is different to the USD 497,319 as disclosed in note 3 of the significant notes to the accounts.

19. Issues raised in the Management Letter:

- Delays in provision of information by the NPCO, which negatively affected the scope, and progress of the audit.
- As at the time of the audit the SCALA accounting software was not full implemented and therefore not fully and effectively utilised to the required financial reports.
- The cash balances at ECO bank of USD 182,444 as well as those in the Zonal offices of Tamale, Techman and Koforidua, as at 31 12 2012 were omitted in the Trial Balance.
- The Fixed assets as disclosed in note 3 at USD 497,319 were not fully included in the Trial Balance and only USD 34802 were included therein.
- Some Motor vehicles and cycles were not insured.

The mission considers all errors and discrepancies as serious and material and recommends a repeat of the financial statements, accounts and reports as well as their audit. As already agreed above a consultant will be recruited by 31 December 2013 to assist the financial Management team in the revision of the 2012 financial statements, accounts and reports.

20. **Internal Audit:** The mission assessed the involvement of the Internal Audit unit of the Ministry of Agriculture, in the internal controls of the programme Financial Management. The NPCO reports that their visits have been intermittent with no reports being submitted. The mission consider the internal control inadequate and not likely to provide significant added value before the Programme closes on 30 June 2013.

21. Agreed Actions

Agreed action	Responsibility	Agreed date
Follow-up unretired imprests amounting to USD 227,127	PC/FC	15 12 2013
As an extension of 2014 AWPB, project expenditure estimates to 20 June 2015	PC/FC	15 12 2013
Based on the 2014-2015 AWPB Projections prepare an expenditure categories Re-allocation schedule for consideration by IFAD	PC/FC	15 01.2013
Recruit a qualified Accountant to assist the FM team to re do 2012 Financial statements, Accounts and reports	PC/FC	15 12 2013
Prepare financial statements at the end of each quarter	FC	Quarterly
On the basis of 2014 budget prepare a recovery schedule for the USD 1 million	FC	31 01 2014
Submit revised accounts for 2014 for Re-audit	PC/FC	15 01 2014