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THE AFRICAN DEVELOPMENT FUND



PROJECT APPRAISAL REPORT SAVANNAH AGRICULTURE VALUE CHAIN DEVELOPMENT PROJECT (SADP)

REPUBLIC OF GHANA

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CURRENCY EQUIVALENTS

Exchange rate effective [Insert Date]

Currency Unit ¹	Equivalent
1 Unit of Account	1.33 USD
1 United States Dollar	GHS 7.23

FISCAL YEAR

1 January 2022 – 31 December 2022

WEIGHTS AND MEASURES

1 Metric ton	2,204.62 Pounds (lbs)
1 Kilogramme (kg)	2.20462 lbs
1 Meter (m)	3.28 Feet (ft)
1 Millimetre (mm)	0.03937 Inch (“)
1 Kilometre (km)	0.62 Mile
1 Hectare (ha)	2.471 Acres

¹ Add any additional foreign or local currencies relevant to the project and their currency equivalents.

ABBREVIATION AND ACRONYMS

ADF	African Development Fund
AEFPF	African Emergency Food Production Facility
AFAWA	Affirmative Finance Action for Women in Africa
AG	Auditor General
AfDB	African Development Bank
AFD	Agence Française de Développement
ASWG	Agricultural Sector Working Group
AU	African Union
AGRA	Alliance for Green Revolution in Africa
BoG	Bank of Ghana
CAADP	Comprehensive Africa Agriculture Development Programme
CAD	Canadian Dollars
CRFA	Country Resilience and Fragility Assessment
CSP	Country Strategy Paper
CPESDPs	Coordinated Program for Economic and Social Development Policies
CPIP	Country Portfolio Improvement Plan
CPPR	Country Portfolio Performance Report
DPs	Development Partners
EA	Executing Agency
EIRR	Economic Internal Rate of Return
EPA	Environmental Protection Agency
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
ESCON	Environmental and Social Compliance Note
FAO	Food and Agriculture Organisation
FASDEP	Food and Agriculture Sector Development Policy
FC	Foreign Currency
FCDO	Foreign, Commonwealth and Development Office
FIRR	Financial Internal Rate of Return
FM	Financial Management
GALS	Gender Action Learning System
GASIP	Ghana Agriculture Sector Improvement Program
GBV	Gender Based Violence
GHG	Green House Gases
GIZ	German Dev. Co-operation

HQCF	High-Quality Cassava Flour
ICT	information and communications technology
IFAD	International Fund for Agricultural Development
IFPRI	International Food Policy Research Institute
IFRs	Interim Financial Reports
IPP	Independent Power Produce
IPR	Implementation Progress and Results Report
IPSAS	International Public Sector Accounting Standards
IRM	Independent Recourse Mechanism
JICA	Japan International Cooperation Agency
KfW	German Development Bank
LC	Local Currency
LCA	Local Currency Account
LRP	Livelihood Restoration Plan
MAG	Modernizing Agriculture in Ghana
MoFA	Ministry of Food and Agriculture
MOGCSP	Ministry of Gender, Children and Social Protection
METASIP	Medium-Term Agriculture Sector Investment Plan
MSE	Medium Scale Enterprises
MT	Metric Tonne
MTR	Mid-Term Review
M&E	Monitoring & Evaluation
NAPA	National Adaptation Program for Action
NCCP	National Climate Change Policy
NRGP	Northern Rural Growth Program
NPSC	National Project Steering Committee
NPV	Net Present Value
OCB	Open Competitive Bidding
PAR	Project Appraisal Report
PCMU	Project Coordination and Management Unit
PCN	Project Concept Note
PCR	Project Completion Report
PFJ	Planting for Food and Jobs
PIM	Project Implementation Manual
PIU	Project Implementation Unit
PLW	People Living with Disabilities
PMP	Pest Management Plan

POM	Project Operational Manual
PPMED	Policy Planning, Monitoring and Evaluation
PPRSD	Plant Protection and Regulatory Services Directorate
PRCA	Procurement Risks and Capacity Assessment
RAP	Resettlement Action Plan
RFJ	Rearing for Food and Jobs program
RPF	Resettlement Policy Framework
SADP	Savannah Agriculture Value Chain Development Project
SAPIP	Savannah Zone Agriculture Productivity Improvement Project
SEAH	Sexual Exploitation and Harassment
SDG	Sustainable Development Goals
SIP	Savannah Investment Program
SME	Small and Medium Enterprises
SNV	Netherlands Development Organisation
SA	Special Account
STP	Straight Through Process
RLF	Results-Based Logical Framework
SRID	Statistics, Research and Information Directorate
TAAT	Technologies for Africa Agriculture Transformation
TAAT-S	Technologies for Africa Agriculture Transformation in the Savannahs
TORs	Terms of References
UA	Unit of Account
UN	United Nations
USAID	United States Agency for International Development
USD	United States dollar
VPP	Venerable People Plan
WFP	World Food Programme

A. PROJECT INFORMATION SHEET

CLIENT INFORMATION

Project Name	Savannah Agriculture Value Chain Development Project (SADP)
Sector	Agriculture and Agri-business
Grant Recipient	Republic of Ghana
Project Instrument	Grant
Executing Agency	Ministry of Food and Agriculture

COUNTRY AND STRATEGIC CONTEXT

Country Strategy Paper Period:	2019-2024
Country Strategy Paper Priorities supported by Project:	Ghana CSP intervention areas are: (Pillar 1) support industrialization and private sector activities and (Pillar 2) support infrastructure that are enablers of domestic, regional and global trade. The Project is aligned with Pillar 1 of CSP.
Government Program (PRSP, NDP or equivalent):	Ghana Medium-Term Development Framework (2022-2025) and the Coordinated Program for Economic and Social Development Policies (CPESDPs) 2018-2024. The CPESDP seeks to provide conditions for the private sector to boost growth and create abundant employment opportunities, especially for the youth. It outlines five strategic pillars to anchor growth and development: (a) revitalizing the economy, (b) transforming agriculture and industry, (c) strengthening social protection and inclusion, (d) revamping economic and social infrastructure, and (e) reforming public service delivery institutions.
Project classification:	Project is aligned with the Bank's Ten-Year Strategy (2013-2022), the High Five number 2 - Feed Africa, the Bank's Feed Africa Strategy, focusing on the development of agro-ecological zones, especially the Savannah regions of Africa. Moreover, it is aligned with the Bank's Feed Africa Strategy and the Technologies for Africa Agriculture Transformation (TAAT) flagship initiative, focusing on the Savannah regions (TAAT-Savannah). The proposed operation is aligned with Bank's Jobs for Youth Initiative and Skills Development for Industrialization, as well as the African Emergency Food Production Facility (AEFPF).
	It is aligned with SDG 2 – Zero Hunger and SDG 1 – No Poverty
	Priority value chains are maize, rice, soybean and poultry
Country Performance and Institutional Assessment²:	4.0 out of a total of 6 points (among top ten high performers) in 2018.
Projects at Risk in the country portfolio:	Ghana portfolio has no Problematic Project. The portfolio has 26% red flagged, 9% yellow and 65% green as at August 2022

PROJECT CATEGORISATION

Environmental and Social Risk Categorization	Category 1
Does the project involve involuntary resettlement?	Yes
Climate Safeguards Categorization:	Category 1
Fragility Lens Assessment:	Yes
Gender Marker System Categorization:	Category 2

² Obtain CPIA rating here - [Country Policy and Institutional Assessment \(afdb.org\)](https://www.afdb.org/en/knowledge/publications/country-policy-and-institutional-assessment) (VPN required)

ADF/ADB KEY FINANCING INFORMATION

Interest Rate:	(%)		
Service Charge:	(%)		
Commitment Fee:	(%)		
Tenor:	[Start Date- End Date]		
Grace Period:	[Start Date- End Date]		
Source	Amount (millions)		Financing Instrument
	UA	[Other currency]	
African Development Fund	21.74		ADF Grant
Co-financier 1 Name:	NA		NA
Co-financier 2 Name:	NA		NA
Government Counterpart Contribution:	3.26		In Kind
Total Project Cost:	25.00		

PROJECT DEVELOPMENT OBJECTIVE AND COMPONENTS

Project Development Objective:	The overall goal of the Project is to ensure national food and nutrition security, create employment and contribute to industrialization
Project Components:	Component 1: Climate-resilient Production Development (UA 13.75 million)
	Component 2: Sustainable Value Chain Development (UA 9.00 million)
	Component 3: Project Management and Institutional Support (UA 2.25 million)

PROJECT PROCESSING SCHEDULE TO BOARD APPROVAL

PCN Approval:	20 June 2022
Appraisal Mission:	27 June to 8 July 2022
Planned Board Presentation:	29 November 2022
Effectiveness:	30 January 2023
Project Implementation Period:	1 January 2023 to 31 December 2027
Planned Mid-term Review:	June 2025
Project Closing Date:	31 December 2027

1 STRATEGIC CONTEXT

A. Country Context, Strategy and Objectives

1. Ghana's development plans and key flagship initiatives are focused on economic transformation through value-addition to create employment and enhance social inclusion. The main development plans are Ghana Medium-Term Development Framework (2022-2025), Ghana Beyond Aid' Vision and the Coordinated Program of Economic and Social Development Policies (CPESDP) covering the period 2017 to 2024, and the Coordinated Program of Economic and Social Development Policies (2017-2024). These plans and other key development initiatives reflect Ghana's desire and commitment to transform its economy in accordance with its current development status as a middle-income country and to accelerate job creation and poverty reduction. Agriculture is one of the key areas of the Government's economic transformation agenda.

2. The country's long-term agricultural sector-specific policy objectives are elaborated in Ghana's Food and Agriculture Sector Development Policy (FASDEP I and II). The Medium-Term Agriculture Sector Investment Plan (METASIP I and II) for implementation of FASDEP I and II provides a roadmap for the implementation of the Comprehensive Africa Agriculture Development Programme (CAADP) in Ghana. This plan focuses on investments for addressing constraints on productivity, market access and sustainable production. The Planting for Food and Jobs (PFJ) Campaign represents a flagship programme under the Agriculture Medium Term Plan (2022 – 2025) aimed at modernizing the agriculture sector of the economy to improve food security, create employment opportunities and reduce poverty. This operation contributes directly to the objectives of PFJ through the increase in climate-resilient agriculture productivity, supporting farmers with improved climate-resilient seeds, agrochemicals, blended fertilizer, mechanization services and post-harvest management, key areas of support under PFJ to Ghanaian farmers.

3. This operation is also aligned with the African Union's (AU) Agenda 2063 Goals number 5, aimed at modernizing agriculture for increased productivity and production. It is also consistent with Sustainable Development Goal number 2, to end hunger, achieve food security and improved nutrition and promote sustainable agriculture, and SDG Goal 13 on climate action.

4. The Bank's Country Strategy Paper (CSP) 2019 – 2024 aims to address the country's macroeconomic vulnerability, inherent socio-economic disparities and low-quality jobs reflected in high underemployment especially amongst the youth (50%) while paying close attention to issues of gender and climate change. In line with the country's development plans, this strategy accords a significant role to the private sector in driving Ghana's industrialization. Pillar 1 of the CSP aims to support industrialization and private sector development activities and will focus on enhancing the business environment and catalysing private sector participation in the industrial sector through policy reforms, skills development, and investments in critical infrastructure. The Project is aligned with Pillar 1 of CSP. Part of the Bank's support is to enhance agricultural Sustainable Value Chain Development, including the establishment of agro-industrial parks, especially in the deprived northern regions of the country. This project is fully aligned with these strategic objectives. This project is aligned with the Bank's Feed Africa Strategy for Agricultural Transformation (2016 – 2025), Ten Year Strategy (2013-2022), Bank's Gender (2021-2025) and the Bank's Climate Change and Green Growth Strategy (2021-2030), Jobs for Youth Strategy (2016-2025) and the Bank Group's Strategy for Addressing Fragility and Building Resilience in Africa (2022-2026)

B. Sector and Institutional Context

5. The Ghanaian agriculture sector continues to play important role in providing livelihoods for rural population and accounting for over 70% of rural jobs. However, trends in production of major food crops such as rice, soybean, maize, and sorghum show that on-farm productivity has stagnated and the exploitable difference between the actual and potential output of most of the crops (yield

gap) has widened. According to the Ministry of Food and Agriculture, low and inadequate levels of usage of productivity enhancing technologies such as quality seeds of improved varieties and fertilizer, climate change impacts, thin extension services and weak market linkages constrain the growth in on-farm productivity. Although the fertilizers have been available to the farmers at subsidized prices through the national fertilizer subsidy program since 2008, its effect on adoption remains low, due to the lack of a comprehensive approach in galvanizing the outreach and impact of subsidies. Due to low productivity and the use of mechanization for farm expansion under conservation agriculture, Ghana is unable to produce enough basic commodities to meet food security challenges and support industrialisation, resulting in the importation of about US\$1.9 billion in agricultural and related products in 2021 alone. The unavailability of maize and soybean is significantly impacting on the local poultry industry, resulting in the importation of about US\$ 400 million worth of poultry per annum. This project is seeking to contribute to reversing this trend of importing poultry products by increasing the production and productivity of maize, soybean and provide support to the development of the local poultry industry.

6. Key policy reforms in the agriculture sector include a revision of the Government's subsidy program to allow for effective participation of the private sector in the input delivery and services. Earlier Bank's intervention under the Savannah Zone Agriculture Productivity Improvement Project (SAPIP) initiated the establishment of an electronic platform for farmer registration as part of contribution to the Government's quest to implement a smart agriculture subsidy. This operation will provide further support to farmers registration and assist Government in facilitating private sector participation in the input distribution and provision of mechanization services to medium scale commercial farmers and small holder farmers in out-grower arrangements. The Government's agriculture mechanization program will mutually reinforce Bank's investments in the savannah area as part of land area expansion to upscale production.

C. Rationale for Bank's Involvement

7. The conflict between Ukraine and the Russian Federation underscores the risks inherent in global food systems, demonstrating the impact that disruptions can exert on countries that depend on food imports, such as sharp increases in prices of staple food. Climate change impacts on agriculture is exacerbating the situation. Russia and Ukraine are amongst the world's major exporters of cereals and oilseeds, including wheat, barley, sunflower seed/oil, and maize. The conflict has affected about 30% of wheat exports and 12% of all calories traded globally.

8. Ghana depends on imports of food, such as rice, poultry, eggs, fish, meat, wheat and many other food items to meet its food security needs. Prices of imported food items will have triple cost effects, in terms of high import costs, high depreciation of the cedi and high internal distribution costs due to increases in fuel prices. According to the MoFA, Ghana imports 26% of its wheat requirements from Russia. The disruption of supply chains has been visible in grain prices. From January to the start of March 2022, prices have increased by 37% for wheat, 21% for maize, 30% for soybean and 20% for rice. In response to the current crisis, the Ministry of Food and Agriculture formulated policy options and key recommendations to guide the Government's response including (i) Promote increased use of organic fertilizers; (ii) Promote domestic production of inorganic fertilizers by expediting the process to establish a manufacturing plant to produce for Ghana and the Sub-Region; (iii) Promote the use of High-Quality Cassava Flour (HQCF) as import substitution measure for wheat; (iv) Safeguard domestic vegetable oils (palm oil, palm kernel oil, coconut oil, soyabean oil) industry and value chain (v) Monitor food and input prices closely to pick early warning signals of food crisis in order to take prompt remedial actions; (vi) Expand existing programs aimed at upscaling the climate-resilient production of maize, soybean and rice; and (vii) Create an enabling environment to attract investors from the conflict zone. This could include identification of land banks and ensuring easy access to land, as well as special dispensation for such investors in strategic areas such as the fertilizer and seed industry.

9. The Government of the Republic of Ghana has expressed interest in receiving the Bank's support to re-purpose part of its ADF-15 allocation to provide input support to farmers and to develop the savannah areas as part of the Government's ongoing efforts in Planting for Food and Jobs (PFJ) and Rearing for Food and Jobs (RFJ) programs. This operation will enable inputs delivery to medium scale commercial farmers and their out growers to expand areas under cultivation for rice, soybean and maize under PFJ, which feeds into poultry value chain under RFJ. This integrated approach supports elements of growing at scale and provision of market outlets for smallholder farmers, especially women and youth. With fiscal challenges confronting the country, building local capacity to reverse importation is a key objective of the Government and aligns with the Bank's Feed Africa Strategy as well as mitigating the impact of the Russia-Ukraine war on food systems.

D. Development Partners Coordination

10. The key development partners that are active in the agricultural sector are: Agence Française de Développement (AFD); Foreign, Commonwealth and Development Office (FCDO); Global Affairs Canada; Alliance for Green Revolution in Africa (AGRA); European Union; German Dev. Co-operation (GIZ) and German Development Bank (KfW); Netherlands Embassy; Australian High Commission; JICA; USAID; World Bank; and UN Agencies (IFAD, FAO and WFP). Others are IFPRI and international NGOs such as SNV and Catholic Relief Services. Donor activities cut across various commodity value chains development; productivity enhancement; agricultural production and processing; infrastructure development; mechanization; irrigation; sustainable land management; climate change adaptation and mitigation; nutrition and food safety; medium scale enterprises (MSE) and agribusiness development; access to finance; access to land; and ICT for agriculture.

11. Donor coordination mechanisms for the agricultural sector in Ghana are assessed to be effective. Coordination under the Agriculture Sector Working Group (ASWG) began in 2002 and provides a platform for sharing information on ongoing and future activities with the aim of harmonizing interventions. The ASWG is currently co-chaired by USAID and MoFA. The proposed operation will collaborate with key ASWG members in financing priority commodities to be promoted under this operation.

12. Key on-going/pipeline interventions by donors include a CAD125 million facility for Modernizing Agriculture in Ghana (MAG). IFAD has provided USD71.60 million as loan for sustainable rural poverty reduction in rural areas and a grant of USD10.0 million to mitigate the effects of climate change. The European Development Fund's Agriculture Fund has provided EUR147 million for community development in the Northern Savannah Ecological Zone of Ghana. The Bank has successfully co-financed projects in the sector with other donors including IFAD on the Northern Rural Growth Program. The coordination of aid through the ASWG is enhancing aid effectiveness through harmonization and alignment of development partner support.

2 PROJECT DESCRIPTION

A. Project Development Objective

13. The overall goal of the Project is to ensure national climate-resilient food and nutrition security, create employment and contribute to industrialization. The project is expected to contribute to the Government's industrialization agenda, support PFJ and RFJ, skills development and entrepreneurship for women and youth, and build resilient food systems in the savannah areas of northern and middle belts of Ghana. This would be achieved through the facilitation of private sector investment in sustainable value chains associated with commercial maize, soybean and rice production, with an integrated poultry value chain, which will primarily involve women and youth.

14. The specific objectives are to increase the climate-resilient production of maize, rice and soybean to support the poultry value chain, generate employment, increase the incomes of farmers and support household nutrition, especially the vulnerable women headed households.

B. Theory of Change

15. Increasing urbanization has resulted in an upsurge in demand for high-quality protein, particularly poultry meat and related products, for urban dwellers. Feed, mainly maize and soybean, accounts for about 70% of poultry production. Due to low agriculture productivity and unavailability of feed for local poultry production, Ghana spends an average of US\$ 400 million annually to import poultry meat and related products. The intervention logic is largely based on the assumption that, supporting commercial farmers and their out-growers to upscale the production of maize and soybean will enhance feed availability at an affordable price that will make the Ghanaian poultry industry become competitive whiles creating jobs for value chain actors, including maize and soybean producers, feed millers, transporters, commercial producers of poultry as well as poultry meat processors. This will impact positively on Ghana's balance of trade, saving the country the much-needed forex to support local production, a key objective under Bank's Feed Africa Strategy (2015-2025). The key intervention areas involve women and youth, building their capacity in business management and equipping them with key inputs as start-up capital for the development of agricultural enterprises that creates jobs for women and youth, and increase their incomes as well. The provision of mechanization services as one of the key project outputs will modernize agricultural production which was otherwise unattractive for the youth. Access to mechanization services for land development, land preparation, planting, weed and pest control, as well as harvesting will reduce drudgery in farm operations, particularly for women and encourage more youth into farming. One of the benefits of mechanization is the timeliness of operations, optimising plant population and minimizing post-harvest losses using Combine Harvesters for harvesting of farm produce. This will not only increase productivity but minimize post-harvest losses, putting more money in the pockets of farmers. Increased production of maize and soybean will improve the availability of feed for the integrated poultry value chain, increasing the production of poultry meat for food and nutrition security.

C. Project Components

16. The proposed project will have three components namely (i) Climate-resilient Production Development, (ii) Sustainable Value Chain Development, and (iii) Project Management.

Component 1: Climate-resilient Production Development (UA13.75 million)

17. This component aims to support farmers with climate smart farm inputs to produce rice, maize and soybean, including mechanization services to 200 commercial farmers and 67,000 out-growers established under Savannah Zone Agriculture Productivity Improvement Project (SAPIP) and Savannah Investment Program (SIP). There are two sub-components (a) Commercial Production of Rice, Maize and Soybean under Conservation Agriculture; and (b) Promotion of Small and Medium Scale Commercial Poultry Production.

Sub-component 1.1: Commercial Production of Rice, Maize and Soybean under Conservation

Agriculture: This sub-component aims to support farmers with farm inputs to produce climate-resilient rice, maize and soybean in line with Government's input subsidy policy under PFJ, expand land development to produce 8,000 hectares (2,000 Ha Rice, 3,000 Ha for Maize and 3,000 Ha for soybean), facilitate mechanization services to 200 commercial farmers and 67,000 out-growers established under SAPIP and SIP. This component will also support the production of certified seeds by commercial farmers and work closely with the Savannah Agriculture Research Institute (SARI) to develop and promote a high-yielding soybean variety adaptable to mechanised harvesting with minimal post-harvest losses. This sub-component will also provide support to small holder farmers with handheld equipment to improve planting and crop husbandry. Spot improvement of at least 50 kilometres of feeder roads in selected production zones will be undertaken. It will promote the use of economic trees as alley-cropping and as offsets and promote measures to reduce bush fires at the community level. These measures will include the enforcement of community by-laws and the establishment of fire belts. It will also promote the use of hybrid

seeds, good agriculture practices, water management structured, climate resilience and adaptation, and integrated pest management

Sub-component 1.2: Promotion of Small and Medium Scale Commercial Poultry Production:

This sub-component aims to provide support to the commercial production of poultry meat. Interventions will include 50,000 guinea fowls and 50,000 broilers as initial input for commercial poultry production, in accordance with Government subsidy policy. Recoveries would be used to support more beneficiaries to increase this number up to an additional 100,000. Women and youth are the primary targets of this intervention, who will work with commercial anchor poultry producers. Interested and eligible commercial poultry producers will also receive support based on their proposal and a demonstrated capacity to repay initial inputs for production.

Component 2: Sustainable Value Chain Development (UA 9.00 million)

18. This component seeks to support agriculture value chain actors, particularly post-production value chain actors to improve processing efficiency and enhance quality standards.

Sub-component 2.1: Value Addition and SME Development: Key interventions include the promotion of quality standards for rice, maize and soybean production in collaboration with Ghana Standards Authority, capacity building on effective storage and processing in collaboration with the Ghana Grains Council, support to district level with defeathering and cutting/processing of poultry meat, facilitate the establishment of a soybean processing facility, enhance access to market information (e.g., quantity, quality, timing and pricing) and link producers with off-takers. Capacity building of value chain actors, including linkages to financial services to expand processing capacity and optimize operational efficiency, would be undertaken.

Sub-component 2.2: Youth/Women Empowerment and Nutrition: It will support skills development for women and youth, and promote sustainable entrepreneurship and mentoring programs, especially for women and youth in the poultry value chain. At least 5,000 women-headed households in vulnerable communities would be supported with 50,000 guinea fowls (each household receiving 10 birds – 2 males, 8 females) for multiplication to enhance farm income and household nutrition. In addition, 50,000 layers would be provided to support at least 500 women and youth entrepreneurs to produce eggs for income and household consumption.

Component 3: Project Management (UA 2.25 million)

19. This component provides support to the overall coordination of the project and knowledge management. It is expected to plan and measure the achievement of key project outputs and outcomes.

Sub-component 3.1: Knowledge Management, Monitoring and Evaluation: This sub-component involves development of annual work plans and budgets, the establishment of a results-based monitoring and evaluation system, annual financial audits, procurement audits, conducting project mid-term review, beneficiary impact assessment, project completion reports and other relevant studies. Stakeholder and knowledge management will be key areas of strategic focus under this sub-component. Documentation and communication of project interventions will be enhanced to improve project visibility with video and pictorial documentation of success stories. It will also support Government's farm input subsidy reforms and provide additional resources for the electronic registration of farmers and build capacity of MoFA staff to manage and update the e-registration, a program initiated and financed by the Bank under SAPIP.

Sub-component 3.2: Project Coordination: This sub-component will aim at coordinating the work of stakeholders for effective and efficient delivery. Planning and technical review meetings would be undertaken. This sub-component will support the Project Steering Committee (PSC), coordination of efforts among members of the Agriculture Sector Working Group (AgSWG) and ensure that the implementation of this operation is well aligned with Government's priorities, including PFJ.

D. Project Cost and Financing Arrangements

20. The total cost of the project is estimated at UA 25.00 million, inclusive of taxes, and based on 2022 market prices, comprising UA 10.29 million in foreign cost, and UA 14.7 million in local cost. The total cost is inclusive of physical and price contingencies estimated at average rates of 4.4% and 5.3%, respectively.

21. The project cost of UA 25.00 million will be partly financed by an ADF grant of UA 21.74 million (86.9% of project costs) covering all major activities including rehabilitation and construction of infrastructure and goods and services delivered under the project. The Government of Ghana and project beneficiaries will contribute UA 3.27 million in kind (13.1% of project costs) through the provision of office space and allied facilities, and the waiver of taxes and duties for goods and works procured under this project. The summary of estimated costs by component and category of expenditure are presented in Tables 1 and 3. The summary of project costs schedule by component and sources of finance are presented in Tables 4 and 2. Detailed project cost tables are presented in Section B2 of the Technical Annexes to this report.

22. The estimated unit prices used in the computation of the project total cost were collected from official sources and validated during the appraisal field mission. The local currency used in the estimation of the project cost was based on US dollars to mitigate the potential exchange variation due to the falling value of Ghana cedis against major currencies. The estimated average physical contingency is reasonable given the relatively small size of infrastructure outputs within the project.

Table 1: Estimated Cost of the Project by Component

Components	UA			% of Total Project Cost
	Foreign Currency	Local Currency	Total	
Climate-resilient Production Development	6,207,388.90	7,769,506.50	13,976,895.40	56%
Sustainable Value Chain Development	2,526,573.00	2,959,256.00	5,485,829.00	22%
Project Management and Institutional Support	592,996.40	2,532,725.10	3,125,721.50	13%
Total Base Costs	9,326,958.30	13,261,487.60	22,588,445.90	90%
Physical contingencies	513,885.90	583,376.40	1,097,262.30	4%
Price contingencies	454,295.60	859,996.20	1,314,291.80	5%
Total Project Costs	10,295,139.80	14,704,860.20	25,000,000.00	100%

Table 2: Project sources of financing

Sources of financing	Costs (UA)	Costs (US\$)	% of Total Project Cost
African Development Fund	21,740,000.00	28,291,131.60	87%
Government of Ghana and Beneficiaries (<i>in kind</i>)	3,260,000.00	4,242,368.40	13%
Total Project Costs	25,000,000.00	32,533,500.00	100

Table 3: Project cost by category of expenditures

Category	UA			% of Base Total Cost	% of Total Project cost
	L.C.	F.E.	Total		
Goods	4,997,021.48	5,120,589.05	10,117,610.54	51%	47%
Works	2,339,706.17	1,855,393.83	4,195,100.00	21%	19%
Services	2,411,325.22	875,178.10	3,286,503.31	17%	15%
Operating Costs	2,184,000.00		2,184,000.00	11%	10%
Total Base Costs	11,932,052.87	7,851,160.98	19,783,213.85	100%	91.00%
Physical contingencies	470,880.62	419,820.94	890,701.56	46%	4%
Price contingencies	694,158.26	371,721.77	1,065,880.03	54%	5%
Total Project Costs	13,097,091.75	8,642,703.69	21,739,795.44	100%	100%

Table 4: Project Expenditure Schedule

Component	UA					
	PY1	PY2	PY3	PY4	PY5	Total
Climate-resilient Production Development	8,779,553.60	2,953,448.70	1,952,584.60	291,308.50	-	13,976,895.40
Sustainable Value Chain Development	963,107.20	2,602,583.50	1,242,752.70	419,891.80	257,493.80	5,485,829.00
Project Management and Institutional Support	859,644.20	566,519.30	566,519.30	566,519.30	566,519.30	3,125,721.40
Total Base Costs	10,602,305.00	6,122,551.50	3,761,856.60	1,277,719.60	824,013.10	22,588,445.80
Physical contingencies	534,286.50	339,851.70	203,441.90	24,881.90	1,032.70	1,103,494.70
Price contingencies	403,717.20	386,288.40	328,831.00	112,093.70	77,129.20	1,308,059.50
Total Project Cost	11,540,308.70	6,848,691.60	4,294,129.50	1,414,695.20	902,175.00	25,000,000.00

E. Project's Target Area and Population Beneficiaries and other Stakeholders

23. The main operational area of this project is the savannah zone of Ghana. At least 50,000 beneficiaries are expected to participate in the activities of this operation. A key feature of this project is support to “value chain actors” to ensure an integrated production-processing-marketing ecosystem. Target districts were selected for the commercial production of rice, maize and soybean based on the presence of critical mass of commercial farmers with appreciable land size with tenure security, and presence of agriculture mechanization services centre or its equivalent. The Mission discussed and agreed with Government’s recommendation to select 9 districts in 5 regions as core project operational areas. The districts are: (1) Tamale Metro, (2) Mion, and (3) Savelugu (Northern Region); (4) East Mamprusi (Northeast Region); (5) West Gonja, (Savannah Region); (6) Bawku West, (Upper East); (7) Wa Municipal, (8) Sissala East, and (9) Nandom (Upper West). Given the private sector nature and commercially driven approach adopted for the poultry production, activities and support to the poultry value chain will be demand-driven and not restricted to these core districts and will cover poultry production districts in Ashanti and Bono Regions.

24. Project preparation involved consultations with key private sector actors along the integrated poultry value chain comprising commercial farmers (maize and soybean), input dealers, researchers, commercial poultry farmers, feed processors, broiler processors and marketers. An extensive public consultation process was undertaken during the preparation mission. Men, women and youth were consulted. A national stakeholder workshop was held in Accra and Tamale,

attended by key partners, followed by consultations at the regional, district and community levels. Some of the main outcomes of these consultations include the need for sustainable medium to long-term funds at acceptable interest rates, making machinery and mechanization services (including no-till planters, boom sprayers, harvesters) available, the need to involve women and youth in entrepreneurship programs and skills development. Potential beneficiaries also highlighted the need for the project to provide support to women-headed households with guinea fowl production at the community level to enhance their income status and nutritional requirements. As a result, the project will be providing 50,000 Guinea fowls to at least 5,000 women-headed households and involve them in the commercial production of poultry. Development partners in the agriculture sector were also consulted with the presentation to the Agriculture Sector Working Group.

25. During the process of conducting the Environmental and Social Assessments and the preparation of the ESIA/PMP/RAP, public consultations were undertaken with the beneficiary districts and communities. Meetings were also held with the Ghana Environmental Protection Agency (EPA) officials, technical officers in the field, various local leaders and women's associations, farmer's cooperatives, agri-business enterprises, poultry enterprises, other potential beneficiaries, project affected people, local communities of the project implementation areas. The views and comments of the public were incorporated in the design, as well as the locations of the proposed projects and infrastructure development.

F. Bank Group Experience and Lessons Reflected in Design

26. Since the commencement of the Bank's activities in Ghana in 1973, the Bank has financed over 40 operations through the public sector (26), private sector (6), finance sector (5) and multinational (3). Bank's past key interventions in the agriculture sector focused on the development of specific value chains, building resilient agriculture infrastructure, and supporting the development of agri-business. The current Bank Group portfolio in Ghana currently comprises 18 operations with a total value of UA 550.63 million and has disbursed a total of UA 264.0 million, giving a cumulative disbursement of 47.9 percent. The portfolio consists of 13 public sector operations, with a total value of UA 299.97 million, 1 multinational operation valued at UA 1.13 million, and 5 private sector operations, with a total financial commitment of UA 249.53 million.

27. The sectoral distribution and performance of the portfolio by the High 5 priorities are as follows: Integrate Africa (42 percent), Improve the quality of life of the people of Africa (18 percent), Feed Africa (22 percent), Light up and power Africa (9 percent) and Industrialize Africa (9 percent). Portfolio performance for public sector projects is assessed as satisfactory, with an overall assessment score of 3.3 (on an IPR scale of 1 to 4). According to the 2020 Country Portfolio Performance Report (CPPR), proximity to the client, diligent follow-up on recommendations of supervision missions, as well as enhanced dialogue and engagement with the Government of Ghana contributed to this achievement. The efforts of the Ministry of Finance in obtaining tax and duty exemptions and waivers assisted in speeding up project implementation, especially procurement processes, thereby improving disbursements. Issues addressed in the 2020 CPIP included quality at entry and exit of operations, procurement, disbursement, especially justifying special accounts, financial management and audit, government counterpart funding, crosscutting issues of gender and environment.

28. The project design has drawn on lessons learnt from the Bank and other DPs' extensive experience in Ghana, particularly in the agricultural sector. Poor quality at entry, procurement issues, absence of task managers in the country office and delays in recruiting key PIU staff contributed to implementation challenges. The key lessons identified from project completion reports and independent evaluations are: (i) importance of quality at entry as lack of designs at project start-up results in implementation delay; and (ii) ensuring adequate consultation to enhance

project ownership and sustainability. Key lessons and how they have been incorporated into the project design are presented in Table 5.

Table 5: Lessons Learnt and Incorporation into project design

No	Lessons Learnt	Actions Incorporated in the Project Design
1	Availability of designs/drawings infrastructure for the required civil works at project start-up is important to avoid implementation delays	The Government of Ghana, through the existing projects (SAPIP and SIP) and under the Planting /Rearing for Food and Jobs Programs has already developed standard designs for infrastructure under this project. Early sensitization of stakeholders will be required.
2	Adequate consultation with stakeholders in the selection of sites to address lack of ownership of project facilities, especially new regions and districts recently created	Project sites selected were in full consultation with the various stakeholders at the community, district and regional levels. Extensive consultation has already been undertaken with all value chain actors for the commercial production of soybean, maize and integrated poultry value chain. The consultation process will continue during the implementation and completion stages of the project.
3	Poor security and maintenance of infrastructure and equipment built / rehabilitated due to a lack of resources	Establishment of a self-financing mechanism by the beneficiaries to ensure the routine upkeep, maintenance and safety of infrastructure and equipment built and /or rehabilitated. Equipment and material maintenance committees will be created within the beneficiary structures.

3 PROJECT FEASIBILITY

A. Financial and Economic Analysis

29. A financial assessment of the project was undertaken using activity models, and on the basis of prevailing market prices. The key assumptions underlying the analyses include: (i) The project will procure and distribute 350,000 birds to small holder farmers as part of breed improvement for poultry value chains development; development of an additional 8,000 Ha for rice, soybean and maize production under commercial and out grower farming arrangements; and the opportunity cost of capital (OCC) used for discounting future benefits was estimated to be 12%. For the economic analysis, (ii) hired labour value was adjusted by a conversion factor of 0.75; (iii) family labour was valued at the prevailing wage rate; (iv) the processing equipment will ensure value addition to poultry farming. These analyses were carried out with financial and economic costs generated using COSTAB 32. Summary of financial and economic analysis is further elaborated in Annex B6 in Volume II of the appraisal report. The project is expected to generate the following benefits: (i) increase in food production; (ii) increased private sector investment; (iii) improved vaccine production and storage; (iv) improve average household income; (v) provide employment for 150,000 smallholders and commercial farmers; and (vi) enhanced animal health.

Table 6: Key economic and financial figures (for cost benefit analysis)

FIRR (base case)	(21%)
EIRR (base case)	(25%)
NPV, (discount rate)	USD 19,628,584 (12%)

30. **Financial Analysis:** Based on the above assumptions, the financial analysis generated Net Present Value (NPV) of USD 19,628,584 and financial internal rate of return (FIRR) of 21%, as captured in the technical annexes (B6). Based on the above analysis, the project is deemed financially feasible. The FIRR of 21% is higher than the opportunity cost of capital (12%).

31. **Economic Analysis:** The economic analysis was conducted using the same approach as the financial analysis, on the basis of shadow prices of tradable goods, producer (farm gate) prices and the total cost of the project. In addition, other indirect benefits were also expected, such as, reduction in post-harvest losses, provision of mechanized services for agricultural production, reliable soil information system for fertilizer blends and lower cost of feed for livestock production. However, these additional benefits were not adequately captured in monetary terms due to the limited scope of this report. In these conditions, the economic analysis yielded an NPV of USD 17,132,778 and the economic internal rate of return (EIRR) of 25% as captured in the technical annexes.

32. ***Sensitivity Analysis:*** The sensitivity to yields were closely analysed since productivity may be very volatile, especially during the first years. In this case we see that, ceteris paribus, profits would be sustained even with productivities of 4.5 MT / ha. Soybean yields are sustained even with productivities of 1.5 MT/ha. That is to say that it would yield a profit even in a scenario of high volatility.

33. ***Additional Positive Effects:*** As a result of the Bank's intervention, the commercial farmers will be able to build sufficient balance sheets to attract commercial lending to the agriculture sector. The availability of maize and soybean will have a positive impact on the School Feeding Program and the poultry industry, as Government and poultry producers rely on imports to augment shortfalls in local production. Viability of local feed mills will be enhanced as the availability of raw materials for these feed mills will ensure all year-round production.

B. Environmental and Social Safeguards

Environmental

34. The project is classified category 1 according to the environmental assessment regulations 1999 since the project activities to be undertaken on about 8000 hectares of land may have potentially far-reaching environmental and social risk and impacts and therefore considered high. The project area of influence is within the Savannah region, which is characterized by its vulnerability in terms of bushfires and classified as environmentally sensitive areas according to the environmental assessment regulations (1999) schedule 5 (Regulation 30 (2). This categorization is consistent with the AfDB Integrated Safeguard System (ISS) requirements.

35. SADP is expected to build on the achievements made and to further expand production of rice, soybean and maize by additional 8,000 hectares (2,000 ha for rice, 3, 000 ha for corn and 3,000 ha for soybeans) and promotion of small and medium-scale commercial poultry production by 2026 within nine (9) different Metropolitan, Municipal and District Assemblies (MMDAs) namely (1) Tamale Metro, (2) Mion, (3) Savelugu in the Northern Region; (4) East Mamprusi in the North East Region; (5) West Gonja in the Savannah Region; (6) Bawku West, in the Upper East Region; (7) Wa Municipal, (8) Sissala East, and (9) Nandom in the Upper West Region of Ghana. The nine (9) environmental and social impact assessments (ESIAs), nine (9) resettlement action plan (RAP) and one (1) pest management plan (PMP) were prepared by MoFA, reviewed and cleared by the Fund, and disclosed by MoFA and subsequently disclosed by the Fund in accordance with the ISS requirements. The ESIAs were disclosed in country on 22nd June 2022 and disclosed by the Bank on 22nd June 2022. The PMP was disclosed in country on 20th June 2022 and disclosed by the Bank on 22nd June 2022. The RAPs were disclosed in country on 28th July 2022 and disclosed by the Bank on 28th July 2022.

36. The implementation of the approved ESIA/ESMP when implemented according to the guidelines of both Ghana EPA and the Bank, will adequately address all the Project's risks and impacts. The total cost of the ESIA/ESMP implementation including monitoring, GRM and capacity building is Nine Million, Seven Hundred and Twenty-Nine Thousand dollars (9,729,000 USD). The project will ensure that institutional and technical capacity that currently exist is strengthened by having an Environmental Safeguard specialist and a Social Safeguard specialist in the Project Management and Coordinating Unit (PCMU) at the local level to ensure effective site specific ESMP development, implementation and monitoring/reporting. The overall responsibility of the Environmental and Social Safeguards monitoring including the grievance redress mechanism will lie with the PCMU. The capacity improvement and strengthening measures for MoFA and PCMU including specialist recruitment and training have been appropriately budgeted for in the ESIA.

37. Consultations were undertaken with stakeholders during the preparation of the ESIAs and RAPs from the 13th of November to the 6th of December 2021 and May 30 to June 15, 2022 respectively. The stakeholders consulted include Ministry of Food and Agriculture, PCMU, EPA, Fire Service, Municipal and District Assembly, NADMO, Commercial farmers, Input Suppliers,

Traditional Authorities, NGOs and Focus Groups (including women and youth groups) within the project communities.

Social Impact

38. The assessment noted that the project will have more positive than negative social impacts. With the positive impact, it is noted that the project will bring about empowerment community members and serve as a rallying point for communities benefitting from the project to begin engaging in more cultivating rice, soybean, maize and commercial poultry production. It will lead to income for the individuals, which will translate into the wider community during the agriculture period and reduce the level of vulnerabilities especially for women. This can increase the potential for social capital and build stronger communities, which will contribute to ownership and sustainability. In addition, the project has the potential of curbing the youth migration to the South as an annual affair due to the habitual agricultural off-season. On the negative side, the potential impacts of the Project include (i) land-related disputes, (ii) restricted access to pastures, (iii) increase in public health concerns (vector-borne diseases, HIV/AIDs and other STDs, (iv) gender-based violence (v) public health issues, (vi) child labour/ forced labour, and (vii) security concerns. The ESIA, and RAP has outlined measures to address these issues, among others including sensitization, information dissemination, participation and inclusion of beneficiaries or their representatives at every stage of the project preparation and implementation, and a grievance redress mechanism to address all concerns. These steps will ensure that the possible negative impacts are not only mitigated but are in fact positively harnessed for overall benefits.

Involuntary Resettlement

39. An assessment of the potential beneficiary communities showed that there is no physical displacement or land acquisition by the project as the project is designed around existing farmers. A total of 5,593 women in the 9 project areas will be economically displaced. The temporary economic displacement of 5,593 women are mainly women who pick fruits of shea and dawadawa losing income from sale of the fruits. Since women pick fruits of shea and dawadawa in groups, disturbance allowance will be paid to the group, represented by the group leader(s). Alternative land, which may be farther than the original shea picking areas, exists for women to pick fruits. As indicated by the women in the engagement and negotiations, compensation received by the women groups could be used to procure tricycles or other suitable means of transport to facilitate access to the alternative picking sites for women. Also, part of the compensation could be used to construct sheds and procure basic shea processing equipment for a community shea processing facility. In cases where there is an existing facility, monies received could be used for renovation of the facility. A total resource for the implementation of the 9 RAPs is GHS1,772,060 in equivalence of about US\$242,748 included in the Bank's grant.

40. ***E&S compliance.*** Based on the foregoing, the project is compliant with E&S for approval by the Board. The Borrower will submit monthly E&S implementation report, and annual independent E&S performance audit. The Environmental and Social Compliance Note (ESCON) has confirmed the aforementioned which will be reflected in the financing agreement.

Climate Change and Green Growth

41. The project was screened using the Bank's Climate Safeguard System (CSS) and categorized as a category 1 project meaning it is vulnerable to climate risks. Ghanaian agriculture and food systems are climate dependent and recognized as one of the most vulnerable sectors to climate change. Indications are that the Northern Region of Ghana is identified as a climate hotspot and currently experiencing variability in weather and rainfall patterns. Consultations with MoFA and EPA indicated that the region is susceptible to flooding and drought that are unpredictable. The current increase in rain intensity is aggravating flooding events causing riverbank erosion, saltwater intrusion, infrastructure damages, crop failure, fisheries destruction, and loss of biodiversity. This has significant implications on the livelihoods of agricultural communities that

are mostly dependent of rain-fed agriculture. Recommendations were made to incorporate climate risk mitigation and management strategies in the project design. These include use of climate-resilient seeds varieties, climate smart agricultural techniques and building climate smart skills of youth and women entrepreneurs.

42. The National Climate Change Policy (NCCP) outlines the vision and objectives with respect to effective adaptation, social development, and mitigation. Its aim is to ensure a climate-resilient and climate-compatible economy while achieving sustainable development and equitable low-carbon economic growth for Ghana. The project will mainstream climate risk mitigation and adaptation activities in the project design and implementation that will focus on reducing the dependency on rainfall for agricultural activities as well as protect ecosystems at risk from other natural or anthropogenic hazards that accompany floods, drought and other land use changes. The program will explore climate change adaptation technologies for agriculture consistent with priorities established in Ghana's National Adaptation Program for Action (NAPA), Climate Change Policy and Ghana's update Nationally Determined Contribution (NDC). Ghana's NDC prioritizes policy actions to "build resilience and promote livelihood opportunities for Youth and Women in climate vulnerable Agriculture landscapes and food systems" in line with the objectives of the proposed project. This will ensure that the project facilitates and promotes greater resilience and adaptation to climate change by promoting climate-smart agriculture through the use of improved agricultural technologies and conservation agriculture

C. Other Cross-cutting Priorities

Opportunities for Building Resilience

43. Despite a slowdown in the global economy because of the consequences of the Covid-19 pandemic and the impact of the Ukraine-Russia conflict, Ghana's overall effectiveness of its economic policies has remained strong notwithstanding an apparent contraction in 2021 compared to 2020. This combined with Ghana's strong record of upholding civil liberties and consolidating democratic values are positive indicators of Ghana's resilience. At the same time, the country remains vulnerable to concerns related to corruption and weak accountability, and pressures stemming from piracy and transnational crime because of its proximity to the Gulf of Guinea. The economy also faces vulnerabilities due to the heavy reliance on primary commodities such as cocoa and natural resources, remittances from the diaspora, and also environmental stresses (including food insecurity due to high inflation, water pollution, inadequate supplies of clean water, deforestation, overgrazing, soil erosion, and loss of biodiversity).

44. The relationship between agriculture and resilience goes beyond food security, as it also key to other areas of economic opportunities, social development. and growth. At this stage in Ghana's development, it is important that such an operation takes into account the most effective approaches to address any underlying drivers of fragility and strengthen the levers of resilience in the country. In response to the Bank's new strategy (2022-2026) to address fragility and build resilience, the project addresses three key areas: First, this project seeks to build institutional capacity by investing in strengthening Ghana's agriculture policy and effective project management systems, which will be crucial for the country's ability to manage shocks. Secondly, the project seeks to engage in mobilizing private investment, which is an important pathway to strengthening greater resilience, because it will contribute to building the necessary infrastructure for job creation and enhanced livelihood opportunities. This project also addresses the needs of the most vulnerable members of the population by targeting women and youth (especially in rural areas), a crucial approach for strengthening socio-economic inclusion.

Gender Equality and Women's Empowerment Promotion

45. This project is categorized as GEN II in the Bank's Gender Marker System as it closes gender gaps at the outcome level. The project is in line with the Bank's Gender Strategy specifically on increasing women's access to productive resources such as finance and markets as well as

enhancing their skills and livelihoods. SADP is also in line with Ghana's National Gender Policy (2015-2020 under review) and MoFA's Gender and Development Strategy II.

46. The project's gender mainstreaming activities will focus on increasing women's access to finance, markets, skills development, reducing potential gender impacts of the project and strengthening the coordination of institutions and their activities. These include: (i) continued affirmative action for women in the selection of commercial farmers in terms of land size and age; (ii) increasing women's access to financial resources through the Poultry Revolving Fund, the Missing Middle Financing Vehicle and the AFAWA Financing Climate-Resilient Agricultural Practices project; (iii) provision of water storage tanks and/or boreholes to enhance access to clean water for women poultry farmers, their households and communities; (iv) skills development in poultry management and business management for women and youth; (v) market linkages for women and youth poultry farmers; (vi) implementation of the Gender Action Learning System (GALS) methodology to sustain the results from women's economic empowerment, address root causes of gender inequality, promote social behaviour change, and mitigate potential negative impacts such as GBV (vii) strengthening women's groups for e.g., joint marketing and transportation, increased bargaining power, meeting needs of poultry feeds, policy dialogue and advocacy for public resources they may need such as water; (viii) enhancing coordination between the MOGCSP and MoFA in platforms such as the Agriculture Sector Working Group; (ix) creating and disseminating a localized GBV reporting and referral mechanism and mitigate against SEAH; and (x) ensuring equitable benefit from training and inputs such as climate resilient seeds and fertilizer.

47. The project will collect sex-disaggregated data, undertake gender monitoring and produce knowledge products on relevant gender themes in the project. The Women in Agriculture Development (WIAD) Technical Directorate under MoFA will provide technical support for gender mainstreaming. A detailed gender analysis and gender action plan with budget is found in the technical annexes.

4 IMPLEMENTATION

A. Institutional and Implementation Arrangements

48. The Executing Agency for this operation will be the Ministry of Food and Agriculture. Given the closer linkages of this project with the Savannah Zone Productivity Improvement Program (SAPIP) and Savannah Investment Program (SIP) financed by the Bank, the same Project Coordination and Management Unit (PCMU) of SAPIP/SIP would be used. The SAPIP core staff that will be migrated to this operation include Project Coordinator, Environmental Safeguard Specialist, Agronomist, Value Chains Expert, Procurement Officer, TAAT-s Project Officer, Financial Controller and Accounts Assistant. The PCMU will be augmented with a Rural Infrastructure Expert, additional Procurement Officer, Social Safeguard Specialist and 2 Data/MIS Specialists through secondment from the Ministry of Food and Agriculture. The existing PCMU is headed by a Project Coordinator who reports to the Chief Director of the Ministry of Food and Agriculture. The Ministry had used a similar arrangement to successfully implement Bank-financed projects such as the Northern Rural Growth Program (NRGP), Export Marketing and Quality Awareness Project (EMQAP), Livestock Development Project and Afram Plains District Agricultural Development Project (APDADP). The Ministry is thus familiar with the Bank's financial management rules, procurement requirements and disbursements procedures. The PCMU capacity was assessed to be satisfactory for project implementation.

49. A National Project Steering Committee (NPSC) is already established under SAPIP and SIP to provide strategic policy direction and oversight guidance for the project implementation. The core activities shall continue to include implementation of Project strategy, oversee planning, review progress of implementation, review/approval of annual work plans and budget, annual procurement plans, as well as ensuring effective linkages with related Projects in the agriculture sector. The NPSC membership includes a representative of the Minister of Food and Agriculture;

Director, Policy Planning Monitoring and Evaluation Directorate (PPMED); Director, Animal Production Directorate (APD); Director, Veterinary Services Directorate (VSD); Director, Plant Protection and Regulatory Services Directorate (PPRSD); Representative of the Ministry of Finance; Representative of Northern Development Authority; Regional Director of Agriculture; a representative of Poultry Farmers Association; Livestock Agribusiness Representative; and Project Coordinator as Secretary. The NPSC would meet at least twice a year. Costs related to the meetings of the NPSC will be financed by operational resources under the ADF grant.

B. Procurement

50. **Applicable Procurement Policy and Framework:** In accordance with the provisions of paragraph 4.3 of the Procurement Policy for operations financed by the Bank Group, all procurement of goods, works and consultancy services financed by the Bank's resources, will be carried out in accordance with the Procurement Policy for Operations Financed by the Bank Group ("AfDB Procurement Policy"), October 2015 edition and according to the provisions mentioned in the Financing Agreement.

51. **Executing Agency (EA) Assessment:** The Executing Agency for this operation will be the Ministry of Food and Agriculture. Given closer linkages of this project with the Savannah Zone Agriculture Productivity Improvement Programme (SAPIP) and the Savannah Investment Program (SIP) financed by the Bank, the same Project Coordination and Management Unit (PCMU) of both projects will be used. A procurement capacity of the PCMU was assessed, and it was noted that there exists only one procurement officer in charge of the projects. The procurement officer was originally supporting the Procurement Specialist who until recently resigned from the MoFA. The highest qualification of the Procurement Officer is a bachelor's degree in Social Sciences with major on the job experiences on the borrower's procurement system including the use of procurement manuals and standard bidding documents. He has been with both SAPIP and SIP from 2020 to present with experiences in the procurement of donor-funded projects including the Ghana Agriculture Sector Investment Program (GASIP) funded by IFAD (2018-2020) and other projects funded by the World Bank. Project implementation capability assessment of MoFA has been undertaken; the assessment reviewed the EA's organizational structure for implementing the project including the available capacity for delivering on the procurement activities. The resources, capacity, expertise, and experience of MoFA are not entirely adequate to carry out the procurement function due to the current workload from other ongoing projects that MoFA is managing. Consequently, a smooth and speedy implementation will require an additional procurement specialist that will be assigned to add up to the management of the procurement activities of this project.

52. **Procurement Risks and Capacity Assessment (PRCA):** The assessment of procurement risks at the Country, Sector, and Project levels and the procurement capacity of the Executing Agency (EA), were undertaken and concluded to be a Moderate procurement risk for project implementation. This output informed the decisions on the procurement regimes (BPS and Banks PMP) to be used under the project. Appropriate risk mitigation measures have been included in the procurement PRCA action plan in Annex B5.

53. **Detailed Procurement Method and Procedures:** The procurement procedures have been assessed considering the market situation, the number of needs, the capacities of the actors, the risks involved and the constraints of the relevant texts. Details of these modalities, including the applicable procurement system, cost estimates, methods of procurement, type of control, and the timetable agreed between the Recipient and the Bank, are described in the Procurement Annex 4.5 to this Project Appraisal Report.

C. Financial Management, Disbursement and Audit

54. The Ministry of Food and Agriculture (MoFA) will execute the Savannah Agriculture Sustainable Value Chain Development Project (SADP) through a SAPIP PCMU under the direct supervision of the Project Coordinator. The PCMU will be responsible for the day-to-day administration of the project and would comprise of an experienced Project Coordinator (as head), a Project Accountant, Procurement Officer and M&E Specialist. The Project Accountant (PA) in charge of the overall financial management of the project is an experienced accountant with hands-on experience in managing the FM of donor-funded projects and proficient in the use of accounting software. The Project Accountant is supported by an account officer who is also familiar with donors funded projects including AfDB. The proposed project will adopt the current FM system including accounting package, FM manual and Project Implementation Manual (PIM) (with minor modifications) to guide project implementation. The assessment recommends that an existing accounting software (Sun System) should be upgraded to the new version (6.4) to record and process accounting transactions and prepare the project financial reports. On a quarterly basis the PA will generate from the accounting software, unaudited interim financial reports (IFRs) in line with IPSAS Cash Basis, for the benefit of the MoFA and shared with the Bank within forty-five (45) days after the end of each quarter. The internal control procedures of government at the MoFA, appear adequate and will be adopted by the proposed project. The Internal Audit Department of MoFA is adequately staffed and will periodically review the project operations and report to the National Project Steering Committee (NPSC) that will ensure the implementation of Internal Audit Recommendations. The overall FM risk is assessed as moderate. To mitigate the risk further, MoFA is expected to adopt/ upgrade the existing Sun Systems accounting software for use by the project.

55. **Disbursement:** Out of the four disbursement methods used by the Bank in disbursing funds to its projects, the Mission agreed that the Direct Payment and Special Account methods will be used under the Project. The Direct payments will be used for payments against larger contracts signed between project management and contractors/suppliers/ service providers. Under the Direct payment method, the Bank will explore the use of the newly introduced Disbursement Straight Through Process (STP) - an automated electronic payment process used by banks and corporations for some specific contracts. The use of STP will be determined by the assessment of the overall project and contract disbursement risk. While the Special Account method will be used for meeting recurrent/administrative expenses and smaller contracts including mechanization services to commercial farmers under Component 1 of the Project. The Reimbursement and Reimbursement Guarantee methods would also be available to the project, if the need arises. The Project will open a dedicated USD special account (SA) at the Bank of Ghana (BoG) to receive ADF resources from the Bank. A local currency (GHS) account will also be opened at the same bank to receive transfers from the SA for payments of eligible local expenses. All project accounts will be managed by the PCMU. All disbursements shall be in accordance with the Bank's disbursement procedures outlined in the Disbursement Handbook 2020.

56. **Audit arrangements:** The Auditor General (AG) of Ghana will oversee the audit of the project on an annual basis, in accordance with the AG's legal mandate and use of country systems. In instances where the AG is unable to carry out the audit, an independent external audit firm will be appointed by the AG, through a competitive recruitment process to carry out the audit. The audit will be conducted in accordance with an audit term of reference (TORs) agreed with the Fund. The audited financial statements for each year and the related management letter should be submitted to the Fund within six (6) months at the end of each financial year audited, for review and acceptance. Audit fees will not be paid for the related audits carried out by the AG except reasonable incidental audit expenses (to be paid from project resources), which have been duly submitted, reviewed, and accepted by the Fund.

D. Monitoring and Evaluation

57. The Fund's current supervision process and performance ratings are anchored on two main parameters: the development objective (DO) and the implementation progress (IP). There is a twofold approach to assessing DO: the likelihood that the project will realize its development objectives and the likelihood that the benefits so realized will be sustained beyond the project completion. The IPR has a strong focus on monitoring and reporting on results (outputs and outcomes). Performance assessment is based on the project's Results Framework (RF) as included in the appraisal report or its subsequent revisions. The RLF describes the causal link – the results chain – between input, activities and outputs that lead to a specific outcome. The PCMU will monitor and evaluate overall impact of the project including environmental and social compliance and performance and compile the project's quarterly and annual reports for dissemination to the Fund, MoFA, other relevant stakeholders. A mid-term review (MTR) will be undertaken after two years of project implementation. Similarly, upon completion of project investments at the end of project year five, the PCMU will prepare a Recipient's project completion report. This project will be supervised twice a year to ensure that the implementation of approved activities are generating required results.

58. Assessment of the capacity of various Government agencies, including the Ghana Statistical Service in the production and management of quality official statistics based on international standards, was found to be satisfactory. Statistics, Research and Information Directorate (SRID) under MoFA manages agriculture statistics in Ghana. In addition, the Policy Planning, Monitoring and Evaluation (PPMED) is responsible for monitoring and evaluation under MoFA. SRID and PPMED would be supported to aid SADP in ensuring the collection and processing of good quality data, monitoring and reporting. The PCMU will have two data analysts to support the M&E Officer to ensure quality and accountability of monitoring; information management; facilitation of knowledge building; and knowledge sharing on monitoring and evaluation.

59. The project will involve stakeholders in the M&E process through quarterly review meetings which will receive on status of implementation, corrective actions required for better project targeting and impact on beneficiaries. An annual budget of approximately USD 100,000 is assigned for project monitoring and evaluation.

E. Governance

60. Based on lessons learnt from the implementation of previous operations, no governance-related risks are identified for this operation. The Government of Ghana has adequate legal framework, including the Public Financial Management Act, 2016 (Act 921), the Public Procurement Act 2003 (Act 663) and amended in 2016 (Act 914) to promote competition and ensure that competitors are treated fairly, promote the integrity and fairness, increase transparency and accountability and to increase public confidence in those procedures. The Public Financial Management and Public Procurement laws in Ghana have adequate provisions to deal with fraud and corruption-related issues.

61. The main input subsidy policy framework under which this operation will be anchored had gone through revisions aimed at providing smart subsidy to farmers. A nationwide electronic registration of farmers and value chain actors commenced with Fund financing under the Savannah Zone Agriculture Productivity Improvement Project (SAPIP) to minimise fraud and corruption as well as better targeting of subsidies. SAPIP supported the registration of 500,000 farmers with MoFA taking over the program with an additional 1.5 million farmers. This operation will provide further support to farmer registration of at least 400,000 and further facilitate the operationalization of this system. This will enhance farmers access to agricultural inputs on time at a cost-effective means.

F. Sustainability

62. Since 2017 the Government of Ghana, through the Ministry has been implementing the 5 modules of the “Planting for Food and Jobs” Campaign, the main agricultural sector flagship programme of the government. The food crop (PFJ), livestock (RFJ) and mechanization modules are aimed at increasing the productivity of food crops to ensure food security; improving livestock production through enhanced access to improved breeds, vaccines, housing, processing infrastructure; and supporting the private sector to establish Agricultural Mechanization Services Centres (AMSECs) to improve access to mechanization services to actors especially small-scale farmers. The current project is situated within these modules (PFJ, RFJ, Agricultural Mechanization) are directly aligned with ongoing Bank-financed projects of SAPIP and SIP. Implementation of SIP and SAPIP used country systems and built the capacity of regional and district-level for effective implementation. These mechanisms enhanced project ownership and sustainability of key interventions.

63. The project utilizes a demand-driven approach in identifying and reaching beneficiaries. This ensured that beneficiaries/value chain actors have the capacity and commitment to sustain and scale up the intervention, with their own resources. This approach under SIP and SAPIP helped in the expansion of land development from 80 hectares in 2018 to 19,000 hectares in 2022 because key value chain actors and farmers co-financed this expansion process. Similar modalities will be employed during the implementation of this operation to sustain project benefits.

64. The SADP has undertaken various environmental studies including Environmental and Social Impact Assessment (ESIA), Pest Management Plans (PMP) and Resettlement Action Plans (RAPs) which have identified issues and mitigation measures to ensure environmental sustainability. These mitigation measures will be implemented through the state institutions, particularly the Environmental Protection Agency (EPA), responsible for monitoring and enforcement of relevant laws, policies and guidelines. The use of Conservation Agriculture, a proven environmentally friendly technology will ensure increased productivity and incomes of farmers and thus farmers continuous investments on their fields.

G. Risk Management

65. A number of risks and mitigation measures have been identified during preparation and appraisal missions. Key among them is adequate policy and regulatory measures to deal with the cheap import of poultry products into Ghana, unpredicted surge of global input prices, including seeds, fertilizer, agrochemicals, and fuel cost. This will impact on the achievement of key project outputs and outcomes. The Fund will continue to engage the Government to support private sector actors to expand large procurement and distribution of inputs, including trade guarantees offered under the Africa Fertilizer Financing Mechanisms. Deteriorating economic fundamentals of the Ghanaian economy and increasing domestic borrowing will crowd out private sector access to finance, including agriculture finance for value chain actors. The proposed project area is prone to extreme weather resulting from climate change impacts which the project will address through the mitigation measures such as the promotion of conservation agriculture and minimising the incidents of annual bush fires. The following are the main risks identified and with mitigation measures.

No	Risk	Mitigation Measures
1	Ineffective policies allowing increased importation of cheap poultry products	The Bank to intensify dialogue with Government and support policy measures to reduce importation and increased quota for local production of poultry. Support to poultry industry advocacy
2	High cost of agricultural inputs due to unpredictable global prices of agricultural inputs and fuel	Mechanisation-service providers will be incentivised by the government to render cost-effective services to farmers. This would be done through subsidy on the importation of agricultural equipment and machinery. Government to support input dealers with access to trade risk guarantee to facilitate importation of inputs
3	The proposed project area is prone to extreme weather resulting from climate change impacts Lack of technical expertise by the private sector seed producers in the production of foundation seed and inadequate technical know-how of actors along the seed value chain	ESIAs have incorporated integrated pest management plans and climate risk mitigation and adaptation measures. No till and conservation agricultural practises have been demonstrated to mitigate against drought. Drought tolerant varieties of maize and soybean to be promoted.
4	Zoonotic diseases and antimicrobial resistance are considered major risks related to livestock activities, particularly those related to poultry farming.	Project to support with local vaccine production and vaccination of livestock and poultry. Disease surveillance to be intensified using IT applications by the veterinary services directorate of MoFA.

H. Knowledge Building

66. The M&E system will track the causality linkages between activities, outputs, outcomes, and impact as outlined in the results-based logical framework. Data for analysis will be captured from the M&E database, supervision missions, mid-term reports, and periodic impact assessment and field exchange visits of the stakeholders. Knowledge will be generated through the promotion of conservation agriculture and the development of an ecosystem that supports agribusiness development, including the coordination of agricultural services. For the purposes of publicity and sharing of project results, the project could recruit a local firm as and when the need be. Farmer exchange visits will serve as sources of innovative knowledge and information sharing learning tools empowering farmers and other actors of the value chain to train their peers, share knowledge and experiences, thus reducing their overdependence on the public extension agents. Knowledge will be disseminated based on the achievement of project success stories and would be documented in brochures, impact stories as well as the Bank's website and the website of MoFA.

5 LEGAL INSTRUMENTS AND AUTHORITY

A. Legal Instrument

67. The legal instrument to finance this operation is an ADF Grant governed by a Protocol of Agreement between the Republic of Ghana (the "Recipient") and the African Development Fund (the "Fund") for an amount not exceeding Twenty-One Million, Seven Hundred and Forty Thousand Units of Account (UA 21,740,000) (the "Grant Agreement").

B. Conditions Associated with Fund's Intervention

68. **Conditions Precedent to Entry into Force:** The Grant Agreement shall enter into force on the date of signature by the Recipient and the Fund.

69. **Conditions Precedent to First Disbursement:** The obligations of the Fund to make the first disbursement of the Grant shall be conditional upon the entry into force of the Agreement and the fulfilment by the Recipient of the following condition, in form and substance satisfactory to the Bank.

70. **Conditions Precedent to Disbursements for Works Involving Resettlement:** The obligation of the Fund to disburse the Grant for Works that involve resettlement shall be subject to the satisfaction of the following additional conditions by the Recipient:

- (a) Submission of a works and compensation schedule prepared in accordance with the Resettlement Action Plan ("RAP") and the Fund's Safeguards Policies in form and substance satisfactory to

the Fund detailing: (i) each lot of civil works under the Project, and (ii) the time frame for compensation and/or resettlement of all Project affected persons (“PAPs”) in respect of each lot; and

- (b) Submission of satisfactory evidence that all Project affected persons (“PAPs”) in respect of works have been compensated and/or resettled in accordance with the Environmental and Social Management Plan (“ESMP”), the Resettlement Action Plan (“RAP”) and /or the agreed works and compensation schedule and the Fund’s Safeguards Policies, prior to the commencement of such works and in any case before the PAPs’ actual move and/or taking of land and related assets; or
- (c) In lieu of paragraph(s) (a) and (b) above, submission of satisfactory evidence indicating that the resources allocated for the compensation and/or resettlement of PAPs have been deposited in a dedicated account in a bank acceptable to the Fund or remitted to a trusted third party acceptable to the Fund, where the Recipient can prove, to the satisfaction of the Fund that, compensation and /or resettlement of PAPs in accordance with paragraph (s) (a) and (b) above could not be undertaken fully or partially, because of the following reasons:
 - (i) the identification of the PAPs by Recipient is not feasible or possible.
 - (ii) ongoing litigation involving the PAPs and/ or affecting the compensation and/or resettlement exercise; or
 - (iii) any other reason beyond the control of the Recipient, as discussed and agreed with the Fund.

71. Other Conditions:

- (a) No later than six (6) months of the first disbursement of the Grant, or such other period as may be approved in writing by the Fund, the Recipient shall and shall cause the Executing Agency to submit evidence of the secondment of : (i) a Rural Infrastructure Expert, (ii) Procurement Specialist, (iii) Social Safeguard Specialist and (iv) two (2) Data/MIS Specialists from within the Executing Agency, or of their recruitment through a competitive recruitment process, to provide support to the PCMU.
- (b) The Recipient shall within six (6) months of the first disbursement of the Grant, submit evidence of the designation of members of the NPSC, as follows: (i) a representative of the Executing Agency; (ii) Director, Policy Planning Monitoring and Evaluation Directorate; (iii) Director, Animal Production Directorate; (iv) Director, Veterinary Services Directorate; (v) Director, Plant Protection and Regulatory Services Directorate; (vi) representative of the Ministry of Finance; (vii) representative of Northern Development Authority; (viii) Regional Director of Agriculture; (ix) a representative of Poultry Farmers Association; Livestock Agribusiness Representative; and (ix) Project Coordinator (as Secretary).
- (c) No later six (6) months of the first disbursement of the Grant, or such later date as may be approved in writing by the Fund, the Recipient, and shall cause the Executing Agency to submit a Project operational manual in a form and substance acceptable to the Fund.

72. Undertakings: The Recipient undertakes to:

- (a) To carry out the project in accordance with: (i) Fund’s Safeguards Policies; (ii) applicable national legislation; and (c) the recommendations, requirements and procedures set forth in the ESIA, RAP, and PMP prepared for the Project in a manner and in substance satisfactory to the Fund.
- (b) To deliver to the Fund project quarterly reports and any other reports in form and substance acceptable to the Fund, including the Recipient’s implementation of the ESIA, RAP, and PMP.

- (d) To maintain the National Project Steering Committee (NPSC) established under SAPIP and SIP, with the mandate, staffing and resources satisfactory to the Fund.

C. Compliance with Fund Policies

73. This Project complies with all applicable Fund policies

D. African Development Bank Group Independent Recourse Mechanism

74. Communities and individuals who believe that they are adversely affected by an African Development Bank Group (AfDB) supported project may submit complaints to existing project-level grievance redress mechanisms or the AfDB's Independent Recourse Mechanism (IRM). The IRM ensures project affected communities and individuals may submit their complaint to the AfDB's Independent Recourse Mechanism which determines whether harm occurred, or could occur, as a result of AfDB non-compliance with its policies and procedures. To submit a complaint or request further information please contact: IRM@afdb.org or, visit the IRM website www.irm.afdb.org. Complaints may be submitted at any time after concerns have been brought directly to the AfDB's attention, and Bank Management has been given an opportunity to respond before reaching out to the IRM.

6 RECOMMENDATION

75. Management recommends that the Board of Directors approve the proposed ADF grant of an amount not exceeding Twenty-One Million, Seven Hundred and Forty Thousand Units of Account (UA 21,740,000) to the Republic of Ghana for the purposes and subject to the conditions stipulated in this report.



7 RESULTS FRAMEWORK

RESULTS FRAMEWORK					
A PROJECT INFORMATION					
PROJECT NAME AND SAP CODE: Savannah Agriculture Sustainable Value Chain Development Project (SADP) Project Number: P-GH-A00-012			COUNTRY/REGION: REPUBLIC OF GHANA		
PROJECT DEVELOPMENT OBJECTIVE: Increase local food production and value addition to reverse importation					
ALIGNMENT INDICATOR (S): Agricultural labor productivity (\$ per worker); number of people who are hungry/malnourished (millions)					
B RESULTS MATRIX					
RESULTS CHAIN AND INDICATOR DESCRIPTION	RMF INDICATOR	UNIT OF MEASUREMENT	BASELINE (as at 2022)	TARGET AT COMPLETION (2027)	MEANS OF VERIFICATION
OUTCOME STATEMENT 1: Increased Incomes of Value Chain Actors					
INDICATOR 1a: Average net income of participating value chain actors.	☑	Number	Poultry Producers – GHC 5,000; Poultry feed millers – GHC 10,000; Poultry Processors – GHC 10,000; Commercial maize, rice and Soybean farmers – GHC 5,000	Poultry Producers – GHC 6,500; Poultry feed millers – GHC 12,000; Poultry Processors – GHC 12,00; Commercial maize, rice and Soybean farmers – GHC 6,500	MoFA/Project reports, Household surveys
INDICATOR 1b: No. of wage jobs created (disaggregated by sex and age, 18 – 45 years; above 45 years), including climate green jobs ³	☑	People	150	20,000 (20% women; 20% youth, 30% green jobs)	MoFA/Project reports, Business surveys
OUTCOME STATEMENT 2: Reduced import of poultry meat					
INDICATOR 2a: Volume of poultry meat imported	☐	MT	363,000	240,000	Project Reports, MoFA reports, Business surveys
OUTCOME STATEMENT 3: Increased private sector investment in priority value chains					
INDICATOR 3a: Domestic and foreign investment (USD) in: – Commercial Soybean farms – Commercial Maize farms – Commercial Rice farms – Commercial poultry Farms/processing units	☐	USD Million	2 2 3 3	6 5 4 5	Project Progress Reports, Ghana Investment Promotion Centre reports
OUTCOME STATEMENT 4: Improved productivity in selected value chains					
Crop yield per unit area	☐	MT/HA	Soybean: 2.0 Maize: 3.5 Rice: 3.0	Soybean: 3.0 Maize: 5.5 Rice 5.0	Projects Reports, MoFA reports, Household surveys
OUTCOME STATEMENT 5: Increased Cereal Production					
INDICATOR 5a: Quantity of maize and soybean produced annually under Climate Resilient and Conservation Agriculture	☐	MT	100,000 of Maize 10,000 of soybean	150,000 of Maize 15,000 of soybean	Crop Surveys Project progress reports
INDICATOR 5b: Quantity of rice produced annually	☐	MT	50,000 of Rice	70,000 of Rice	Crop Surveys Project progress reports
INDICATOR 5c: Quantity poultry meat produced annually	☐	MT	3,000 of Layers 7,000 of chicken broilers 5,000 of Guinea fowl broilers	4,000 of Layers 8,000 of chicken broilers 7,000 of Guinea fowl broilers	Project progress reports
Component A: Climate-resilient Production Development					
OUTPUT STATEMENT A.1: Inputs Available to Farmers					
OUTPUT INDICATOR A.1.1: Fertilizer distributed	☐	MT	0	5,000	Project progress reports
A.1.2: Quantity of rice distributed	☐	MT	0	1,000	Project progress reports
OUTPUT INDICATOR A.1.3: Quantity of soybean seeds distributed	☐	MT	0	1,000	Project progress reports
OUTPUT INDICATOR A.1.4: Quantity of maize seed distributed	☐	MT	0	2,000	Project Progress Report,

³ Green jobs include job created as a result of new plantation development as offsets and promotion of economic trees like cashew, shea butter and mangoes

I OUTPUT STATEMENT A.2: Mechanization services provided, and farmlands developed					
OUTPUT INDICATOR A.2.1.: Agric Mechanization Services Centres (AMSECs) strengthened	<input type="checkbox"/>	Number	4	4	Progress reports M&E database
OUTPUT INDICATOR A.2.2.: Farmers accessing mechanization services and benefiting from project interventions (disaggregated by sex)	<input type="checkbox"/>	Number	0	200 commercial farmers (at least 50 women) 100,000 out grower farmers (15% females)	
OUTPUT INDICATOR A.2.3: New area (ha) of land developed for maize, Soybean and rice cultivation	<input type="checkbox"/>	Ha	0	3,000 Ha maize 3,000 Ha Soybean 2,000 Ha of Rice	
I OUTPUT STATEMENT A.3: Integrated Crop & Pest Management (ICPM) used for the control of Pests (FAW) and diseases for maize and soybean and Climate-smart agriculture principles demonstrated					
OUTPUT INDICATOR A.3.1.: Number of farmers trained (disaggregated by sex) on: - sanitary and phytosanitary production of rice, maize and soybean - climate smart and conservation agriculture technologies - ICPM methods - climate-smart approaches to maize production	<input type="checkbox"/>	Number	0 0 0 0 0	3,500 (30% women) 1,000 (30% women) 1,500(30% women) 300 (30% women) 700 (30% women)	Progress reports M&E database
I OUTPUT STATEMENT A.4: Improved Animal Health and Husbandry					
OUTPUT INDICATOR A.4.1.: Poultry houses mapped for disease surveillance	<input type="checkbox"/>	Number	0	100	Progress reports M&E database
OUTPUT INDICATOR A.4.2.: Poultry birds vaccinated	<input type="checkbox"/>	Number	0	150,000	Progress reports M&E database
Component B: Sustainable Value Chain Development					
I OUTPUT STATEMENT B.1. : Value Chain Actors and SMEs developed					
OUTPUT INDICATOR B.1.1. Selected Value chain actors trained and supported in climate smart technologies (disaggregated by sex) - poultry processors (defeathers, cutters, freezers) - hatcheries - poultry producers - feed millers - Maize, rice and soybean farmers	<input type="checkbox"/>	Number	0 0 0 0 0	poultry processing plants (10) hatcheries (15) poultry distribution networks (10) feed millers (10)	Progress reports M&E database
OUTPUT INDICATOR B.1.2. Hatcheries supported with incubators	<input type="checkbox"/>	Number	0	18	Progress reports M&E database
OUTPUT INDICATOR B.1.3: Supermarkets, hotels and restaurants linked to poultry enterprises	<input type="checkbox"/>	Number	0	20	Progress reports M&E database
I OUTPUT STATEMENT B.2.: Youth and women skills developed					
OUTPUT INDICATOR B.2.1.: Women and youth trained and mentored in small-scale commercial layer production	<input type="checkbox"/>	Number	0	250 (150 youth, 100 women)	Progress reports M&E database
OUTPUT INDICATOR B.2.2.: Female-headed households supported with layers/guinea fowls	<input type="checkbox"/>	Number	0	10,000	
OUTPUT INDICATOR B.2.3.: Chicken broilers, guinea fowls and layers supplied to women and youth for production	<input type="checkbox"/>	Number	0	250,000 chicken broilers 500,000 guinea fowls 150,000 layers	
OUTPUT INDICATOR B.2.4: Battery cages with feed, drugs and vaccines supplied to women and youth groups	<input type="checkbox"/>	Number	0	1,250	
I OUTPUT STATEMENT B.3. : Electronic Registration of Value Chain Actors and Policy Support					
OUTPUT INDICATOR B.3.1: Number of farmers and value chain actors e-registered under input subsidy reform programme (disaggregated by sex)	<input type="checkbox"/>	Number	0	500,000 (30% women)	Progress reports M&E database

8 ENVIRONMENTAL AND SOCIAL COMPLIANCE NOTE (ESCON)

A. Basic Information ⁴			
Project Title: Savannah Agriculture Value Chain Development (SADP)		Project "SAP code": P-GH-A00-012	
Country: Ghana	Lending Instrument ⁵ : DI <input checked="" type="checkbox"/> FI <input type="checkbox"/> CL <input type="checkbox"/> BS <input type="checkbox"/> GU <input type="checkbox"/> RPA <input type="checkbox"/> EF <input type="checkbox"/> RBF <input type="checkbox"/>		
Project Sector: Agriculture		Task Team Leader: Philip BOAHEN	
Appraisal date: 27/06/2022 to 08/07/2022		Estimated Approval Date: 29/11/2022	
Environmental Safeguards Officer: Sekou KAMARA / Franklin GAVU			
Social Safeguards Officer: CHEUMANI NOUDJIEU Charlotte / Richmond ANTWI-BEDIAKO			
Environmental and Social Category: 1	Date of categorization: 23/06/2022	Operation type: SO <input checked="" type="checkbox"/> NSO <input type="checkbox"/> PBO <input type="checkbox"/>	
Is this project processed under rapid responses to crises and emergencies?		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Is this project processed under a waiver to the Integrated Safeguards System?		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
B. Disclosure and Compliance Monitoring			
B.1 Mandatory disclosure			
Environmental Assessment/Audit/System/Others (specify): 09 ESIA's and 01 Pest Management Plan (PMP)			
Was/Were the document (s) disclosed <i>prior to appraisal</i> ?		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA <input type="checkbox"/>	
Date of "in-country" disclosure by the borrower/client		22/06/2022	
Date of receipt, by the Bank, of the authorization to disclose		22/06/2022	
Date of disclosure by the Bank		22/06/2022	
Resettlement Action Plan/Framework/Others (specify): 09 RAP			
Was/Were the document (s) disclosed <i>prior to appraisal</i> ?		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA <input type="checkbox"/>	
Date of "in-country" disclosure by the borrower/client		28/07/2022	
Date of receipt, by the Bank, of the authorization to disclose		28/07/2022	
Date of disclosure by the Bank		28/07/2022	
Vulnerable Peoples Plan/Framework/Others (specify): N/A.			
Was the document disclosed <i>prior to appraisal</i> ?		Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input checked="" type="checkbox"/>	
Date of "in-country" disclosure by the borrower/client		[Date]	
Date of receipt, by the Bank, of the authorization to disclose		[Date]	
Date of disclosure by the Bank		[Date]	
If in-country disclosure of any of the above documents is not expected, as per the country's legislation, please explain why: NA.			
B.2. Compliance monitoring indicators			
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA <input type="checkbox"/>	
Have costs related to environmental and social measures, including for the running of the grievance redress mechanism, been included in the project cost?		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA <input type="checkbox"/>	
Is the total amount for the full implementation for the Resettlement of affected people, as integrated in the project costs, effectively mobilized and secured?		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA <input type="checkbox"/>	
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA <input type="checkbox"/>	
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA <input type="checkbox"/>	
C. Clearance			
Is the project compliant to the Bank's environmental and social safeguards requirements, and to be submitted to the Board?			
Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>			
Prepared by:	Name	Signature	Date
Environmental Safeguards Officer:	KAMARA SEKOU ABOU		05/10/2022
Social Safeguards Officer:	CHEUMANI NOUDJIEU / Richmond ANTWI-BEDIAKO		05/10/2022
Task Team Leader:	Philip BOAHEN		
Submitted by:			
Sector Director:	Martin FREGENE		06/10/2022
Cleared by:			
Director SNSC:	Maman-Sani ISSA		10/10/2022

⁴ Note: This ESCON shall be appended to project appraisal reports/documents before Senior Management and/or Board approvals.

⁵ DI=Direct Investment; FI=Financial Intermediary; CL=Corporate Loan; BS=Budget Support; GU=Guarantee; RPA=Risk Purchase Agreement; EF=Equity Financing; RBF=Results Based Financing.