

CAADP Post Compact Review GHANA

Technical Review Report

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CAADP Technical Review Report

Key findings for Ghana

Dakar, June 2010

This document reports the findings of the CAADP Post-Compact Independent Technical Review for Ghana. The purpose of the review is to enhance the quality of agricultural development and increase effectiveness of domestic and foreign development assistance for agricultural growth, food security and reduction of hunger and poverty. The review is meant to ensure that every possible action is being taken to achieve the objectives and targets laid out in the plan and defined in the CAADP agenda. The review should be seen and approached as an exercise contributing to laying groundwork for successful implementation of the strategy approved at the compact roundtable and reflected in the compact and the national agriculture investment plan.

Ghana's Medium Term Agriculture Sector Investment Plan (METASIP) for 2009 to 2015 seeks to modernize agriculture culminating in a structurally transformed economy and evident in food security, employment opportunities and reduced poverty. Its strategic programmes include: food security and preparedness; increased growth in incomes; increased competitiveness and enhanced integration into domestic and international markets; sustainable management of land and environment; science and technology applied in food and agriculture development; and, improved institutional coordination.

As part of the broader CAADP agenda, the Economic Community of West African States (ECOWAS) developed an Agricultural Policy (ECOWAP), which was later adopted as a regional Compact for the Regional Economic Community. The process of developing the regional policy involved all stakeholders in the region to embrace the principle of inclusiveness. To translate this policy into action to implement CAADP in West Africa, strategies have been developed that lay the foundation for a regional investment plan and national agriculture and food security investment plans to implement the strategy.

The Comprehensive Africa Agricultural Programme (CAADP) represents a social transformation agenda with wide-reaching influence on development aid architecture and development planning. CAADP seeks to support African governments prepare quality strategies and investment plans, ensure enabling policy environments to implement the plans, and translate these plans into programmes that are efficient at stimulating growth and reducing poverty. The post compact technical review is a critical step in the operational implementation of the country compacts and investment plans.

Overall Ghana's investment plan is an ambitious agenda calling for agricultural GDP growth of at least 6% annually and government expenditure allocation of at least 10% from 2009 year to 2012 year (or 5 years) to achieve growth rates necessary to achieve the MDG1. Implementing this agenda will require the necessary enabling environment, capacities, services and partnerships.

The statement of the Technical Review Panel's findings and recommendations for improving implementation of Ghana's Plan are outlined below.

Component 1: Alignment with CAADP vision, principles and strategy elements

Overall, the investment plan is ambitious and based on good analysis of current and future activities with aggressive programmes that will require significant mobilization of financing and continued attention to necessary policy reforms to maximize METASIP investments. Ghana's plan is in line with the ECOWAS/CAADP vision, values and principles. The development agenda for Ghana's METASIP is broad and comprehensive and covers most of the sub-sectors for agricultural development and food security. The development of the plan has been inclusive and consultative including meetings of stakeholders during the planning stage. The plan pays some attention to the M&E system and this is important.

Recommendations:

- A. Ghana is encouraged to continue on the current path towards revitalizing the agricultural sector and fully embrace evidence-based decision-making and planning and transparency;
- B. The portfolio of programmes proposed should go through a serious review of prioritization and alternatives options of "how" to achieve METASIP's proposed growth objectives;
- C. Ghana's consultative approach to inter-sectoral and inter-ministerial agricultural development needs to be continued throughout METASIP implementation;
- D. The roles of major players in implementation should be well defined. One of the key strategies is to shift to more inclusive partnering with the private sector and civil society;
- E. The plan should articulate how Ghana will strengthen policy to attract private investments as private sector participation remains pivotal to its agricultural development strategy; and
- F. Even though the M&E is explained, there will be need for the country to: (a) elaborate practical and cost-efficient modalities for an integrated M&E system; (b) ensure mechanisms and systems that the M&E is supporting functioning systems on transparency and accountability.

Component 2: Consistency with long term growth and poverty reduction options

Ghana is expected to become the first African country to reach the first Millennium Development Goal (MDG1) of halving poverty and hunger, and do so before the target year of 2015. This is expected even though the expected annual growth rate of 4.2% is significantly lower than the CAADP 6% target. The additional efforts under METASIP would move the country closer to its ambition of realizing middle income country status in the near future. Although all agricultural subsectors, with the exception of cereals (rice and maize) and palm oil, would grow slower than under the 6% CAADP scenario, there is no question that the METASIP sets out a strong growth agenda and its successful implementation would lead to important growth and poverty reduction outcomes for Ghana. However, the estimated cost of implementing investment activities under METASIP are substantially overestimated.

Recommendations:

- A. Although the investment priorities and growth targets under METASIP seem justified by the above outcomes, there is justifiable concern that the programme's cost may be seriously overestimated. The strength of the country's recent growth and poverty reduction performance and the estimated additional growth that is required for it to achieve MIC status do not support such a rapid and considerable expansion of agricultural sector funding as planned under METASIP. There is therefore a real case to be made for a systematic review of the costing of the programme as it moves towards implementation; and

- B. Despite the large amount of resources to be allocated to the Northern part of the country, METASIP would still leave a huge gap between expected poverty rates in Northern Ghana and the rest of the country. In addition to specific measures to reduce vulnerability in the North, it is also recommended that the government define inequality targets as part of the M&E framework and its dialogue and review processes.

Component 3: Adoption of best practices and inclusion of core Program elements

The full review report sets out detailed technical recommendations on the programmes contained in Ghana's Medium Term Agriculture Sector Investment Plan with regard to the four Pillars of CAADP and related cross cutting issues.

By and large, the METASIP portfolio of programmes is comprehensive and is likely to stimulate agriculture-driven development with programmes specifically targeted at smallholders and the resource poor. The investment plan proposes actions related to land and water management, including low soil fertility, access to fertilizer, increased livestock and fish production, irrigation and water management. These programmes are deliberately aimed at addressing identified constraints and challenges facing the Ghanaian agricultural sector. The proposed interventions are expected to strengthen agricultural knowledge systems and widespread adoption by farmers. The proposed research areas support the need for improved technology and practices (including biotechnology) across the food value chain and including crops, livestock and fisheries. Increased livestock and fish production are clearly aimed at improving dietary intakes and incomes. However, increased livestock production may lead to land degradation if mitigation measures are not put in place. Climate change is not adequately addressed in the plan.

The plan's programmes include value chain development, financial market development and building capacity (human and infrastructure) that are likely to stimulate development of local markets for value adding for current, new and traditional products (including livestock and a well defined fisheries sector), to market the envisaged increased supply. The market development programmes focus on promoting import substitution and improving food security and nutrition. The majority of programmes are targeted at the vulnerable and resources poor to reduce poverty. Some elements of programmes include efforts to link smallholders value chains.

Ghana is congratulated on its progress towards reducing food insecurity. The Food Security and Emergency Preparedness Programme is well designed and shows clear analysis and understanding of the challenges and a clear plan of how these will be addressed. Careful linking of the various programmes is clear, ensuring that the poor and vulnerable are likely to benefit from production, off-farm activities and market linkages. However, the analysis in Component 2 shows that the distributional impact of the programme may be unequal and more attention needs to be focused on the northern part of the country. This is not articulated in the plan. Persistently high poverty in Northern Ghana suggest that additional measures would have to be put in place to fight vulnerability more vigorously in that part of the country.

M&E systems need to continue monitoring progress throughout the country to ensure responsive programming.

Recommendations:

- A. The potential impacts of climate change need to be factored into the implementation of the plan in order to reduce risk and promote resilience with regard to production, water provision, food security and sustainable livelihoods;

- B. Land tenure and water rights policies need to anticipate agricultural growth and increased competition for land and water resources and pre-empt conflict through the establishment of the necessary legislative tools to prevent and manage conflict;
- C. Additional investment is required in electrification, water and telecommunications to maximize market opportunities;
- D. More action is required on trade harmonization and facilitation along development corridors and export markets;
- E. Government involvement in input, services and commercial agriculture are still extensive, while the expectations for private sector partnerships is not spelt out;
- F. Greater partnership between the Ministries of Agriculture and Health are required to ensure nutrition is addressed through the programmes and for monitoring and impact analysis;
- G. Social protection instruments should be considered as vehicles for improving resilience among vulnerable groups in sustainable ways, moving public expenditure away from reactionary emergency aid to more sustainable development to build sustainable livelihoods; and
- H. Research and capacity development (across all stakeholders from farmers to institutions of higher learning) to support increased production, marketing and food security are essential for efficient, sustained and sustainable production, water and irrigation management, marketing and food security. Considerable scaling up of capacity, information systems and research funding across all disciplines related to the plan (including nutrition and trans-disciplinary facilitation) is required to support the implementation.

Component 4: Alignment with country commitments

The alignment of the plan with the country commitments is cardinal to successful implementation of the METASIP in Ghana. The section of the plan that describes how programmes and activities are prioritized and sequenced is not well articulated. There is lack of clarity on the level of inter-ministerial coordination and a plan for coordination with other on-going programs supporting poverty reduction and food security which is critical to effective implementation. The plan also is weak on the description of steps to be taken to continue on a path of policy reform to enable private sector growth in agriculture, especially policy issues related to expanding regional trade. It is unclear if the prioritization of roads is consistent with the overall prioritization of all activities and if actions are prioritized for regional trade to add value to the country level efforts. The results framework needs to be further developed to include indicators for key outcomes and high level impacts, as well as a description of investments to improve capacities of the local entities to be responsible for the collect and analysis of data to support monitoring and reporting of METASIP implementation progress.

Recommendations:

- A. The plan should improve clarity on how programme implementation will be aligned with relevant collaborating/implementing agencies to ensure proper sequencing and coordination. The establishment of clear MOUs to specify roles and responsibilities for each party is important;
- B. METASIP needs to better map individual programmes and sub-programmes against compact commitments made by government as a result of the round table process, including the sector strategy and PRS, and captured in the compact. There should also be an overview of the analysis of strategic options reviewed to most efficiently achieve long term growth and poverty reduction targets;

- C. The plan does not clearly articulate the policy implications and outstanding policy issues implicit in changing the thrust of agriculture sector development. An assessment of the difficulty and time required to achieve the change and which entity is responsible for leading the change should be included in the plan;
- D. Given the strategic importance of regional trade and integration for long term growth, METASIP needs to show more explicitly, how the country intends to exploit the opportunities of regional trade, and what activities will be carried out to promote trade across border corridors and Analysis of the benefits and multiplier effects from regional cooperation is needed;
- E. The Plan should better describe how the investment plan builds on and interfaces with MiDA, EMQAP projects and the Savanna Development Project (Authority); and
- F. METASIP's section on overall monitoring and evaluation mechanisms needs to be strengthened. The importance of setting up an effective M&E system for the METASIP cannot be over emphasized. The plan should better describe how the M&E system will build upon existing capacity and how it intends to strengthen and utilize statistical information and geographical information systems to establish baselines from which progress will be tracked. The proposed results framework should be revisited and indicators chosen that will effectively track not only outputs but outcomes and higher level impacts. The country should use the ReSAKSS manual to refine the plan's results framework and set of indicators.

Component 5: Operational Realism

For the investment plan to be operational, the viability of implementation arrangements, institutional assessment, indicative financing, public sector expenditure review, public finance management capacity, risk management, financial and economic analysis, and estimate of investment by private sector should be considered. METASIP does not include an overview of the strengths and weaknesses of the institutions in the agriculture sector that will be responsible for implementing METASIP programmes. Regarding implementation arrangements, the plan does not state clearly composition and roles of committees (and individuals) nor describe the organizational set-up of a management unit and needed management capacity building needs to ensure effective METASIP implementation and coordination.

Given the magnitude of the METASIP budget proposed and its value beyond assessed public expenditure projections to meet MDG1, the Plan should describe how sector capacity and the economy as a whole will effectively absorb this large budget. The plan should how the Ministry of Finance is assisting in the financing review of METASIP and their support for increased public expenditure for agriculture, sector absorption capacity of increased expenditure and the impact of this spending on the economy.

Recommendations:

- A. METASIP needs to include the results of a public financial management assessment that acknowledges adequate capacities exist within the main institutions identified to implement specific programs/sub-programmes of the investment plan. Systemic weaknesses or gaps in proposed implementing entities should be highlighted and a capacity building plan built into the investment or explanation of implementation options that are being considered such as inter-ministerial collaboration mechanisms and proposals to contract out service delivery;

- B. The plan needs to present a more detailed breakdown of incremental costs based on unit costs where available and estimates. The budgeting should link expenditures to outcome and outputs contained within a results or logical framework;
- C. METASIP needs to include a more exhaustive overview of incremental financing. A financing plan should present a breakdown of costs by capital and recurrent expenditure. The breakdown of existing expenditures and incremental expenditures should be as accurate as possible. The financing plan should be comprehensive so that it covers both on- and off-budget financing sources, both core sector and related sector budgets, and traditional and non-traditional donors including potential private sector contributions. A clear financing gap should be presented. To the extent possible future commitments should be listed;
- D. In view of the ambitious scale of the investment plan relative to the financing gap, it would be prudent to introduce a prioritization into the investment plan using cost/benefit analysis tools as a means to prioritize investment areas;
- E. The country should undertake a beneficiary analysis of METASIP and results used to better provide a full description of programme beneficiary characteristics including overall numbers targeted, geographic locations, economic and social status. The results of a beneficiary analysis should also be used to assess potential programme impact, used as a baseline for monitoring and evaluation during implementation and used to undertake a cost benefit analysis; and
- F. The country needs to assess the financial and economic viability of proposed programmes within the investment plan. This action is essential to determine METASIP's potential impact at the beneficiary, community and macro-economic level. The plan should include an overall programme rate-of-return. Also if possible, the country is encouraged to undertake financial and economic analysis of specific programme components and use this programme level analysis to assist with prioritization of program investments.

A “Road Map” towards CIP Refinement and Readiness for Effective Implementation

Taking these recommendations forward will require a well coordinated effort between the country and the development community to help advance the plan. We are providing a road map that is intended to help bring clarity to the next steps including actions, timelines and responsibilities for addressing the key outstanding issues for the investment plan, capacity building needs to prepare for implementation, further project design and integration of best practices into project approaches and a financing strategy

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1. Introduction

This report documents the findings of the AUC/NEPAD review of Ghana's Medium Term Agriculture Sector Investment Plan (METASIP) for. The report focuses on the degree of alignment with CAADP principles and frameworks (CAADP Framework and Guide, Pillar Frameworks and the proposed Measurement and Evaluation Framework), implementation modalities (institutions, implementation, policy), and suggests ways of strengthening elements that could contribute more strongly to attaining the CAADP goals and outcomes in Ghana.

Ghana's Medium Term Agriculture Sector Investment Plan (METASIP) outlines the financial aspects of the METASIP, and so provides the road map towards achieving the vision for the agricultural sector. The METASIP is a comprehensive medium-term investment plan, which outlines and costs the activities necessary in order for Ghana to achieve at least 6-8% growth in the agricultural sector, slightly above the target set by NEPAD's CAADP initiative, which is necessary to stimulate the type of growth needed to transform Ghana's rural areas and to significantly reduce poverty levels.

The Investment Plan (IP) has six (6) strategic programs:

(i) Food security and emergency preparedness. Sub-activities include:

- Productivity Improvement, mainly of staple crops (maize, cassava, rice, yam and cowpea);
- Support to Improve Nutrition, through nutrition education and advocacy and food fortification;
- Support for Diversification of Livelihood Options for the Poor with Off-farm Activities Linked to Agriculture;
- Food Storage and Distribution to reduce post-harvest losses including capacity building of producers in better harvesting, transportation and storage methods, introduction of grading methods and linkages between producers and markets;
- Early Warning Systems and Emergency Preparedness;
- Irrigation and water management; and
- Mechanisation services, expand services to include planting, cultivation, harvesting and primary processing.

(ii) Increased Growth in Incomes. Sub-activities include:

- Promotion of cash crop, livestock and fisheries production for income in all ecological zones;
- Development of new products;
- Development of pilot value chains for one selected commodity in each ecological zone;
- Intensification of FBOs and out-grower concept;
- Development of rural infrastructure; and
- Support to urban and peri-urban agriculture.

(iii) Increased Competitiveness and Enhanced Integration into Domestic and International Markets.

Sub-activities include:

- Marketing of Ghanaian produce in domestic markets, mainly staple crops produced by small holder farmers; and
- Export marketing of Ghanaian non-traditional agriculture commodities produced by small-holder farmers

(iv) Sustainable management of land and environment. Sub-activities include:

- Improve policies and regulations to support sustainable land management at all levels;
- Improve institutional capacity at all levels within the food and agriculture sector to promote sustainable land management;
- Improve technology dissemination and adoption for scaling-up sustainable land management;
- Improve technical capacity at all levels to promote and disseminate climate change and mitigation processes and sustainable land management technologies;
- Improve sustainable land management knowledge-base to support policy and investment decision-making ; and
- Establish effective, efficient and motivating incentive systems for sustainable land management.

(v) Science and technology applied in food and agricultural development. Sub-activities include:

- Uptake of technology along the value chain and application of biotechnology in agriculture; and
- Agricultural research funding and management of agricultural research information;

(vi) Improved institutional coordination. Sub-activities include:

- Institutional strengthening, capacity building for planning, policy analysis and M&E at national, regional and district levels; and
- Intra-ministerial coordination, establishment of a joint platform for collaboration between MOFA and other MDA's;
- Partnership with private sector and civil society; and
- Coordination with Development Partners.

The Comprehensive Africa Agricultural Programme (CAADP) was endorsed by the African Heads of State at the Maputo Summit in 2003 as a strategy to transform African agriculture and address poverty and food insecurity in sustainable ways. CAADP represents a new era in international development and is transforming not only the largely neglected agricultural sector but creating innovative and unique development partnerships. The comprehensive and inclusive agenda has seen an unprecedented involvement of:

- (i) Inter-Ministerial formulation of inter-sectoral strategies and investment plans that are country-driven and country-owned;
- (ii) The private sector, civil society, and farmers' organizations in identifying the priorities for agriculture-driven growth;
- (iii) Technical expertise across the continent in establishing policy frameworks, implementation guides and tools that provide a sound base and guide for evidence-based planning; and
- (iv) Development Partners and Bilateral Agencies in common dialogue and planning.

Today CAADP represents a social transformation agenda with wide-reaching influence on the transformation of development aid architecture and development planning. CAADP provides numerous opportunities for value addition, offering support in the development of comprehensive agriculture investment plans and monitoring and evaluation systems; independent political, technical and financial review of investment plans; peer review; and capacity development.

CAADP is gaining momentum, creating positive peer pressure among African governments to prepare quality strategies, translated into investment plans; ensure enabling policy environments to implement the plans; and translate these plans into programmes that are efficient at stimulating growth and reducing poverty. As a result of a process involving all stakeholders in the region, the Economic Community of West African States (ECOWAS) developed an Agricultural Policy (ECOWAP) as the means of implementing CAADP in West Africa. The ECOWAP was adopted on 19th January 2005 in Accra by the Heads of State and governments of the region. The ECOWAP is based on a vision to build "a modern and sustainable agriculture, founded on effective and efficient family farms and the promotion of agricultural enterprises through private sector involvement. It aims at ensuring that agriculture is not only productive and competitive within markets in the Community and internationally, but also guarantees food security and serves as a source of decent income for its operators".

ECOWAS's Regional Agricultural Investment Programme (RAIPs) and National Agricultural Investment Programmes (NAIPs) focus on six thematic areas that combine three ECOWAP thematic areas and the four CAADP Pillars:

- (i) improved water management;
- (ii) sustainable farm development;
- (iii) improved management of the other natural resources;
- (iv) development of agricultural chains and market promotion;
- (v) institution building; and
- (vi) reduction of food insecurity.

The outcomes of these plans have been validated and the modalities governing their implementation are contained in the Compact among technical and financial partners, civil society stakeholders and socio-professional farmers' organizations signed at national conferences on the financing of agriculture.

This report documents the findings of the AUC-NEPAD review of Ghana's National Agriculture and Food Security Investment Plan (NAIP). The report focuses on the degree of alignment with CAADP principles and frameworks as contained in the broader CAADP Guide and Pillar Framework documents. The review commends the efforts of the Government of Ghana putting in place a comprehensive plan to respond to poverty, hunger and nutritional demands for her own people in the context of CAADP. The review proposes areas for strengthening of the NAIP so as to contribute more strongly to attaining the CAADP goals and outcomes in the country. The core questions asked in reviewing the plan are found in the CAADP Implementation Guide, Post Compact review Guide, and Inter-pillar guide for CAADP implementation that is informed by the more detailed Pillar Frameworks and Companion Document on Livestock, Fisheries and Forestry, among others.

2. Review Context

ECOWAS and its member countries have taken a strong leadership role in advancing the Comprehensive Africa Agriculture Development Program (CAADP), an initiative of the New Partnership for Africa's Development (NEPAD), which is a program of the African Union. Twelve of the fifteen ECOWAS member states, plus the ECOWAS regional economic community itself, have signed their compacts. Through these compacts, member States commit to scale up and work towards attaining or surpassing 10% of their national budget for agricultural development to

establish an enabling environment to attain a minimum of 6% annual agricultural sector growth and reduce hunger and poverty.

Following the signing of their strategies, countries have developed their CAADP country investment plans. The investment plans then undergo technical review led by the African Union Commission, the NEPAD Planning and Coordinating Agency (NPCA), REC and CAADP Pillar Institutions. This post-compact technical review is a critical step in the operational implementation of the country strategies and investment plans. The primary objective is collectively to evaluate for:

- (i) the likelihood for the investment programs to realize the growth and poverty reduction prospects laid out in the different strategy scenarios carried out for the roundtable and summarized in the different roundtable brochures;
- (ii) the use of best practices and other technical guidance in the pillar framework documents in designing the above investment programs to increase efficiency;
- (iii) the technical realism (alignment of resources with results) and adequacy of institutional arrangements of the programs;
- (iv) the integration of CAADP principles of inclusive review and dialogue;
- (v) the consistency with budgetary and development assistance commitments and principles agreed in the compact;
- (vi) adequacy of institutional arrangements for effective and efficient “delivery” including information and knowledge support, M&E and on-going evaluation and learning;
- (vii) coherence and/or consistency between policies, implementation arrangements and delivery mechanisms and investments areas, priorities or programme objectives;
- (viii) appropriateness and feasibility of the indicators for impact and system or capacity improvement and accountability; and
- (ix) extent and quality of dialogue, (peer) review and mutual accountability system potential to contribute and link to regional integration objectives.

The purpose of the technical review is to enhance the quality of agricultural development and increase effectiveness of domestic and foreign development assistance for agricultural growth, food security and reduction of hunger and poverty. It is to help ensure that every possible action is being taken to achieve the objectives and targets laid out in the plan and defined in the CAADP agenda will be met. The review should be seen and approached as an exercise to lay the groundwork for successful implementation of the strategy approved at the compact roundtable and reflected in the compact and NAIP.

As key outcomes of the Business Meeting, there should be clear set of concrete implementable actions to:

- (i) immediately mobilize the required expertise, capacities, and partnerships for immediate on-the-ground implementation;
- (ii) establishing a mechanism to facilitate joint donor commitment to financing and thereby release the resources required to meet the funding needs of the plans within a reasonable time;
- (iii) streamlining of review and appraisal processes and standards to speed up individual donor processing; and
- (iv) establish the knowledge systems for an inclusive review, M&E, mutual accountability, learning and impact assessment including on-going consultations and dialogue to enhance implementation as well as development and design of new programmes.

Once reviewed and adjusted, the investment plans are presented to the international community at a Business Meeting for endorsement and mobilising of resources for financing the funding gaps. As CAADP is the continentally agreed-on benchmark for quality investment strategies, existing and new development partners, the private sector, and emerging funding architectures respect the recommendations and endorsements of CAADP.

Under the leadership of the Country Teams, the investment plans and related programmes will be implemented along with:

- (i) detailed project design and costing;
- (ii) establishment or strengthening of monitoring and evaluation systems;
- (iii) building the necessary capacity for implementation;
- (iv) policy change to ensure an enabling environment;
- (v) establishment or strengthening of the necessary institutional elements for an enabling environment; and
- (vi) alignment of long-term reforms in related other agricultural strategies, Poverty Reduction Strategies, SWAPs and related sector programmes.

3. The Components, Methodology, Criteria, and Tools of the Review

The basic approach of the review consists of assessing proposed actions and outcomes in the programmes against CAADP principles and country specific targets, objectives, practices, and approaches defined and agreed in the country CAADP compact. The criteria are measures of the consistency or lack thereof of the programs with the above indicators. The main components and tools for the review include the following:

- (i) Alignment with the NEPAD-CAADP principles, values and targets: The CAADP Implementation Guide setting out the vision, principles, core strategy elements, and impact expectations;
- (ii) Coherence and consistency with long-term growth and poverty reduction objectives and targets: The roundtable brochures and technical background documents defining the long-term agricultural productivity, growth, and trade performance, and the related poverty outcomes;
- (iii) Embodiment of technical best practices and CAADP priority areas/issues: The Pillar Framework Documents laying out the key strategic issues, core program elements, and best practices;
- (iv) Operational quality and implementation readiness and alignment with compact commitments: The CAADP compact specifying the policy, budgetary, development assistance, review, and dialogue commitments;
- (v) Detailed investment programs showing inputs, outputs, outcomes, and institutional arrangements;
- (vi) The donor coordination guidelines for CAADP support at a country level outlining modalities for engagement between local development partner agencies, government and other stakeholders

The review is conducted along five broader components, namely:

Component 1 reviews alignment with CAADP vision, principles, and strategy elements to ensure that all key vision elements, principles, and strategy core elements, as defined in Annex I of the CAADP Post Compact Guide are reflected in the country's programs and, where there are gaps, to help identify these in order to ensure full alignment.

Tool: CAADP Implementation Guide

Component 2 looks at the consistency of the investment plan and the potential impact on long term growth and poverty reduction options. This section evaluates whether:

- (i) the overall growth targets that are specified or implied in the plans, in general, and
- (ii) the changes in individual sub-sectors and related targets, in particular, diverge from the sector-wide performance and poverty reduction outcomes underlying the long term strategic scenarios. For instance, each of these scenarios is linked to required changes in sub-sector growth rates, trade performance, overall public expenditure levels, and assumptions about the efficiency of sector policies.

This component also presents a comparative country profile, based on the nearly two dozen CAADP indicators being tracked by ReSAKSS for all African countries, to show the current standing of each country with respect to its peers, and thereby identify gaps to be bridged.

Tools: Brochures, technical background documents, investment program documents

Component 3 seeks to establish whether the investment plan includes the adoption of best practices and inclusion of core program elements. The aim of this assessment is to find out where clearer definition and understanding of the strategic issues is required and where better integration of best practices can help improve the design of the plans and maximize benefits of growth. The CAADP Post Compact Guide Annexes II to IV present a set of specific guides and tools, prepared by the Pillar lead institutions as part of the Pillar framework documents, which provide criteria and step-by-step approaches to designing high quality plans.

Tool: Pillar Framework Documents and Pillar Implementation Guides and Tools

Component 4 focuses on alignment with compact commitments and its objective is to agree on: (i) a joint action plan to meet the policy, budgetary, and assistance commitments and (ii) identify and confirm modalities for mutual review, including dialogue fora and supporting knowledge systems to track and report on such commitments.

Tools: CAADP Compact, Brochure 5, and Donor Guidelines for CAADP support at country level

Component 5 reviews the operational realism of investment programs and seeks to verify and confirm the adequacy of the content, cost and institutional arrangements, and where necessary, to identify the operational and design improvement to be carried out to ensure successful implementation. The task in this section is to verify the extent to which the key elements and features listed in Table 1 of the CAADP Post Compact Review Guide are reflected in the investment plans.

Tools: Detailed investment programs

4. AUC/NEPAD Review of the Ghana Investment Plan

General Constraints

Ghana's agriculture is dominated by small scale producers who on average have a farm size of about 1.2 hectares, and the application of improved technology is low. The smallholder farmers account for about 80% of domestic production. Yields of most crops are generally low, improvements in yields are, nevertheless, possible and should be pursued. A major reason for the non-attainment of achievable yields include: low soil fertility which is partly due to low use of fertilizers; and, a low level of mechanization in the production and processing systems also a contributing factor to low productivity.

Although statistics indicate that about 18.2% of Ghanaians who fall below the extreme poverty line are chronically food insecure (GSS, 2007) and are most likely to suffer transient food insecurity due to seasonal food shortages, the plan does not however spell out clearly what emergency reporting mechanisms or frameworks are in place to accurately monitor prevalence of poverty and hunger. Furthermore, although the plan aims to reduce poverty and food insecurity among the vulnerable, a system for stocktaking of livelihood assets for ascertaining resilience to vulnerabilities and disasters has been left out.

Structural and economic restraints

The plan does not clarify what actions could be prioritized for regional program attention to add value and market access to the country level efforts. As well, there is lack of clarity in the level of impact or rate of change on the overall goals and targets of the national plan that can be expected from regional integration and cooperation. In addition, the total seven year funding gap is large in absolute amount (10.6 billion GHC) and relative to the total implementation cost (79.9% of the 12.7 billion GHC), calling into question the realism of the METASIP scale. It is recommended that the funding scale of this plan is rationalized/validated by (existing) public expenditure assessments to achieve Ghana's MDG1. Furthermore, an economic analysis providing estimates of the returns expected from investment in this plan have been excluded. This is crucial in attracting donor funding. The funding available is presented in aggregate rather than allocating it across the six main programs, as a result, there is no visibility on whether, in view of existing government or donor funding commitments, some of the programs are better funded than others. There is a specific need for this plan to be accompanied with a comprehensive Financing Plan that projects recurrent and new public expenditures combined with current and projected donor support (budget, sector and project support) to clearly define the plan's financing gap.

The METASIP's six main programs are disaggregated into multiple activities that are grouped into 48 identified outputs. There are, however, no disaggregated costs presented at this output level. The METASIP states an objective of gradually replacing donor financing with Government's own contribution until this later represents 100% of funding. It would be useful to indicate the time frame envisioned for this transition; in Year 7, donor funding (achieved) still stands at 45% of total funding. However, the involvement of private sector in filling the funding gaps for the programmes have been ignored hence expectations towards the private sector is still unclear. The role of the private sector in the direct provision of inputs, services, and commercial infrastructure should also be articulated and addressed.

Policy issues are not addressed adequately in the document. The implementation arrangements appropriately establish governance mechanisms at the policy, technical, regional, and district level. It is unclear which committee or entity will be responsible for coordinating with development partners, however, the Government of Ghana (GoG) may consider adding a representative or two to the Technical Steering Committee. The four committees will require significant support in coordination, logistics and administration. It is unclear from the implementation arrangements which unit is in charge of these responsibilities. The GoG may consider establishing a secretariat (with the necessary human and financial resources) to play this role.

Component 1: Alignment with CAADP vision, principles and strategy elements

C1.1 Alignment with CAADP vision, principles and strategy

The Ghana Medium Term Agriculture Sector Investment Plan (METASIP) has strong merits related to key NEPAD-CAADP principles and values. A review of the background, status of the Plan within the context of Government development planning and strategies, as well as ownership issues, the Ghana plan reflects CAADP planning and implementation integrated and influencing existing agriculture development planning, policies as well as Government public financing decisions.

C1.2 Reform agenda

Inclusiveness across state and non-state institutions as well as inter-ministerial engagement is reflected both in the planning and proposed implementation processes. There will be need to, however, ensure that mechanisms to move this beyond “good intentions” to articulating and consolidating circumstance-specific “how” in advancing inclusiveness and collective responsibility. It would be important to understand that this will in some cases imply radical reforms (over time) with significant implications on budgets, policies, etc. The role and responsibilities of private sector and civil society in driving national growth agenda is one case in point.

C1.3 Alignment with compact commitments

The METASIP design reflects GoG strong desire for improving existing policies and strategies to be achieved through effective planning, monitoring and policy review but the plan should articulate more specifically what policies need reform to ensure a conducive environment for agricultural sector growth. Overall, the national priorities and related targets as defined in the METASIP and the Food and Agriculture Sector Development Policy (FASDEP II) are consistent with addressing the core growth parameters thereby contributing to progress in national and regional food security, poverty alleviation and overall socio-economic growth (MDGs).

Recommendations:

- a) Attempt at comprehensiveness and integrated approach is evident in the METASIP. However, there will be need to continue to give deliberate attention to these aspects especially to ensure that programme implementation modalities as well as policies are contributing to strengthening practical implementation and result level comprehensive, holistic and integrated approaches;
- b) It is important that the METASIP brings out more the issues around enabling policy environment and institutional analysis. Attention to and programmes directly addressing “improved institutional coordination” and capacity development appear

lower than would be envisaged for a National Plan expected to address systemic capacity development, ownership and related responsibility and governance issues. It will be valuable to do an in-depth assessment of the value and impact investing in capacity and organisational development would have on attaining the other FASDEP objectives and overall socio-economic growth;

- c) The Monitoring and Evaluation (M&E) would be central to the foundation for transparency, accountability, evidence-based planning and decision making. Ghana will have to ask the question as to whether the METASIP and the FASDEP as well as other related strategies, plans and programmes have given sufficient attention to harnessing and developing functioning M&E. Ghana should investigate further what mechanism/s exist or would need to be strengthened/developed for some of the key uses of the M&E outcomes, e.g. systems, mechanisms, tools/instruments for mutual-accountability across the various players including development partners.

C1.4 Programme balance

The plan as presented proposes investments that address the constraints in all the main sub-sectors as well as in the main areas in which public investment can play an important role. It is recommended that the role of private sector contribution to the plan's success in meeting its goal is better articulated.

C1.5 Inter-ministerial collaboration and coordination

Inter-ministerial collaboration is a challenge in any administration, however critical closely related ministries, institutions and agencies should be identified and collaboration mechanisms assessed for the success of the METASIP. The plan should clearly state how the GOG intends to institutionalize inter-sectoral or ministerial coordination.

C1.6 Stakeholder consultation

The investment planning process needs to document better the scope and form of stakeholder consultations that took place and will continue to be undertaken as the plan is finalized and during implementation. Although stakeholder consultation is built into the roundtable process, it is crucial that this continues throughout the investment plan formulation process as well. Any indication that the private sector has not played an active role should raise questions about the capacity of the plan to mobilize private investment in the sector. CSOs – especially farmer organizations - should have been engaged in investment planning both nationally and at local level. Consultation needs to be better developed and operationalized. The plan should include a section that describes if the consultation formulation included all stakeholders and how. The plan could also indicate how the implementation will involve all actors either in monitoring, sector reviews and reshaping policies etc.

C1.7 Incorporation of private sector

While the plan acknowledges and is attempting to provide desired “space” for private sector-led investments, how this is realized will need further consideration as regard to what is feasible and viable.

Recommendation:

One aspect that could be enhanced in the plan is explanation of factors such as policy considerations to best enable foreign direct investments as well as engagement of private sector in implementation and reporting.

C1.8 DWG coordination measures

It is unclear as presented whether the ASWG operates on a regular basis and how the GOG participates and utilizes the ASWG as an effective partnership mechanism to ensure alignment and genuine ownership by all stakeholders to the METASIP and to support harmonized external assistance. This section should be strengthened to include; donor coordination, harmonization and alignment mechanisms. It should provide a description of what mechanisms exists, how strong or weak they are and if they are sufficient they are. Proposals could be made on how they can be strengthened.

C1.9 Status of donor harmonization

The commitments made by donors in the Compact should be unpacked through extensive discussions with the ASWG and clearly articulated in this METASIP. If government decides to formulate a SWAp for the sector, a clear indication is needed of the state of readiness of donors to pool resources and harmonize processes in support of the SWAp. Mechanisms for accommodating donor funding outside the SWAp must also be explicit. If a SWAp is not proposed, individual donors are likely to retain their separate identities and processes, but it is important to determine the extent to which they are prepared to adhere to the agreed programmes and activities, to facilitate joint programme assessments or appraisals, and to fund “on budget”.

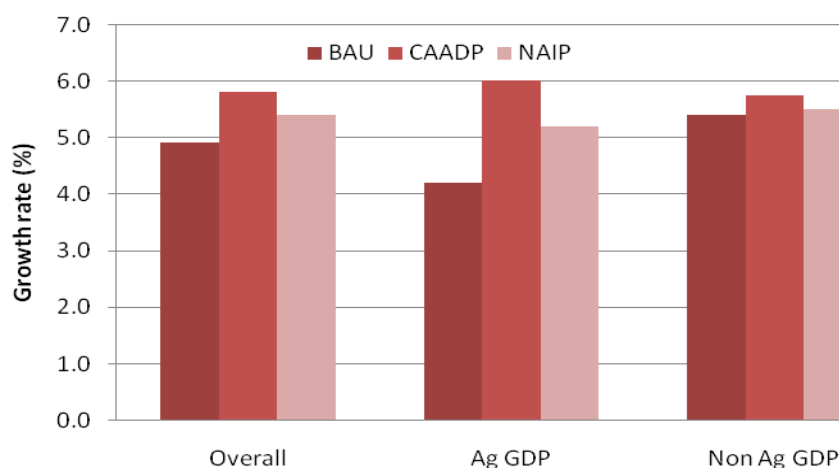
Component 2: Consistency with long terms growth and poverty reduction options

C2.1 Alignment of Investments Plan Targets with Long Term Growth and Poverty Benchmarks

Based on the long term growth and poverty reduction outcomes estimated as part of the technical preparation of the CAADP roundtable, Ghana is expected to become the first African country to reach the first Millennium Development Goal (MDG1) of halving poverty and hunger, and do so before the target year of 2015. Under the current trend, the agricultural sector is expected to grow at an annual rate of 4.2% by 2015. Although significantly less than the 6% growth rate targeted under CAADP, the projected agricultural growth is sufficient for Ghana to achieve the MDG1 of halving its 1990s national poverty rate by 2015. If the post-compact National Agricultural Investment Plan (NAIP) is successfully implemented, overall GDP, agricultural GDP, and non-agricultural GDP are expected to grow by 5.4%, 5.2% and 5.5% respectively by 2015. As shown in Figure 1, the economic and agricultural sector performance that is expected to result from successful implementation of the NAIP-would exceed the current trends. This is particularly so for the agricultural sector, with a anticipated growth rate that is a full percentage point higher than under the current trend (BAU). The rate of overall GDP growth would also accelerate by at least 0.5 percentage point. Over the years, the cumulative effect of this additional growth

would propel Ghana well beyond the MDG target, which rightly justifies the option by the Government of Ghana to pursue a goal of attaining middle income country status.

Figure 1: Overall economic and agricultural sector performance under NAIP and alternative growth scenarios



C2.2 Sectoral and Sub-sector growth outcomes under NAIP and alternative growth scenarios

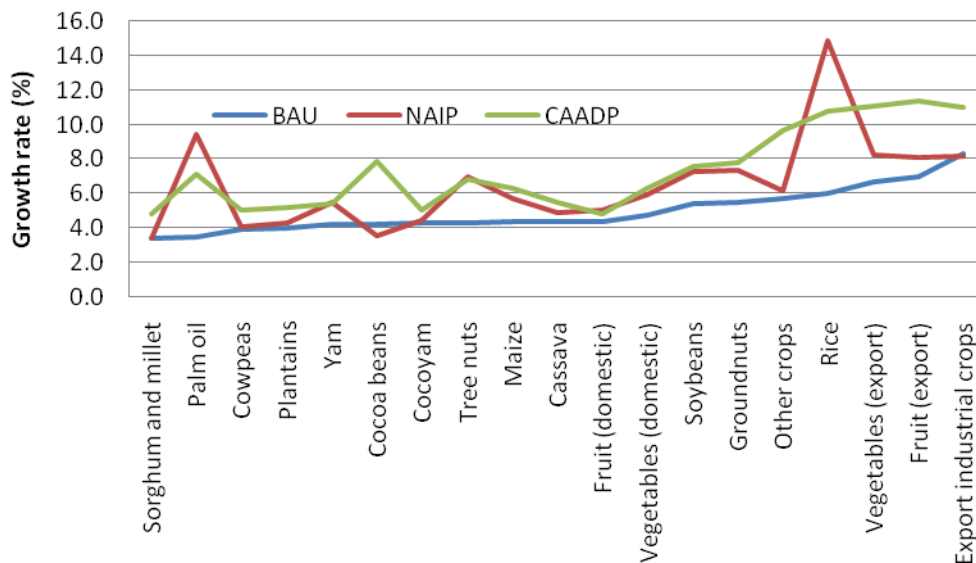
As pointed out earlier, the MDG1 target by 2015 is within reach for Ghana, even while growing at a modest agricultural growth rate of 4.2% a year. The above discussion also pointed out that agriculture would grow even faster under NAIP, thereby accelerating Ghana progress towards MDG1 and beyond. A closer look at the figures in Table 1 indicates that not all agricultural subsectors would perform equally better under NAIP than current trends. With the continuation of current trends or business as usual (BAU), individual agricultural subsectors are expected to grow as follows: cereals (3.7%), root crops (3.9%), other staple crops (4.5%), export crops (4.4%), livestock (5%) and fishery and forestry (3.9%). Under NAIP, growth would expand much faster for the cereals sector, where the rate of growth would double compared to current trends, followed by other food crops with a 20% higher rate of growth. The remaining sector would still grow by between 10 and 15% faster. Figure 2 presents a more disaggregated picture of the anticipated comparative growth performance by subsectors. It shows that cocoa would be the only subsector to grow slightly less than under current trends.

Although all agricultural subsectors, with the exception of cereals (rice and maize) and palm oil, would grow slower than under the CAADP scenario, there is no question that NAIP sets out a strong growth agenda, the successful implementation of which would lead to important growth and poverty reduction outcomes for Ghana.

Table 1: Sub-sector growth rates under NAIP and alternative scenarios (%)

	NAIP	BAU	CAADP
Cereals	7.4	3.7	5.6
Export crops	4.9	4.4	8.1
Livestock	5.7	5.0	6.9
Fishery and forestry	4.3	3.9	4.6
Other food crops	5.3	4.2	5.7

Figure 2: Crop growth rates under NAIP and alternative scenarios (%)



C2.3 Agricultural sector spending under NAIP and alternative growth scenarios

As shown in Figure 3, agricultural sector funding in Ghana under NAIP will continue to be dominated by two major sub-programmes (Food security and emergency preparedness, and increased growth incomes). The two programmes currently account for 50% of agricultural expenditures. Under NAIP, their combined share will increase to more than 60%. In contrast, programmes such as market competitiveness and integration, science and technology, and sustainable land management, would all claim smaller shares of sector expenditures. This is particularly the case for the latter two. The shift in shares should not be a major cause of concern, however, given that overall agricultural sector spending is projected to grow by around 150% percent over a period of seven years, as illustrated in Figure 4.

Figure 4 also compares the projected agricultural sector funding under NAIP to the level required to enable Ghana to reach a middle income country status (MIC). The graph indicates that the projected NAIP funding requirement surpasses by far the average required funding for the country to achieve MIC status. This is despite the fact that the pursued agricultural sector growth target of 52% under NAIP is significantly lower than the targeted growth rate of 6.9% for the agricultural sector under the MIC scenario. It is important to note that the projected funding required for the MIC scenario is estimated based on the observed historical relationships between public sector spending and economy-wide as well as sectoral growth rates in Ghana. The funding requirement of NAIP, in contrast, is based on the costing of individual investment activities proposed under the programme. The gap between the funding requirement under NAIP and MIC remains considerable even if a low elasticity or responsiveness of growth to public expenditure is assumed for the MIC scenario. Even if only 50% of its programmes are funded, NAIP would still cost significantly more than under the MIC scenario. The cost of the productivity programme alone would be as high as the overall funding required for Ghana to achieve MIC status. These gaps can be explained by two things: (i) either the agricultural sector is characterized by an extraordinarily low responsiveness of growth to public expenditure,

which is quite doubtful in the face of Ghana’s recent growth performance, or (ii) the estimated cost of implementing investment activities under NAIP are substantially overestimated. The latter would be a far more likely explanation, given the inexact science of estimating investment costs in the absence of a traditional of evidence based planning and execution of development programs.

Figure 3: Composition of Ghana NAIP

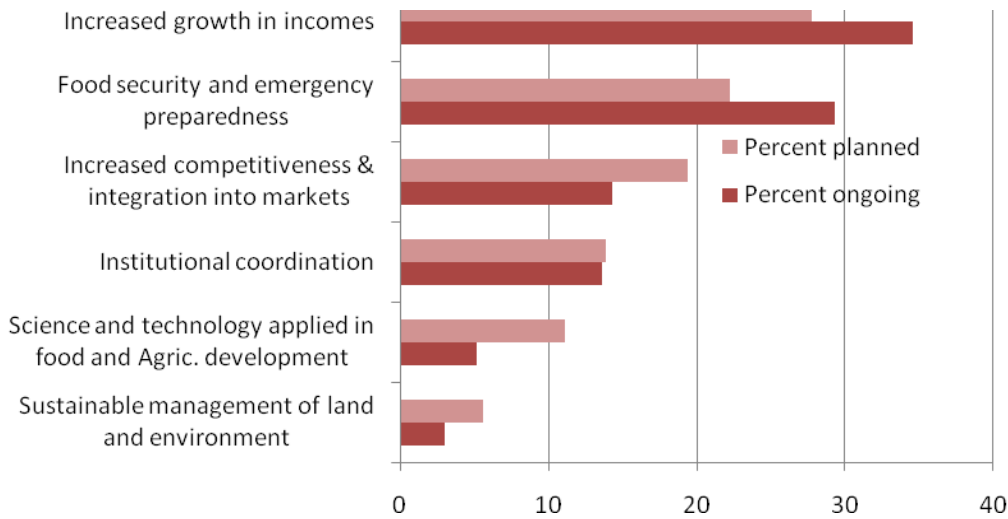
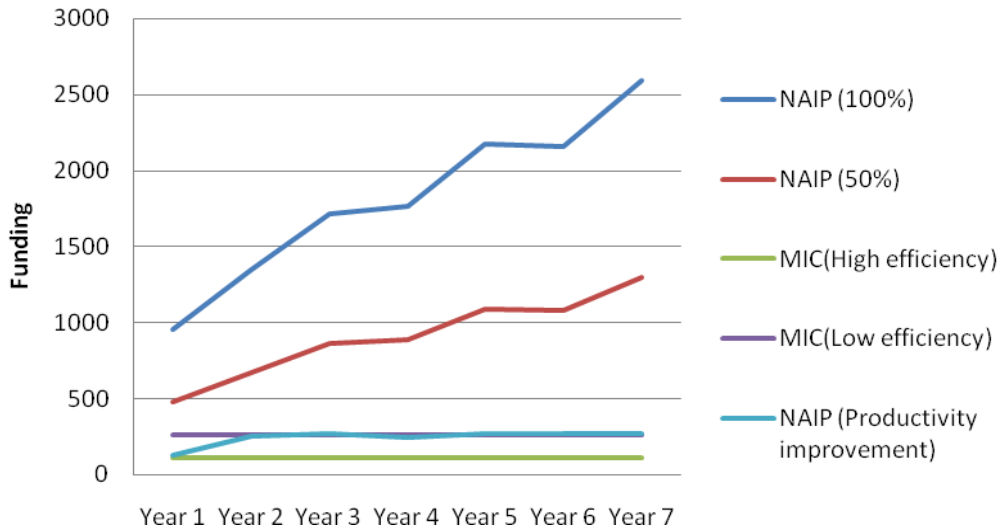


Figure 4: Comparing NAIP and MIC funding requirement (GH¢ million)



C2.4 Poverty Outcomes under the Proposed Ghana NAIP compared to alternative scenarios

If the Ghana NAIP is successfully implemented, the national poverty rate will fall to 14.9% by 2015 compared to 12.5% under CAADP; however, the expected NAIP-induced poverty rate by 2015 is lower than under the current trend (16.4%), as shown in Figure 4. Of greater importance are the different poverty outcomes across different regions of Ghana.

While NAIP would bring down poverty levels to low single digits in Accra and around the coastal region, both in urban and rural areas, poverty rates will remain relatively very high in the Northern region (Table 3). This is despite the fact that the three Northern Regions together receive nearly 50% of funding under NAIP. While this may reflect a deliberate effort on the part of the government to tackle persistent poverty in Northern Ghana, the persistently high poverty rates in relative terms suggest that additional measures would have to be put in place to fight vulnerability more vigorously in that part of the country. The more vigorously the government will pursue the MIC status vision, the more a targeted vulnerability agenda for the North will be called for.

Figure 4: Poverty rates (%)

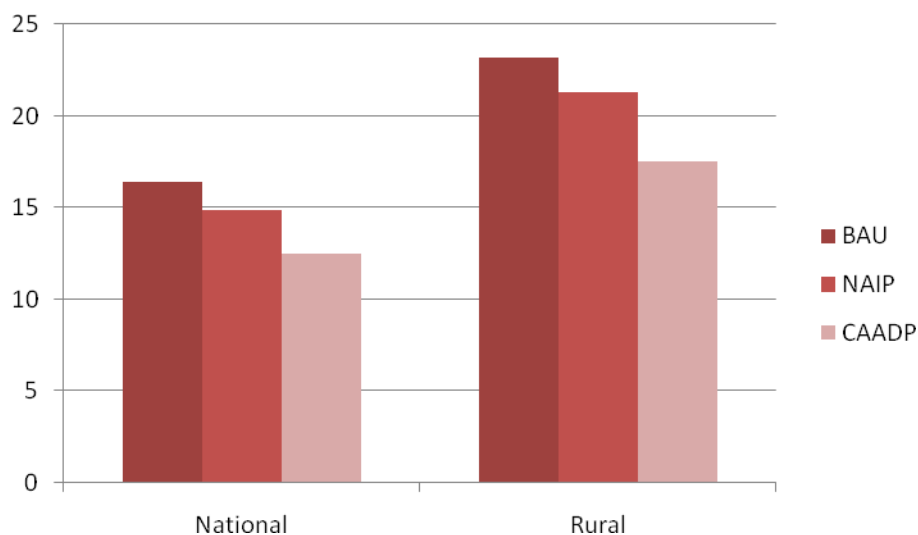


Table 3: Geographical distribution of poverty rate by 2015 under NAIP (%)

	Urban	Rural
Accra	5.6	
Coast	2.4	6.1
Forest	3.3	12.5
South	12.6	13.8
North	22.3	47.7

As in most other countries, there were no data to properly carry out this part of the review at a geographically or socially disaggregated level or to cover nutritional issues. Given the far-reaching equity ramifications of future investment plans and growth related thereto, it is important that the necessary arrangements be made to regularly update the baseline household survey information that was used during the pre-compact analysis such as to facilitate tracking of the poverty and distributional impacts of these plans. The country strategy analysis and knowledge support system (SAKSS) node to be established as part of the post-compact implementation agenda should pay particular attention to this.

C2.5 Conclusions and recommendations.

The following conclusions and recommendations can be drawn from this part of the review:

- (i) Overall, expected growth and poverty reduction outcomes under NAIP clearly exceed outcomes under current trends, which have put Ghana well on track to achieving MDG1 by 2015. The additional efforts under NAIP would move the country closer to its ambition of realizing middle income country status in the near future;
- (ii) Although the investment priorities and growth targets under NAIP seem justified by the above outcomes, there is justifiable concern that the programme's cost may be seriously overestimated. The strength of the country's recent growth and poverty reduction performance and the estimated additional growth that is required for it to achieve MIC status do not support such a rapid and considerable expansion of agricultural sector funding as planned under NAIP. There is therefore a real case to be made for a systematic review of the costing of the programme as it moves towards implementation.
- (iii) Despite the large amount of resources to be allocated to the Northern part of the country, NAIP would still leave a huge gap between expected poverty rates in Northern Ghana and the rest of the country. In addition to specific measures to reduce vulnerability in the North, it is also recommended that the government define inequality targets as part of the M&E framework and its dialogue and review processes.

Component 3: Adoption of best practices and inclusion of core programme elements

Technical viability of major programmes

C3.1 Pillar 1: Sustainable Land and Water Management

C3.1.1 Land Management

The METASIP clearly states the constraints and challenges of the sector, among which are low soil fertility associated with low fertilizer input, over-reliance on rain-fed agriculture, inefficient irrigated agriculture, poor livestock management, lack of aquaculture skills and difficulties in accessing agricultural credit. An attempt has been made to incorporate private sector in irrigation development and management. Under programme 1, a number of activities including increasing access to fertilizer and monitoring the prices of agro-inputs in relation to tax waivers under the productivity improvement component are innovative. There is however, need to clearly state the ways to improved access and use of fertilizer to relate to impact on improved soil productivity and crop yield especially among vulnerable households.

The programme intends to increase livestock production; however there seems to be no linkage to Integrated Soil Fertility Management (ISFM). It is expected that with increased livestock production there will be benefits to crop management through ISFM technologies.

There is no mention of how to deal with environmental threats of land degradation associated with increased livestock production.

Recommendations:

- a) For increased fertilizer use, there is need to include fertilizer best practices and recommendation such as soil testing, ISFM technologies, etc;
- b) Increased livestock production may lead to land degradation, therefore there is need

- for mitigation measures; and
- c) There is need to clearly state how the use of fertilizers will be increased, whether it will be through subsidies or in another way.

C3.1.2 Water Management

The Investment Plan recognizes the importance of irrigated agriculture and water management. The component only deals mainly with new irrigation schemes and should also include data on available surface and ground water resources, approaches to use surface and groundwater resources and trans-boundary issues on shared water resources.

There are also no strategies given to prevent stakeholder conflicts and risks associated with Agricultural Water Management (AWM) development.

The METASIP does not reflect well on the inter-sectoral use of water vis-à-vis Integrated Water Resource Management (IWRM)

Recommendations:

- a) There is need to articulate more clearly ground water resources and transboundary issues (in the case of shared water resources);
- b) There is also need to incorporate strategies on stakeholder conflicts and risks in relation to agricultural water management issues.

C3.1.3 Land Policy/Administration

- ✓ The Investment Plan indicates a good intention to facilitate acquisition of farmland and title holding. This is commendable.
- ✓ While the FASDEP II does address the issue of land information dissemination relative to land tenure, METASIP does not.

Recommendations:

- a) METASIP should address land tenure information dissemination and also the empowerment of local land ownership. It is important to ensure the farmland distribution/acquisition strongly favors nationals.
- b) There must be strategies put in place to deal with land ownership issues.

C3.1.4 Climate Change

The plan has dealt with the impact of climate change and the need of putting in place mitigation and adaptation measures. However, METASIP does not take advantage of the global compensation initiatives on mitigation and adaptation measures on climate change (e.g. carbon credit). Therefore the plan should include a capacity building activity which should lead to better understand and implementation of mitigation and adaptation measures.

Climate change is a global concern with devastating implications on agriculture, health and food security and is expected to worsen the food supply and exacerbate the widespread poverty in Africa. Five main climate change related drivers: temperature, precipitation, sea level rise, atmospheric carbon dioxide content and incidence of

extreme events, may affect the agriculture sector in Africa by:

- ✓ Reducing crop yields and productivity due to an increase in temperature
- ✓ Increase incidence of pest attacks due to conducive temperature for a proliferation of pests that are detrimental to crop production.
- ✓ Intrusion of salt water into inland freshwater resources limiting the availability of water
- ✓ Exacerbate drought periods with threatened crop failures
- ✓ Reduction in soil fertility due to reduction in soil moisture, moisture storage capacity and the quality of the soil, which are vital nutrient for agricultural crops.
- ✓ Reduce livestock productivity through its effect on availability of feed and fodder
- ✓ Affecting the availability of human resource through increasing incidences of malaria, sleeping sickness and other infectious diseases

The impact of these adverse climate changes on agriculture is worsened in Africa by the lack of adapting strategies due to the lack of institutional, economic and financial capacity to support such actions. Consequently, Africa's vulnerability to climate change and its inability to adapt to these changes may be devastating to the agriculture sector which is the main source of livelihood to the majority of the population. Disaster risk reduction; sustainable land, water, and forest management; coastal and urban development; watershed management, increased agricultural productivity; health and social issues are key areas of adaptation.

Recommendations:

- a) Ghana needs to indicate a plan of action to manage climate change. Some ideas are:
- Should discuss Ghana's ability to identify, observe, and monitor the stresses that influence agriculture, land resources, water resources, and biodiversity, and evaluates the relative importance of these stresses and how they are likely to change in the future;
 - Establish Local "climate change adaptation platforms" involving Multi-disciplinary set of stakeholders including climate science experts, agricultural practitioners and technicians, local communities/civil society, donors and policy makers should collaborate to participate in efforts to address and respond to climate change based on local needs;
 - A key challenge involves extending the capacity that currently exists in agro-meteorological disciplines to include agro-climatic competency;
 - Local institutions must be allowed to explore the relevant issues and develop the broad set of institutional capacity and technical skills that will equip them for the challenge;
 - The FAO Guidance to Best Practices (FAO 2007; FAO 2009b, 2009c) on Climate Change could be used by Ghana to develop its climate change response and adaptation strategies

C3.1.5 Monitoring and Evaluation

The log-frame is included and is more output oriented. There is need to strengthen the M&E system.

Recommendations:

- a) It is suggested that a more impact/outcome oriented M&E log frame is developed;
- b) The plan should include an assessment of local institutional capacities to effectively collect and analyze data to effectively support indicators to track change in prevalence of poverty and hunger, and change in performance of the agricultural sector and status of nutrition of Ghana's population.

C3.2 Pillar 2

C3.2.1 Raise the competitiveness and seize opportunities in domestic, regional and international markets

The proposed investment plan addresses major components to allow the country to have impact on this output, through:

- ✓ Enhancing capacity of farmers and Small and Medium Enterprises (SMEs) to access markets through improved grading, standardization system and quality management systems such as Good Agricultural Practices (GAPs);
- ✓ Development of new products (seizing emerging market opportunities);
- ✓ Increased production in traditional food crop for domestic markets;
- ✓ Increased Livestock and fisheries production to take advantage of the expected growth in demand for animal proteins; and
- ✓ Development of market information systems to improve the capacities of farmers including small scale farmers to the emerging opportunities.

There is need to better articulate how harmonization of regional policies, certification and grading standards in order to access neighboring markets will be supported.

- Development of production for export should be stronger; assessment of the real potential of the targeted market needs to be consistent at a regional level in order to avoid over-investment in some niche areas.
- Development of trade negotiation teams and activities to promote the emerging products and link them to overseas clients (such as the activities that are strongly developed by the West African (WA) trade hub in Ghana should be considered.

The work already done in easing the movement of goods within the country and across borders is commended and should continue especially because the transit of goods for export on the roads and through freight is due to greatly increase.

Recommendations:

- a) Pursue harmonization and trade facilitation activities along the corridor;
- b) Link with the region to further work on mutual recognition of certification agencies and implement harmonized rules on seeds and fertilizers; and
- c) Establish a task force in the ministry to focus on export development through negotiation, promotion and market information (in particular projection of international market trends etc.).

C3.2.2 Invest in commercial and trade infrastructure to lower costs of supplying domestic, regional and international markets

The investments planned will contribute to the development of a network of roads and warehouses. This will contribute to reduce post harvest losses and ease the circulation of the products.

Additional investments in rural development for a better access to energy (electrification of rural areas), clean water and telecommunication might be prerequisite steps for the development of rural processing agro-enterprises and should be leveraged.

The development of agro-industrial parks including packaging and loading platforms, processing facilities linked to the warehouses is an approach to consider.

Recommendations:

- a) Identify agricultural growth poles at regional level where commercial infrastructures and processing facilities will be concentrated;
- b) The MOFA should link with the Ministry in charge of rural development to coordinate the development of adequate provision of energy, water and telecommunication in agricultural growth poles.

C3.2.3 Develop value chains and access to financial markets

The investment plan designed by the Government of Ghana addresses major components of infrastructure and market access through activities at all the levels of the value chain in supporting access to inputs, development of rural infrastructure, development of technical capacities and business frameworks and through the development of private sector in particular.

- ✓ Value addition (packaging and processing) activities development are planned for key strategic value chains
- ✓ Input provision will be developed
- ✓ Linkage with financial institutions

The underlying assumption is to conduct an import substitution strategy and to improve the nutrition in increasing the consumption of animal proteins in particular through the development of livestock and fisheries; however the products should be competitive and adapted to the consumption habits of the Ghanaians.

Financial service provision development (not only microcredit provision, but also insurance; credit to emerging small and medium term enterprise to capital, investments, and savings) are very important.

The expectations towards the private sector are still unclear. In the present document it appears that the Government of Ghana still plans to be strongly present in the direct provision of inputs, services, and commercial infrastructure.

Processing of the export products could be developed.

C3.2.4 Strengthen the commercial and technical capabilities of farmer organisations and trade associations

The programmes will improve smallholder participation in traditional and emerging markets and value chains through

- ✓ replication of viable models of linkage (as developed in partnership with USAID and GTz)
- ✓ the design of sustainable programs to promote the certification of smallholder production for export market
- ✓ capacities development of FBOs to transform them into business entities (involved in input, services and credit provision) and help them enter processing and commercial activities

However, the role of FBOs should be further clarified.

Recommendation:

- a) FBOs should be used in the implementation of the investment plan to, in particular in the training designed and in quality management schemes.

C3.2.5 Policy elements

The decline in agricultural investment (least among all sectors) from 15% in 2001 to 6% in 2006 may be attributed to unfavorable or ineffective policy issues to attract foreign direct investment in the sector. It is important to liaise with the Ghana Investment Promotion Centre, Association of Ghana Industries, Ghana Farmers and Fishermen Association to ascertain possible government policies, systems and structures that hinder investment into the sector and design inter-ministerial strategies to address them.

Recommendations:

- a) Market assessment for the production to be developed should be systematically conducted;
- b) Develop financial service provision in rural areas in order to take advantage of innovation in the area;
- c) Take advantage of the opportunity of the development of a large network of warehouses to develop guarantee to ease access of short term credit for farmers;
- d) Develop guarantee schemes to ease access to credit for farmers and small scale enterprises;
- e) Develop Public Private Partnerships (PPPs) to support the provision of strategic commercial infrastructure by the private sector itself; and
- f) Strengthen processing and value addition on export commodities such as cotton and cocoa, this activity has to be strongly linked with the trade negotiation and promotion activities.

C3.3 Pillar 3 – Reducing hunger and poverty

The Medium Term Agriculture Sector Investment Plan (METASIP) is a well articulated working document that identifies five comprehensive programmes for addressing pertinent areas of the Ghana agriculture sector.

C3.3.1 Risk management

- ✓ Programme 1: Food Security and Emergency preparedness directly addresses poverty reduction and food security among the most vulnerable populations. Food security programmes have been created to address the transient food security

challenges that these groups face.

- ✓ The investment programmes areas and issues for emergency preparedness have been identified and addressed through improving productivity of staple crops among small holder farmer, by providing support to improved nutrition through fortification programmes, nutrition education; and supporting diversification of livelihood options of the poor with off-farm activities.
- ✓ The expected outputs and activities/strategies for mitigating emergencies are well outlined and articulated. Issues, potentials, opportunities, constraints and challenges (SWOT) analysis for Early Warning System (EWS) and emergency preparedness are existent. Lead and collaborative/Investment Programmes for EWS and emergency preparedness are identified and outlined with the role of each Investment programme clearly stated. Within the EWS, activities and indicators for estimating vulnerability for emergency preparedness and poverty reduction are outlined.
- ✓ The investment programme clearly identifies food security challenges and how to overcome them through practicable and detailed programmes. Lead agencies for the implementation of each programme have been identified therefore making the M&E process smoother.

However, the plan does not seem to spell out clearly the emergency reporting mechanisms or framework. Furthermore, although the plan aims to reduce poverty and food insecurity among the vulnerable, stocktaking of livelihoods capitals for ascertaining resilience to vulnerabilities and disasters has been left out.

Recommendations:

- a) The plan should include an activity for development of a framework for EWS and Emergency Preparedness Programme. This programme will entail a conceptual framework of EWS in terms of information flows, levels of information management and use.
- b) The early warning system indicators should ideally include CAADP-FAFS indicators for measuring and monitoring food security beyond emergency responses and early warning.
- c) There is a need for stocktaking of livelihoods capitals for assessing resilience to vulnerabilities and disasters; the inclusion of CAADP-FAFS in early warning indicators will address this gap adequately.

C3.3.2 Increase the supply of affordable food through improved market linkages

The NAIP has in place programmes that address market linkages especially among small-scale farmers in order to increase the supply of affordable food. Particular aspects of METASIP worthy of commending are as follows:

- ✓ Plan aims to link smallholders with warehousing investments in order to improve the quality of staples along the value chain and to increase trade in legumes and cereal price stabilisation;
- ✓ Market Information i.e. production forecasting, actual production data, market prices and food supply situation of major food crops in all the regions is being collected to improve linkages between smallholder farmers and producers;
- ✓ Modalities are in place for collaboration and partnership with private sector

- institutions and Civil Society Organizations (SCOs);
- ✓ Development of the fisheries sub-sector is comprehensively addressed; and
- ✓ The plan details outputs and indicators for crop, livestock and fisheries production that are specific, measurable, achievable, realistic and time-bound. This undoubtedly eases the processes of monitoring and evaluation.

However, there seems to be no clear strategy/activity linking Programme 1 with Programme 2 i.e. mechanisms for attracting the urban poor to agricultural value chain activities and investment demand creation (e.g. ongoing entrepreneurship development).

The plan also does not seem to address the increase in supply of food staples. Thus there is need to develop and include a strategy to specifically address increasing the supply of staple crops to improve food availability.

Recommendations:

- a) Refer with Pillar II recommendations as this is a cross-cutting issue

C3.3.3 Increase economic opportunities for the vulnerable

The majority of the programmes are deliberately targeted at the vulnerable and resource poor for more meaningful poverty reduction. METASIP has outlined the following aspects for increasing economic opportunities for the vulnerable populations:

- ✓ Plan aims to support the most vulnerable with income diversification through off-farm activities linked to agriculture;
- ✓ Plan aims to support 5% of the people falling below extreme poverty line to engage in off-farm livelihood alternatives by 2015;
- ✓ Plan targets training of vulnerable groups with entrepreneurial skills;
- ✓ Plan aims to conduct value chain analysis on viable livelihood opportunities;
- ✓ Plan aims to introduce targeted grants and input subsidies for poor farmers;
- ✓ Women and youth groups targeted with off-farm livelihoods activities; and
- ✓ Vulnerable groups targeted for training in entrepreneurial skills.

Recommendations:

- a) Social protection programmes may be a good exit strategy for the chronically food insecure. It also augments the resilience of the most vulnerable against shocks and stresses. However this component has been left out in the document. Social protection initiatives should be considered for inclusion in the investment programme.

C3.3.4 Improved dietary quality through increased dietary diversity

Ghana has a very well defined fisheries and livestock sub-sector which addresses the intake of nutrition. National per capita fish consumption is estimated on the average at 23 kg, much higher than the global average of 13 kg per capita. The intake of micro-nutrients especially for children under five and mothers is being addressed though

programmes that encourage fortification of food during processing, nutrition education and advocating for the consumption of micro-nutrient rich foods.

The following aspects of the plan are worthy of noting:

- ✓ Improved food distribution to vulnerable groups and enhanced nutrition targeted;
- ✓ Plan aims at conducting research, education and advocacy on choice of foods, and handling for food quality and safety;
- ✓ Plan aims to reduce stunting and underweight (in children) as well as Vitamin A, iron and iodine deficiencies (in children and women of reproductive age) by 50% by 2015 through the food nutrition interventions;
- ✓ Plan promotes the production of fish and livestock to meet the market demand for the high protein; and
- ✓ Ghana is the only African country that is projected to meet the Millennium Development Goal (MDG) by 2015.

However, the plan seems to leave out certain key aspects that are paramount to improving food security in Ghana. Improving dietary quality concerns both for the Ministry of Health (MOH) and the Ministry of Food Security and Agriculture (MOFA). The plan does not seem to spell out clearly the linkages and areas of coordination between the MOH and MOFA. Specifying the roles of each of these key players will help in not only developing a comprehensive nutrition plan but also in coordinating the implementation of the programme. The plan has also left out the issues of mainstreaming of human diseases into food and nutrition security specifically HIV/AIDS. Furthermore, it does not seem to mention the structures for a government-led nutrition programme.

Recommendations:

- a) Issues of nutrition concern most specifically the Ministry of Health and the Ministry of Agriculture. This implies that the two ministries should overlap in planning and programming nutrition related activities. Therefore, there is need to clearly spell the institutional linkages, working relationships as well as specify areas of collaboration in more unequivocal terms; and
- b) In view of the many food security issues hinging on nutrition, the need for a robust and well coordinated nutrition programme cannot be wished away. In order to do this, the plan should include an activity for review the nutrition programme in Ghana to ensure that all pertinent issues are addressed. It is likely that a nutrition programme already exists. In such a case, the plans for that programme could be extracted and included in METASIP.

C3.4 Pillar 4

The METASIP captures most of the elements of Pillar 4 within its Programme 5: Science and Technology applied in Food and Agriculture Development (section 3.6). Programme 5 comprises the following two components, namely:

Uptake of technology along the value chain and application of biotechnology in agriculture. The major development issues identified under this component are: (i) low uptake of agricultural technology; (ii) limited application of biotechnology and its benefits; and (iii) poor coordination/collaboration if disciplines involved in research along the agricultural value chains.

The outputs expected under this component include: (a) adoption of improved technologies by men and women along the value chain; (b) Laws and regulations to enhance the application of biotechnology in agriculture in place by 2010 and assessment of the country's research system.

As it is related to agricultural research funding and management of agricultural research information, the development issues that this component seeks to address are: (i) limited funding of agricultural research; and, (ii) poor management of agricultural research information.

The outputs expected under this component include: (a) increase in agricultural funding to at least 10% of the agricultural sector development budget; (b) sustainable funding mechanism for Research-Extension Liaison Committees established and operational by the end of 2012; and (c) a well resourced MOFA unit which will liaise with Centre for Scientific and Industrial Research to coordinate research output.

In addition to the above, a significant number of Pillar 4 activities are captured in other Programmes, notably: Programme 1: Food Security and Emergency Preparedness, specifically its components on productivity improvement; support for diversification of livelihood options of the poor; food storage and distribution and early warning systems and emergency preparedness; Programme 2: Increased Growth in Incomes, specifically intensification of FBOs and out-grower concepts and development of new products; Programme 4: Sustainable management of land and environment, specifically adoption of soil and land management technologies; and Programme 6: Improved institutional coordination

Because a significant number of Pillar 4-type activities are embedded in other Programmes other than Programme 5, the Plan's implementation will require considerable inter-pillar and inter-programme coordination.

- ✓ The Plan clearly identifies the development issues that are to be addressed by the research and technology programme and provides a direct linkage between research outputs and development impacts. The identified development issues directly address the major challenges for the agricultural sector which are addressed by Science and Technology. These include sustainable modernisation of food and agriculture through productivity and production improvements.
- ✓ The Plan's outputs are clear, smart and some of them are gender sensitive. However, the targets for the some of them need to be re-examined to assure they are realistic.

The METASIP identifies poor coordination between institutions in the value chain as a development issue. It has developed activities aimed at strengthening the linkages between research and extension and between MoA and CSIR. The Plan does not spell out how coordination between researchers and other institutions in the value chain notably farmer organisations, the private sector, education and training will be strengthened. Such coordination is necessary for the sector to respond in a systemic manner to needs and opportunities for innovation in the sector.

In terms of empowerment of end users, even if interventions to achieve this have been implicit in the plan for science and technology, to the extent that the end users should be meaningfully participate in setting priorities and work programmes for research, extension and training to ensure their relevance, this is not well articulated.

In terms of gender integration at all levels including farmer organisations, the private sector, education and training institutions and extension staff, the plan does not make explicit the mechanisms to achieve this. However, under component 5.1 one of the outputs is increased adoption of technologies by men and women along the value chain and the plan proposes to design and implement a program to sensitize researchers on gender mainstreaming in research.

Besides gender integration, the Plan overlooks other cross-cutting issues that affect the performance of the agricultural sector notably the environment and climate change.

The Plan proposes several capacity strengthening activities at lower skill levels such as training of farmers, processors etc. It however does not provide for capacity development for higher education and for research.

The Plan does not include an economic analysis providing estimates of the returns expected from investments in the plan. The Plan does not present an identification of the risk, risk analysis and a plan for risk management.

Recommendations:

- a) Regarding coordination among the key actors to improve pathways for innovation to increase productivity and food security, the Plan should identify incentives and incentive structures that will enable all these actors to be fully engaged in a holistic fashion;
- b) Regarding the empowerment of end users, the activities aimed at strengthening their capacities in terms of skills and organisation should be complemented by institutional arrangements that enable the end users to meaningfully participate in setting priorities, developing work programmes for research, extension and training, and in the accountability mechanisms;
- c) Regarding gender integration, although the plan makes reference to mainstreaming gender in research this recommendation emphasizes the need for gender integration to be extended to at all levels including farmer organisations, the private sector, education and training institutions and extension organisations;
- d) Regarding cross-cutting issues, the Plan should make due recognition of these issues since they affect performance of the agricultural sector and articulate the necessary actions required to address them. These issues include the environment and climate change;
- e) Regarding capacity strengthening, the plan should consider making provisions for capacity strengthening activities at tertiary and higher education levels based on projections of the capacity needs for various skill levels;
- f) Regarding an economic analysis of returns on investment, it is recommended that the Plan should include an economic analysis of the returns expected from the projected investments; and
- g) Regarding risk management, the Plan should present identify the risks and provide a risk analysis as well as a plan for risk management.

C3.5 Monitoring and evaluation framework (in implementation)

The overall goal and specific objectives of the M&E Plan address many of the key elements of a strong M&E Plan – strong institutional arrangements, collection of reliable, relevant and timely data, an effective feedback system, and a holistic approach that includes the private sector. The M&E Indicator Matrix only addresses the first of six FASDEP II objectives. In regards to the financing plan, the tables lack specificity to understand whether sufficient funding for M&E activities has been allocated.

- ✓ In order to ensure a robust M&E system, adequate financial and human resources need to be allocated towards data collection, surveys, capacity building, Management Information Systems (MIS), reporting, communicating and disseminating information.
- ✓ It is critical to have dynamic feedback loops so that results of the M&E system inform decision-making on an iterative basis so that interventions can be adjusted as necessary.
- ✓ The Investment Plan may benefit from rigorous evaluation methodologies such as impact evaluation (through random trials) to attribute, with confidence, outcomes to specific interventions.
- ✓ The Plan should include baseline data collection for some of the indicators included in the M&E Indicator Matrix (Appendix 4) where data is lacking. For example, the Plan indicates that statistics in livestock production are inadequate. Therefore, baseline data on livestock will be necessary to measure increased productivity.

Component 4: Alignment with country commitments

C4.1 Prioritization within the investment plan (implementation)

The Plan does not include a prioritization of the programme nor the activities within each programme. Ghana has fish deficit of over 450,000 per annum. Initial analysis shows that marine, Volta and aquaculture contributes 62%, 32% and 5% respectively to fish production. However the investment plan focuses more on aquaculture (increase production from 10,000 to 15,000 tons by 2013) and does not address increasing fish production in the Volta nor Marine. Fishing along the coast of Ghana and along the Volta provide significant employment to rural people and are likely to address food security and poverty reduction targets than aquaculture. The latter can be developed as an emerging business venture. The investment plan should demonstrate how the volume of cultured fish production will contribute to the overall fish supply deficit of 460,000 otherwise it is a misplaced priority.

Baseline data on income level of livestock producers will be required to justify the projected growth rate. Here again, even though cattle contribute the 2nd largest to meat production, there is no intervention or investment in increasing cattle production in the investment plan. The criteria used to select value chain sectors should be explained otherwise cattle production should rate higher than pig and small ruminant production.

The following questions must be addressed:

- Does the Ministry have Extension Officers in Livestock to provide the livestock Extension services described;
- How will genetic characterization of livestock lead to increase income for men and women rearing livestock as stated in the investment plan;
- How will the Ministry advocate for the construction of slaughter houses in all districts if the Districts' don't consider it a priority. How do you ensure that the butchers will use the abattoirs taking experience from the under-utilized abattoir in Tema. The butchers will have to be involved in this activity to understand and appreciate the need to use abattoir rather than the traditional way they have used over decades or centuries?
- The activities lack the incentive packages to attract large scale commercial investment in the livestock sector even though it contributes significantly to poverty reduction, income generation, food and nutrition and employment creation.

Peri-urban agriculture should adopt intensive production technologies. The activities described do not address the challenges facing the production of high quality, hygienic and year round supply of fresh vegetables in Accra and other major cities. This should be a major business for the ministry to provide intervention. Also can the Ministry negotiate for lands in urban areas? Already, government acquired lands are being released to owners; vast areas of land for agricultural research stations are for sale, lands for state farms are also being released. What is then the justification for the Ministry to negotiate for lands? Rather, private sector will investment in urban and peri-urban agriculture if investment support systems are provided by the government.

Recommendations:

- a) There is a need to prioritize the programmes and activities, as well as establish sequencing through an implementation plan. The prioritization of roads (Appendix 5) should be consistent with the overall prioritization of all activities. In addition, the GoG may consider prioritizing geographic regions based on need, opportunity and/or availability of financing.
- b) There should be significant programme description and investment to boost Volta and Marine fishing as well as fishing in the numerous water bodies/rivers in Ghana.

Significant investment has to be made to boost cattle and poultry production in Ghana and the issue of Fulani herdsmen must be addressed.

C4.2 Links with existing sector programmes/projects

FADEP II is linked with the national vision in GPRS II, NEPAD's CAADP and the MDGs. Although Appendix 2 (Lead and Collaborating/Implementing Agencies) list dozens of organizations involved in each of the six programmes, there is insufficient mention in the description of programme activities on how the MOFA will coordinate with the organizations and their respective programmes.

Recommendations:

- a) Incorporate programme activities of relevant collaborating/implementing agencies into the implementation plan to ensure proper sequencing and coordination. Establish MOUs to specify roles and responsibilities for each party;

- b) It is important to describe how the investment plan builds on, and interface with MiDA and EMQAP projects funded by MCC and ADB respectively; and
- c) How does the investment plan set the stage for the Savannah Development Project (Authority).

C4.3 Links to regional agriculture sector development plans

- ✓ The Ghana Investment Plan presents a comprehensive approach to transforming agriculture and clearly recognizes the importance of regional integration especially related to trade. The plan presents specific actions that would be taken by Ghana to increase participation in regional and global markets.
- ✓ The Ghana Investment Plan is consistent with the ECOWAP plan and framework and provides the framework and opportunity for expanded cooperation with regional programs and joint actions with neighboring countries. They also provide a structure for coordination across Ministries and interest groups that can contribute to effective problem solving to support regional cooperation.

The plan does not clarify what actions that could be prioritized for regional program attention to add value to the country level efforts. And, in turn, they have not clarified the level of impact or rate of change on the overall goals and targets of the national plan that can be expected from regional integration and cooperation.

The operational arrangements for technical cooperation to take place that can build commercial and technical linkages with regional programs and the efforts of other countries are missing. This could be addressed during the next steps of operationalizing the programs and investment plan.

Recommendations:

- a) Ghana should work with ECOWAS and neighboring countries to support and complete analysis that can clarify the proposed or desired impact from regional programs on the overall national performance targets.

C4.4 Identification of policy issues and steps required to resolve them

There is minimal mention of policy issues throughout the Plan. There is no plan whose implementation does not raise some of the policy inconsistencies with existing policies. Any plan should always prepare how the policy issues will be addresses to pave the way for effective implementation.

Recommendations:

- a) The GoG should list policy issues related to each of the programmes, including the status on required legislation and implementation frameworks, as well as a current assessment of compliance to the policy (as relevant);
- b) The decline in agricultural investment (least among all sectors) from 15% in 2001 to 6% in 2006 may be attributed to unfavorable or ineffective policy issues to attract foreign direct investment in the sector. It is important to liaise with the Ghana Investment Promotion Centre, Association of Ghana Industries, Ghana Farmers and Fishermen Association to ascertain possible government policies, systems and structures that hinder investment into the sector.

Component 5: Operational realism

C5.1 Viability of implementation arrangements

Programme 6, Improved Institutional Coordination, sets up ambitious and comprehensive objectives to strengthen the capacity, coordination and communication within the MOFA and with other MDAs and partners. This section appropriately addresses the need to improve human, material, logistics, and skills resource capacity for MOFA and MDAs.

Recommendations:

- a) The implementation arrangements appropriately establish governance mechanisms at the policy, technical, regional, and district level. It is unclear which committee or entity will be responsible for coordinating with development partners, however, the GoG may consider adding a representative or two to the Technical Steering Committee. The respective committees may consider meeting more regularly (perhaps bi-monthly or quarterly), particularly the Technical Steering Committee, which has an ambitious terms-of-reference. The four committees will require significant support in coordination, logistics and administration. It is unclear from the implementation arrangements which unit is in charge of these responsibilities. The GoG may consider establishing a secretariat (with the necessary human and financial resources) to play this role.
- b) In regards to Programme 5, the Oil Palm Research Institute (OPRI) has attained the private-sector funding target of 30 percent (legislated through the GoG). The GoG should incentivize and support other research agencies to attain this goal through the incorporation of business principles and product commercialization to ensure sustainability and continued innovation.

With 13 development partners funding 63 interventions (p. 18 of METASIP volume I), the Government of Ghana should strengthen the coordinating unit for these activities to ensure coherence, coordination, and integration and avoid duplication.

C5.2 Institutional assessment

The NAIP should provide an overview of the strengths and weaknesses of the institutions in the agriculture sector. A formal institutional assessment should have been carried out within the previous two years, preferably covering not just the ministry of agriculture but also all related agencies.

Its conclusions and recommendations should be cross-checked against proposed implementation arrangements and measures to strengthen identified weaknesses. Specifically, it should include:

- Gap analysis
- Capacity-building plan as an explicit part of the overall investment.
- Public financial management (PFM) assessment – either as part of the institutional assessment or separate

C5.3 Indicative financing plan

Commendations:

- ✓ The Ghana METASIP provides a clear seven year costing by the six main program

components, and compares this with expecting funding source trends disaggregated by Government, internally generated funds and donor finance.

- ✓ The Ghana METASIP usefully innovates by prudently applying discount factors to the three sources of funding, to reflect past experience of fund releases being less than budgeted amounts.

The total seven year funding gap is large in absolute amount (10.6 billion GHC) and relative to the total implementation cost (79.9% of the 12.7 billion GHC) implementation cost, calling into question the realism of the METASIP scale.

The funding available is presented in aggregate rather than allocating it across the six main programs, so there is no visibility on whether, in view of existing government or donor funding commitments, some of the programs are better funded than others.

The METASIP's six main programs are further disaggregated into multiple activities that are grouped into 48 identified outputs. There are no disaggregated costs presented at this output level.

The METASIP states an objective of gradually replacing donor financing with Government's own contribution until this latter represents 100% of funding. It would be useful to indicate the time frame envisioned for this transition; in Year 7, donor funding (achieved) still stands at 45% of total funding.

Recommendations:

- a) It is higher recommended that the GOG undertake a broad assessment of the overall cost to METASIP given the magnitude of the budget proposed and its value beyond assessed public expenditure projections to meet MDG1. The Plan should answer the questions of sector capacity and the economy as a whole to absorb this large budget.
- b) In view of the ambitious scale of the investment plan relative to the financing gap, it would be prudent to introduce a prioritization into the investment plan;
- c) The METASIP includes identifies 2009 as its Year 1 estimated cost. It would be useful to update the document to show actual 2009 outturn, compared to the initial plan;
- d) Try to allocate existing funding commitments, based on their activity focus, across the six main program categories.

C5.4 Agriculture Sector Public Expenditure Review

Agriculture PERs have been conducted and some elements of these (e.g. gaps between budgeted and released funding) incorporated into the analysis.

Agriculture PERs that have been conducted appear to have enabled identifying relevant sector investment activities that are managed by non-MoFA ministries and agencies, and these have been incorporated into the presentation of investment plans moving forward.

AgPER information on actual investment plans and realizations in the most recent year or two could have usefully been included in the METASIP to anchor the plans in what was actually achieved in the recent past.

C5.5 Public financial management capacity

- ✓ Through FASDEP, Ghana has gained valuable experience in expenditure program management, and is using this to move ambitiously towards a fuller SWAp approach to fund and program management.

The document has only minimal discussion of capacity building at the various levels that would be critical to sound budget management at the proposed scale-up levels: from just under 10% of government expenditure, to over 14% by 2015.

Recommendations:

- a) Identify the budget management capacity strengthening needed at District, MoFA and inter-ministerial coordination levels, and build this in as an investment activity in programme 6's focus on institutional strengthening.

C5.6 Risk assessment

The document does not present a consolidated assessment of risks to the investment plan.

Recommendations:

- a) Include a section that assesses the key risks to the successful implementation of the investment plan, along with possible actions and measures to minimize these risks; this could later be developed into a more detailed matrix of risks, their likelihood and proposed mitigation measures.

C5.7 Financial and economic assessment (including cost-benefit analysis)

The METASIP does not state what procedures are applied to assess the viability of proposed investment activities on financial and economic dimensions. Downstream recurrent budget expenditure needs and implications of investment activities are not considered in the METASIP, so it is unclear how budget composition will be managed to assure an appropriate balance.

Recommendations:

- a) Accompanying the Investment Plan should be a brief description of the viability analysis and screening tools that are used as part of developing investment activities that make their way towards approval for budget resource allocation; and
- b) Indicate how investment activity planning estimates recurrent cost implications, and builds this into overall budget planning and composition.

C5.8 Estimate of the investment to be provided by the private sector

- ✓ The METASIP clearly articulates that the private investment has an important role, to be encouraged by facilitating and accompanying public investment, so that the sector objectives are to be achieved.
- ✓ The METASIP also briefly identifies a number of policy measures, apart from public investment, that can facilitate investment by the private sector, including promoting deepening of financial markets and access to credit, to expand the capacity of business advisory services, and to introduce innovative financing mechanisms (e.g. an Agricultural Development Fund).

For lack of data, the METASIP does not go into any detail on the levels or different types of private investment. Private investment is not incorporated into the costing of the sector plan.

Recommendations:

- a) The METASIP could consider as part of its M&E Plan identifying specific measures that would begin building the capacity to track private investment of different types, and to track the key channels through which public investment can spur private investment.

Annexure 1: CAADP Post-Compact Guide – see attachment

Annexure 2: ECOWAS 's 13 points from Cotonou for investment plans

NAIPS are to be set out to present:

1. Origins of the investment plan (history)
2. Areas to be covered
3. Detailed description of the programmes and how they relate to ECOWAP
4. Overview of the intervention strategy
5. Evaluation of costs and financing
6. Economic and financial analysis
7. Implementation strategy
8. Synergies between programmes
9. Implications for regional public programmes
10. Safeguard for monitoring
11. Institutional evaluation
12. Monitoring and evaluation
13. Risk assessment

Annexure 3: Post Review Road Map Template

National Agriculture Investment Plans	Activities and Benchmarks	Point	June 2010	July 2010	August 2010	Sept. 2010	Oct. 2010	Nov. 2010	Dec. 2010	Follow-on Comments
<u>Component 1: Alignment with CAADP vision, principles and strategy elements</u>										
[Identify issue]	<ul style="list-style-type: none"> [bullet out specific actions] 	[list who is responsible]	[insert due dates]							
<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 									
<u>Component 2: Consistency with long terms growth and poverty reduction options</u>										
<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 									
<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 									
<u>Component 3: Adoption of best practices and inclusion of core programme elements</u>										
<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 									
<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 									
<u>Component 4: Alignment with country commitments</u>										

	•				
	•				
Component 5: Operational realism (including institutional and capacity building)					
	•				
	•				
ACCOUNTABILITY					
Monitoring and Evaluation/Policy Analysis	•				
	•				
IMPLEMENTATION ARRANGEMENTS					
GAFSP (Global Hunger & Food Security Program)	•				
	•				
OUTSTANDING COSTING ISSUES					
Costing of Program areas	•				
	•				
Financing Plan Presentation	•				
	•				
GAFSP CONCEPT PAPER					

Concept Paper Development	<ul style="list-style-type: none"> • • 				
ANALYSIS NEEDS					
Beneficiary Analysis	<ul style="list-style-type: none"> • • 				
Cost Benefit Analysis	<ul style="list-style-type: none"> • • 				
Prioritizing Programs	<ul style="list-style-type: none"> • • 				
Alignment with other Agricultural strategies and programs	<ul style="list-style-type: none"> • 				
Policy Analysis	<ul style="list-style-type: none"> • • 				
Environmental Assessments as Needed	<ul style="list-style-type: none"> • • 				
Gender Analysis	<ul style="list-style-type: none"> • • 				
ACCOUNTABILITY					
Monitoring and Evaluation/Policy Analysis	<ul style="list-style-type: none"> • • 				