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QUARTERLY PROGRESS REPORT #17 (OCTOBER-DECEMBER 2017)

FINANCING GHANAIAN AGRICULTURE PROJECT
(USAID FinGAP)

JANUARY 2018

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ACRONYMS & ABBREVIATIONS

ADVANCE	Agricultural Development and Value Chain Enhancement (Project)
AOD	Agribusiness Opportunities Development (Unit)
AGI	Association of Ghana Industries
APSP	Agriculture Policy Support Project
ATT	Agricultural Technology Transfer (Project)
BAS	Business Advisory Services
CESR	Corporate Environmental and Social Responsibility
CFR	Code of Federal Regulations
COP	Chief of Party
COR	Contracting Officer's Representative
DCA	Development Credit Authority
DMB	Deposit Money Bank
EA	Environmental Assessment
EGSSAA	Environmental Guidelines for Small-Scale Activities in Africa
EMMP	Environmental Mitigation & Monitoring Plan
ER	Environmental Review
ESF	Environmental Screening Form
FI	Financial Institution
FinGAP	Financing Ghanaian Agriculture Project
FNGO	Financial Non-Governmental Organization
FSSU	Financial Sector Support Unit
FtF	Feed the Future
GCAP	Ghana Commercial Agriculture Project
GPP	Ghana Poultry Project
GoG	Government of Ghana
GCX	Ghana Commodity Exchange
IEE	Initial Environmental Examination
IFAD	International Fund for Agricultural Development
IFDC	International Fertilizer Development Center
IP	Implementing (USAID-funded) Partner
JCAP	Joint Country Action Plan
LOP	Life of Project
MEO	Mission Environmental Officer
MOFA	Ministry of Food and Agriculture
MFI	Micro-Finance Institution
MOU	Memorandum of Understanding
MRS	Maize, Rice, and Soy (value chains)
NBFI	Non-Bank Financial Institution
NPL	Non-Performing Loan
P4P	Pay-for-Performance
PFG	Partnership for Growth
PFI	Participating Financial Intermediary
PMP	Performance Monitoring Plan
PPP	Public-Private-Partnership

RCBs	Rural and Community Banks
RFA	Request for Application
RING	Resiliency in Northern Ghana
RFP	Request for Proposal
RMT	Risk Mitigation Tool
SME	Small and Medium-sized Enterprise
SMiLEs	Small, Medium including Large Enterprises (in the MRS value chains)
TA	Technical Assistance
USAID	United States Agency for International Development
WP	Work Plan
ZOI	Zone of Influence

EXECUTIVE SUMMARY

USAID FinGAP facilitated a total of \$16,338,113 in financing for agribusinesses in the rice, maize and soy value chains this quarter. As of the end of December, 2017, USAID FinGAP had more than doubled the \$75 million financial facilitation goal for the five year project, with over \$152 million in loans and investment provided to 2,686 SMiLEs.

This quarter the project organized a series of high-profile events to mobilize industry stakeholders, attract private sector investment into the agriculture sector, and sustain gains stemming from the USAID FinGAP's financial facilitation model. An Agriculture and Agribusiness Forum jointly organized by the project and the Ghana Investment Promotion Centre (GIPC) was attended by the Vice President of Ghana, the US Ambassador to Ghana, and over 400 participants including FIs, BAS providers, agribusinesses, investors and other industry stakeholders. The event resulted in 40 linkages between agribusinesses and BAS providers for financial facilitation support. The Project also held a "Women in Agribusiness Development" Summit in collaboration with MEL Consulting Limited, a BAS provider in Project's network, which resulted in the initiation of over \$4.1million in deals for financing 55 women-led agribusinesses. The Minister of Gender, Children and Social Protection, and USAID Ghana's Mission Director attended the summit and recognized 10 awardees for excelling in business and contributing to the growth of female-led agribusinesses. The project additionally held a mini-summit in collaboration with SADA, which explored opportunities for Rural and Community Banks (RCBs) in the SADA zone to list securities on the GAX. As a result, thirteen business and investment advisors initiated preliminary processes to assist 19 RCBs to source funds on the GAX, which will enable these FIs to meet the Bank of Ghana's capitalization requirements and expand their agricultural lending portfolios.

Support for Partnership for Growth (PFG) objectives this quarter included the organization of a Roundtable meeting on options to develop both the demand side and supply side of Ghana's capital market. The meeting saw participation from 18 organizations including fund managers and trustees, impact investors, insurance companies, investment banks, the National Pensions Regulatory Authority, the Securities and Exchange Commission, the Ghana Stock Exchange (GSE), and the Ministry of Finance. This event was preceded by a separate roundtable presentation and discussion on "Options to Develop Insurance for Agriculture in Ghana," in an effort to galvanize action to bolster Ghana's agricultural insurance market and to increase the uptake of insurance products. The project held an additional Equity Roundtable meeting in December, to bring relevant stakeholders in the sector together for open discussion on ways of opening up the capital market, with the ultimate goal of listing more securities on the GAX.

In Y5Q1 the Project intensified delivery of trainings and capacity building support to FIs. USAID FinGAP held four institution-specific trainings this quarter in response to requests from FIs for support in addressing specific capacity gaps in a number of areas, including agricultural loan portfolio quality, strengthening corporate governance structures for compliance, increasing liquidity, and ensuring operational sustainability. BAS providers in the project network also received support to register and formalize the operations of the newly established BAS Providers Association of Ghana (BASPAG). In the coming months, the project will continue to provide intensive support to the BASPAG to help the association refine its mandate, offerings, and develop a sustainability plan, in order to encourage market-based provision of BAS after the life of project.

BACKGROUND AND STRATEGY

The USAID Financing Ghanaian Agriculture Project (USAID FinGAP) is a five-year (2013-2018) project which addresses a key constraint restricting the development of commercial agriculture in Ghana: access to finance necessary to enable investment in agricultural value chains. Using a combination of technical assistance (TA) and financial incentives, the Project is unlocking financing for commercial agriculture development in the maize, rice and soy (MRS) value chains in the north of Ghana. The project contributes to USAID's overall goal of fostering broad-based, sustained, and inclusive economic growth.

USAID FinGAP was set up to achieve the following outcomes over the five-year project life:

- 25 strategic partnerships in target value chains
- 250 financial transactions
- \$75M in finance
- 90 SMEs and farmer organizations linked to 120,000 smallholder farmers in target value chains gaining access to finance.

The Project has already achieved the outcomes listed above, in addition to all but two of its Feed the Future (FtF) and Partnership for Growth (PFG) performance indicators. Progress toward achieving these two remaining indicators is on track.

Summary of USAID FinGAP Progress as of December 31, 2017

Category	Life of Project (LOP) Target	Inception to Date	Percent Achieved
# of strategic partnerships developed	25	40	160%
# of transactions facilitated	250	2,702	1081%
\$ financing facilitated	\$75,000,000	\$151,952,303	203%
# of SMiLEs receiving financing	90	2,503	2,781%
# smallholder farmers befitting from linkages to SMiLEs	120,000	154,910	129%

To achieve these outcomes and ensure sustainability, USAID FinGAP employs a value chain approach and partnership-driven model to develop a dynamic network of business advisory service (BAS) providers and participating financial intermediaries (PFIs) servicing the agriculture sector. USAID FinGAP built the capacity of a network of over 50 Ghanaian BAS providers to provide consulting services to agribusiness firms to help them to access affordable options to finance new investments. The Project developed a network of PFIs that have deepened their engagement in agriculture through use of "smart incentives" and training.

USAID FinGAP also contributes to the implementation of the Partnership for Growth (PFG) Joint Country Action Plan (JCAP), which is designed to address policy constraints to Ghana's economic growth. USAID FinGAP deploys demand-driven technical assistance to support the fourth and fifth sub-goals within this plan, namely: a) broadening and deepening the financial sector; and b) encouraging development finance and supporting SME access to finance. Technical assistance provided under the PFG umbrella supports USAID FinGAP's broader technical objective of providing capacity building support to

the financial sector to expand financing to agribusinesses via the development of new financial products that best serve the needs of the agribusiness community.

USAID FinGAP achieves its objectives through the interaction of two integrated components. The first, the Agribusiness Opportunities Development (AOD) Unit, identifies, develops and supports agribusinesses for investments through strategic market linkages with investors that integrate SMEs and smallholders to promote equitable participation of farmers in their supply chains. The second component, the Financial Sector Support (FSS) Unit, develops partnerships with financial institutions, providing them with training and capacity building in agricultural financing. The FSS Unit also facilitates the financing of agribusiness opportunities by working with financial intermediaries, other donors, and Government of Ghana (GoG) programs to provide affordable and sustainable finance and credit.

The Project partners with and contributes to the success of multiple, parallel initiatives financed by USAID in Ghana. Such projects include the World Bank/USAID-funded Ghana Commercial Agriculture Project (GCAP), the USAID-funded Agricultural Technology Transfer (ATT) Project, the Agricultural Policy Support Project (APSP), and ADVANCE II. Additionally, USAID FinGAP plays a central role in supporting effective utilization of Development Credit Authority (DCA) guarantees to reduce financial sector risks associated with lending to agribusiness.

USAID FINGAP Y4Q1 KEY ACTIVITIES (OCT-DEC 2017)

Activities from USAID FinGAP's approved work plan for this quarter include:

Activity	Timeline	Responsible Parties
Component I-AOD Unit		
Task 1 Activities – Private Sector Engagement /Market Chain Linkages		
Collaborate with GIPC to host a summit to catalyze PPPs	Oct - Nov. 2017	AOD Unit, COP, GIPC
Identify and support development of PPPs in priority areas	Oct 2017 – June 2018	AOD Unit, COP, International STTA
Identify prospective investors to invest in PPPs	Oct 2017 – June 2018	AOD Unit, COP, International STTA
Participate in events of other FtF partners to link their clients with agricultural financing	Oct 2017 – March 2018	AOD Unit, COP
Hand over IMS to new hosting company and collaborate with company to integrate into online platform.	Oct 2017- Jan 2018	AOD Unit, COP, Communications, M&E, STTA
Task 2 Activities – Project Development and Investment Proposal via BAS Providers		
Hold road show to promote the use of alternative financing by listing securities on the GAX	Oct 2017; Dec 2017	AOD Unit, COP, STTA
Support Business Advisors to list securities of SMiLEs on the GAX (<i>crosscutting to PFG component</i>)	Oct 2017 – June 2018	AOD Unit, COP
Support BAS Providers to identify and facilitate low cost funds and equity investment	Ongoing	AOD Unit, COP
Develop partnerships between BAS providers and FIs to facilitate sustainability and loan repayment	Ongoing	AOD Unit, FSS Unit, COP
Evaluate stalled pipeline deals for effective follow-up and pre-financing support	Oct-Nov 2017	AOD Unit, FSS Unit, STTA
Pre-qualify business advisory consultants to provide intensive pre-financing support	Dec. 2017 – April 2018	AOD Unit, STTA
Evaluate BAS providers' performances to encourage deal closure and competition	Dec. 2017, March 2017; June 2017	AOD Unit, Communications
Task 3 Activities–Business Performance Improvement		
Support the development of a sustainable BAS association	Ongoing	AOD Unit, BAS, STTA, COP
Provide BAS Association with TA to improve their marketing abilities	Nov. 2017 – April 2018	AOD Unit, BAS, Comms, STTA

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Activity	Timeline	Responsible Parties
Support women-led SMiLEs to access financing using digital finance solutions	Oct. 2017– Mar. 2018	AOD Unit
Build capacity of BAS providers to provide quality services to SMiLEs and FIs	Oct. 2017– Mar. 2018	AOD Unit, STTA
Rollout business management/post- financing training for SMiLEs through the BAS association	Nov. 2017 – March 2018	AOD Unit, BAS, STTA
Support BAS providers to hold quarterly association meetings	Dec 2017, Mar 2018 , Jun 2018	AOD Unit
Component 2: FSS Unit		
Task 4 Activities –Financial Sector Capacity Building		
Design and deliver institution specific trainings for PFIs	Oct 2017- May 2018	FSSU, COP, Finaskill, Connexus
Assess PFI performance on NPLs for overall, agriculture and MRS value chain loan portfolio	Oct 2017- Dec 2017	FSSU, COP, STTA
Engage PFIs and defaulting SMiLEs and develop a roadmap for repayment	Oct-Dec 2017	COP, FSSU
Assist PFIs to access competitive funds	Oct 2017- Jun 2018	FSSU, COP
Conduct assessment of agricultural insurance market	Oct –Dec 2017	FSSU, COP STTA
Support FIs to develop financial products for women-led enterprises	Oct 2017- March 2018	FSSU, COP, STTA
Refine operational structure of sustainability fund	Oct-Dec 2017	FSSU, COP, STTA, AOD, Grants
Conduct marketing activities for sustainability fund	Oct – Dec 2017	STTA, FSSU, COP, AODU
Formalize vehicle design for partners, conduct legal review and register fund	Dec 2017 - Feb 2018	STTA, FSSU, COP, AODU, Grants
Improve SME access to finance through TA for partnership for growth (PFG) component	Oct 2017- Apr 2018	COP, STTA, DCOP
Task 5 Activities – Small Grants Facility		
Monitor grants utilization and measure impact	Oct. 2017 – Jan. 2018	Grants Unit, FSSU, AOD Unit, COP
Make grant modifications as necessary	Ongoing	COP, AOD Unit, FSSU Unit, Grants Unit
Close out grants to GAIP & EXIM	Oct-17	Grants Unit, AOD Unit, FSS Unit, COP
Ensure hard and soft copies of PFI grants and PBCs are in place, complete, and well labeled for ease of reference.	Oct-Dec 2017	Grants Committee: COP, AOD Manager, FSS Unit, Manager, Grants Unit, M&E Manager
Communicate cessation of grants and subsidy payments to FIs and BAS providers	Oct-17	COP, AOD Unit, FSSU Unit, Grants Unit

ACTIVITIES ACCOMPLISHED

COMPONENT I: AGRIBUSINESS OPPORTUNITIES DEVELOPMENT

CONTEXT AND OVERALL APPROACH

USAID FinGAP facilitates financing to agribusinesses in the maize, rice, and soy value chains with the goal of improving food security and reducing poverty in the north of Ghana. The AOD Unit, through the USAID FinGAP network of BAS providers, identifies and facilitates investments that will have transformative impact on the competitiveness of target value chains and the stakeholders that operate within them. To achieve its mandate, the AOD Unit undertakes the three interrelated tasks:

- **Task 1: Private Sector Engagement/Market Chain Linkages** leverages the resources and credibility of strategic anchor partners to integrate smallholders and small aggregators into their supply chains. USAID FinGAP develops partnerships with strategic investors and value chain actors, thereby creating platforms for deployment of financing along the value chains.
- **Task 2: Project Development and Investment Proposals via BAS Providers** involves developing and stimulating a viable BAS ecosystem where these services are in demand by agribusinesses as well as by FIs.
- **Task 3: Business Performance Improvement** works with BAS providers to support agribusinesses that obtain financing to increase their viability, sustainability, and impact through commercialization. The AOD unit also deepens linkages between BAS providers and value chain networks and alliances.

TASK 1 ACTIVITIES: PRIVATE SECTOR ENGAGEMENT/MARKET CHAIN LINKAGES

COLLABORATE WITH GIPC TO HOST A SUMMIT TO CATALYZE PPPS

USAID FinGAP and the Ghana Investment Promotion Center (GIPC) held an Agriculture and Agribusiness Forum on October 3, 2017 in Accra, in order to sustain the private investment USAID FinGAP has stimulated over the past four years. The Forum, held under the theme "Agro-Investment: Driving Development and Opportunity along the Agricultural Value Chain", was designed to attract increased private sector investment and develop partnerships to transform Ghana's agriculture sector. It also exposed agribusinesses in the maize, rice and soy value chains, BAS providers and FIs in the project network to investment opportunities in the Government of Ghana's "Planting for Food and Jobs" program, a flagship intervention aimed at reviving the country's agriculture sector and improving food security. The Forum was attended by over 300 delegates, including local and international investors, agribusiness project promoters, BAS providers, FIs and key stakeholders in Ghana's agriculture sector.

Dr. Mahamudu Bawumia, Vice President of the Republic of Ghana delivered the keynote address at the Forum which was launched by Robert P. Jackson, United States Ambassador to Ghana. The Minister of Food and Agriculture Dr. Owusu Afriyie Akoto presented on the Government of Ghana's Planting for Food and Jobs program.



H.E. Dr. Mahamudu Bawumia, Vice President of the Republic of Ghana, delivers the keynote address at the Agriculture and Agribusiness Forum



Participants at the Agriculture and Agribusiness Forum.

The Vice President unveiled the government's 'Marshall Plan' for agriculture aimed at ramping up investments under the Planting for Food and Jobs Program. He indicated that, "One of the reasons why agriculture and agribusiness' potential is largely untapped is our inability, over the years, to optimally direct public policy and investments towards de-risking the sector to enable it attract sustained private sector investments along its entire value-chain." He added, "Programs such as USAID's FinGAP have stepped in to fill a critical part of the gap by facilitating access to financing." "I take this opportunity to thank USAID for implementing FinGAP."

Ambassador Robert Jackson said, "Strengthening agriculture requires a comprehensive strategy – like the (Ghana) government's Planting for Food and Jobs Program. This program is a step in the right direction, toward increasing food security, reducing poverty and spurring job creation." He continued, "The United States is committed to supporting the Government of Ghana as it pursues broad-based agricultural development."

The Forum featured panel discussions on Opportunities in Ghana's Agriculture Value Chain: Planting for Food and Jobs Initiative, a Catalyst for National Industrialization; Financing Ghanaian Agriculture: Mitigating Systemic Risk for Sustainable Impact; and



H.E. Robert P. Jackson, US Ambassador to Ghana (seated third from right) during the press conference held at the Forum. Seated with him are Dr. Sagre Bambangi, Deputy Minister of Agriculture in charge of Crops (first right), Yofi Grant, CEO of GIPC (second right), Steve Hendrix, Deputy Mission Director, USAID Ghana (third left), Kevin Sharp, Economic Growth Office Director, USAID Ghana (second left) and Rick Dvorin, Chief of Party, USAID FinGAP (first left).

Redefining the Ghana Offer for Agro Investments: Perspectives from the Private Sector. These were followed by a Business-to-Business session that resulted in over 40 linkages between agribusinesses and BAS providers who will assist them to access financing to expand their businesses. USAID FinGAP's joint hosting of the Forum with the GIPC was also used as an opportunity to assess GIPC's willingness and ability to host future annual Agribusiness Investment Summits following project closure, and to share practices on how to showcase investable agribusiness deals and facilitate business linkages to make these events effective.

Also this quarter, USAID FinGAP partnered the USAID Agricultural Policy Support Project (USAID APSP) to assist the Ministry of Food and Agriculture (MoFA) to provide training to over 200 Licensed Buying Companies (LBCs) engaged in the purchase and storage of agricultural commodities, especially maize, rice and soybeans, under the Government of Ghana's Planting for Food and Jobs program. The trainings will cover a number of areas, including business and financial management, storage and logistics management, post-harvest, agricultural infrastructure and quality determination. The procurement process for training firms will be completed next quarter, with trainings to follow in four geographical areas: Accra West, Accra East, Middle Belt (Ashanti, Eastern, Central and Western and Volta regions), and Northern Belt (Brong Ahafo, Northern, Upper West and Upper East regions).

IDENTIFY AND SUPPORT DEVELOPMENT OF PPPS IN PRIORITY AREAS

In line with USAID FinGAP's Y5 goal of pursuing new partnerships that address priority value chain constraints, the Project engaged STTA to develop PPPs that will improve grain storage in the north of Ghana. A SOW was developed and advertised, and the experts commenced work in January 2018.

PARTICIPATE IN EVENTS OF OTHER FTF PARTNERS TO LINK THEIR CLIENTS WITH AGRICULTURAL FINANCING



USAID FinGAP BAS Manager, William Nettey (standing) delivers a presentation on access to finance for agribusinesses at the workshop in Sunyani.

This quarter USAID FinGAP participated in a two-day workshop organized by Africa Lead, a USAID's Feed the Future program, in Sunyani from October 12 – 13, 2017 to empower and inspire women to start or scale up their agribusinesses and integrate nutrition into their programs. The workshop was attended by over 100 women from across the country, and featured presentations and a panel session on entrepreneurship, nutrition and agribusiness financing.

USAID FinGAP's BAS Manager, William Nettey participated in the panel discussion on

opportunities for women in agribusiness and moderated a session on financial management. He introduced the participants to BAS providers and FIs in the project network to facilitate financing of their respective agribusiness investment opportunities.

A USAID FinGAP team comprising the Chief of Party, Rick Dvorin; FSSU Manager, Gottfried Sowah-Odamtten; BAS Manager, William Nettey; and Communications Manager, Caroline Tsikata attended the

annual Pre-Harvest event organized by the USAID ADVANCE and ATT Projects in Tamale on October 18, 2017. The event sought to assist agribusiness players to prepare for harvesting of their crops and create marketing plans for the season. USAID FinGAP sponsored BAS providers and FIs to attend and assist agribusinesses to access financing and business support. Five BAS providers that attended the event initiated 47 financing deals and established market linkages between three aggregators and a major buying company seeking to procure large quantities of maize for processing.

HAND OVER IMS TO NEW HOSTING COMPANY AND COLLABORATE WITH COMPANY TO INTEGRATE INTO ONLINE PLATFORM

USAID FinGAP selected Farmerline Ghana Limited to host the Investment Mapping System (IMS) this quarter, following a competitive solicitation process and review of applications from interested local organizations and firms. USAID FinGAP initiated a process to enable successful transfer of the IMS to Farmerline by FY5Q3. The IMS will be integrated into Farmerline's on-line platform (www.farmerline.co) which currently provides market-driven solutions to over 200,000 smallholder farmers in Ghana.

TASK 2 ACTIVITIES: PROJECT DEVELOPMENT AND INVESTMENT PROPOSALS VIA BAS PROVIDERS

HOLD ROAD SHOW TO PROMOTE THE USE OF ALTERNATIVE FINANCING BY LISTING SECURITIES ON THE GAX

With a view to expand PFI access to competitive funds, USAID FinGAP, in collaboration the Savannah Accelerated Development Authority (SADA), held a two-day Mini Summit in Tamale on opportunities for RCBs in the SADA Zone to list securities on the Ghana Alternative Market (GAX). The Summit explored ways RCBs could be assisted to raise funds from the GAX and other sources to meet the Bank of Ghana's capitalization requirements and improve their liquidity positions. The Summit was attended by 88 representatives from 19 RCBs (including board members and management staff) in the Project's ZOI, three Universal Commercial Banks, seven Business Advisors and six Investment Advisors. Other organizations represented included the Ghana Stock Exchange (GSE), SADA, the ARB Apex Bank, and the International Finance Corporation (IFC). Presentations were made by the GSE on requirements for listing securities on the GAX; by the CDH Group on the Rural Bank Fund; and by the IFC on the Warehouse Receipt Systems.



Joyce Boakye, Head of Listing Department, Ghana Stock Exchange presents the operations of the GAX to RCBs at the mini summit in Tamale.

The event featured a panel discussion on the "Importance of Blended Financing for Sustainable Development of Rural Banks." A B2B meeting resulted in 35 linkages among the nine financial intermediaries (six investment advisors and commercial banks); and 19 RCBs to explore opportunities for raising capital (both debt and equity), for increased lending to the agricultural sector.



A cross section of participants at the business to business meeting held during the summit.



William Nettey, BAS Manager of USAID FinGAP (far left) moderates the panel discussion on the Importance of Blended Financing for Sustainable Development of Rural Banks held at the Summit in Tamale.

Quotes from the Mini Summit:

“The Summit provided investment advisors like us with a great opportunity to directly interact with Board Members and Management staff of RCBs and to assess their financing needs on the spot. We are grateful to USAID FinGAP for providing us with this platform.” – Alex Boahen, *Head of Research, Databank*.

“RCBs are privileged now more than ever to source for cheaper financing from the GAX for the efficient management of their respective companies, thanks to the instrumental roles played by USAID FinGAP and SADA.” – Alhaji Awudu Hayatudeen, *General Manager, Builsa Community Bank*.

“I thank USAID FinGAP for organizing this Summit. The content and presentations were very relevant. My understanding of the Ghana Alternative Market has been broadened.” – Sam Okang-Boye, *IFC/World Bank*.

“The program has given us a lot of insight into the operations of the Ghana Stock Exchange, the benefits of listing securities on the GAX, and how to formulate strategies for recapitalization.” – Eric Kwesi Dadzie, *Cornerstone Capital Advisors*.

SUPPORT BUSINESS ADVISORS TO LIST SECURITIES OF SMILES ON THE GAX (Crosscutting to PFG component)

As part of ongoing efforts to support Business Advisors to list more securities on the GAX, USAID FinGAP held an Equity Roundtable meeting on December 19, 2017 in Accra, as follow up to the previous meeting held last quarter. The Equity Roundtable meetings were introduced by USAID FinGAP to bring all stakeholders in the sector together for open discussions and deliberations on ways of opening up the capital markets. The meeting was attended by nine representatives of seven investment adviser firms: HFC Brokerage, Serengeti Capital, Stanlib Ghana, JCS Investments, TMI Consulting, Cornerstone Capital and Firstbanc Financial Services.

The table below presents key challenges affecting the growth of equity financing identified the group and solutions proposed:

No.	Challenges	Proposed Solutions
1	SMEs need to be educated on requirements and benefits of listing and be well-packaged to make them ready and attractive to investors.	Produce and circulate success stories on the GAX to show demand and supply sides; demonstrate feasibility and benefits of the capital markets.
2	Need to assign clear roles of transactional advisors and partners for execution of investments.	Funding support needed to help SMEs clean-up their books to prepare them for the market
3	Fear of investors losing their investments due to inadequate documentation and poor governance structures of SMEs.	Educate and identify clients willing to pay for the extra work done on equity listing.
4	Equity listing takes a lot more time compared to debt financing. Lack of qualified investment bankers willing to do the difficult work in equity investment.	There is the need to get clients willing to pay for the extra work done on equity listing; education of SMiLEs on costs associated.
5	Need to get the National Pensions Regulatory Authority (NPRA) to set a floor for how much Pension funds can invest in equities, as there is a ceiling but not a floor.	NPRA should get Pension funds to allocate a portion of their funds to support SME financing through private equity firms.
6	Need to get RCBs to list on the GAX.	Do more marketing of the GAX to the RCBs to increase listings. There should also be an effective way of trading shares of the RCBs to improve investor confidence.

SUPPORT BAS PROVIDERS TO IDENTIFY AND FACILITATE LOW COST FUNDS AND EQUITY INVESTMENT

USAID FinGAP continued to support BAS providers to identify and facilitate low cost financing for SMiLEs. This quarter, the newly established EximBank Ghana Limited was invited to discuss their loan procedures and criteria with 14 (11M, 3F) BAS providers at the quarterly meeting held in December 2017. This followed EximBank's disbursement of a loan of over \$1.9 million to a poultry farmer for the production of birds for the local market. The loan was facilitated by a USAID FinGAP BAS provider, Business Finance Consulting, at an interest rate of 5% with a tenor of six years. With interest rates hovering around 30% for commercial banks, the low-cost financing offered by EximBank is an extremely compelling alternative. As such, USAID FinGAP is encouraging BAS providers to package client deals for EximBank consideration.

JCS Investments, a female-led Business Advisor, also facilitated the disbursement of the second tranche of a convertible debt of \$303,741 to Innovative Microfinance Limited (IML), a female-led MFI, to extend financial services to underserved communities in the three northern regions. The first tranche of \$310,078 was facilitated for IML in FY4Q2. The facility has a two-year tenor which can be converted to equity at the end of the period.

EVALUATE STALLED PIPELINE DEALS FOR EFFECTIVE FOLLOW-UP AND PRE-FINANCING SUPPORT

USAID FinGAP has achieved significant success in increasing agribusiness access to finance; however, the project still has an existing pipeline of deals worth over \$150M which are yet to be closed. The project surmises that additional support beyond BAS transaction assistance may be required to get at least a

portion of these deals to the point of being “finance ready.” This quarter, the project engaged consultants to review the project’s pipeline of deals which have not yet received financing, and develop a plan of action to get these enterprises the necessary consulting support to get to their next stage of business development. The STTA for this assignment commenced in early January.

EVALUATE BAS PROVIDERS’ PERFORMANCES TO ENCOURAGE DEAL CLOSURE AND COMPETITION

USAID FinGAP BAS providers were evaluated this quarter on their performance related to the amount of financing facilitated, number of deals initiated and closed, and support to female-led SMiLEs. The BAS provider leaderboard as of the end of FY5 Q1 is presented in the table below.

Inception to Date (Years 1-5)			FY5Q1		
Rank	BAS Provider	Amount	Rank	BAS Provider	Amount
Financing Disbursed to SMiLEs			Financing Disbursed to SMiLEs		
1	Solutions Consulting Limited	\$10,769,114	1	Business Finance Consult Gh	\$3,633,210
2	Business Finance Consult Gh	\$6,529,363	2	Solutions Consulting Limited	\$752,974
3	IESO Agribusiness Consult	\$4,759,441	3	JCS Investments Limited	\$310,077
Number of Closed Deals Facilitated			Number of Closed Deals Facilitated		
1	SAHA Consult	62	1	SAHA Consult	31
2	Solutions Consulting Limited	47	2	Tradeline Consult	21
3	Tradeline Consult	46	3	Solutions Consulting Limited	2
Number of Female SMiLEs Facilitated			Number of Female SMiLEs Facilitated		
1	MEL Consulting Limited	26	1	SAHA Consult	3
2	SAHA Consult	6	2	Tradeline Consult	3
3	Tradeline Consult	5	3	JCS Investments	1

TASK 3 ACTIVITIES: BUSINESS PERFORMANCE IMPROVEMENT

SUPPORT THE DEVELOPMENT OF A SUSTAINABLE BAS ASSOCIATION

USAID FinGAP helped facilitate the convening of the first official BAS Providers Association meeting on October 17, 2017 in Accra. The meeting, which was planned and coordinated by the BAS providers, was used to gain consensus on the purpose of the association and review the draft constitution, including provisions on membership, governance structure, payment of dues, and budget. The group also formally adopted the name “Business Advisory Service Providers Association of Ghana” (BASPAG). The association was registered in December, 2017. The Project will continue to support the development of the association as a means to ensure quality provision of services after the life of project at market rates. In the coming quarter, the project will be deploying expert technical assistance to provide hands on support to the association.

Quotes from the BAS Association Meeting:

“The energy, enthusiasm and commitment shown by members is very inspiring. It is a dream come true that USAID FinGAP has given birth to BASPAG. I realize we are into something strategically huge with immense opportunities to be tapped into. I look forward to the launch of BASPAG soon.” - *Sam Atiemo, BAS provider, Tradeline Consult.*

“The meeting was a great success. Major decisions were taken to form the bedrock of the Association. I see real commitment from members.” - *Solomon Bondzie-Quaye, BAS provider, Solutions Consulting Limited.*



Rick Dvorin, Chief of Party of USAID FinGAP (standing), delivers the welcome address at the first official BAS Providers Association meeting held in Accra.

SUPPORT WOMEN-LED SMILES TO ACCESS FINANCING

USAID FinGAP, in collaboration with MEL Consulting Limited, a Business Advisory Service (BAS) provider in the Project’s network, held a “Women in Agribusiness Development” Summit on December 5, 2017, at the Movenpick Ambassador Hotel in Accra. The Summit highlighted the contributions of women in Ghana’s agriculture sector, and was attended by 246 people (100 male and 146 female), including women-led agribusinesses, farmers, processors, BAS providers, FIs, Government of Ghana representatives, and development partners.

The Minister of Gender, Children and Social Protection, Madam Otiko Afisa Djaba; USAID/Ghana Mission Director Sharon L. Cromer; Nestlé West and Central Africa’s Head of Agricultural Services, Fatih Ermis; and Rick Dvorin, Chief of Party of USAID FinGAP were the main speakers during the opening ceremony.



Rick Dvorin, Chief of Party of USAID FinGAP, delivers the opening remarks at the Summit.

The Minister of Gender, Children and Social Protection, Otiko Afisa Djaba called on private sector players, especially financial sector players, to support women in agribusiness by offering flexible loan conditions and soft loans to give them access to as many productive resources as men. She congratulated USAID FinGAP for providing business and technical support to increase women’s access to financing to expand their operations which directly complement government efforts.

Sharon L. Cromer indicated, “Like their male counterparts, women in agribusinesses are constrained by the lack of access to finance. Together, with the Ghanaian government and development partners, we are working to ensure that women-led businesses gain access to finance to expand their operations.” She was assisted by the Minister of Gender, Children and Social Protection with presenting awards to 10 agribusinesses for excelling and contributing to the growth of female-led agribusinesses in the value chains supported by USAID FinGAP.



Sharon Cromer, Mission Director of USAID Ghana (right) and Otiko Afisa Djaba, Minister of Gender, Children and Social Protection (left) with Mabel-Ann Akoto-Kwudzoe, Chief Executive Officer of Okata Farms and Processing Limited (middle) and Runner Up, National Best Farmer 2017 after presenting her with the USAID FinGAP award for her contribution to the development of the rice value chain.

The Summit linked women-led agribusinesses to BAS providers and FIs. It featured panel discussions on finance and business support for women-led agribusinesses, as well as business-to-business (B2B) meetings. The B2B meetings linked 55 women-led agribusinesses to six BAS Providers and eight FIs resulting in the initiation of over \$4.1M in agribusiness deals for financing in the target value chains.

Some quotes from the Women in Agribusiness Development Summit:

“The Summit provided us with a lot of learning and networking opportunities for the future. Myself and a few other women have initiated the formation of a network of women in the MRS and poultry value chains to share information and knowledge on trends and market opportunities.” – Gladys Sampson, General

Manager, Premium Foods Limited.

“I am honored by the recognition and award from USAID FinGAP for my work in the rice value chain. I believe this award, in addition to the First Runner Up – National Best Farmer 2017 Award received last week, will encourage more women to venture into agribusiness which has been very profitable for me.” – Mabel-Ann Akoto-Kwudzoe, CEO, Okata Farms and Food Processing Limited.

“I appreciate the honor done me. The award is indeed a real motivation to move the Apex Body of Women in Poultry Value Chain forward. We shall continue to count on USAID FinGAP’s support to achieve our objectives. Members have testified about the exposure and stated that it was ‘an eye opener.’” - Victoria Norgbey, Apex Body of Women in Poultry Value Chain

“We thank USAID FinGAP for inviting Africa Lead to the Summit. It was very inspiring and there was a lot of knowledge sharing and learning that happened!” – Toni Mpoy, Grants & Internships Manager, West Africa Regional Office Africa Lead.

SUPPORT BAS PROVIDERS TO HOLD QUARTERLY ASSOCIATION MEETINGS

The quarterly meeting of Business Advisory Service (BAS) providers in the USAID FinGAP network was held at the Kempinski Hotel in Accra on December 14, 2017. It was attended by 14 (11 male and three female) representatives from 12 BAS provider firms. The meeting reviewed the performance of BAS providers during the quarter, and discussed progress made with the formation of the BAS Providers Association of Ghana (BASPAG) to promote sustainability of BAS after life of the project.

William Obeng, General Manager of Corporate Banking at Ghana EXIM Bank, presented the bank’s mandate and operational modalities to the BAS providers. This covered the eligibility criteria, documentation requirements, and priority areas for accessing finance from the Ghana EXIM Bank.

Some Quotes from the BAS Meeting

“The BAS quarterly meeting offers a good platform for learning. I have learned today that EXIM Bank is working and disbursing loans at concessionary interest rates of 5% to 10% in Cedi currency, to create financing opportunities for SMEs. We need to pull together to get BASPAG to work, and keep the vision and mission of USAID FinGAP going even when the Project is not around in the future.” - *Shirley Quaye, Growth Mosaic.*



Rick Dvorin, Chief of Party of USAID FinGAP (standing) interacts with BAS Providers' at the quarterly meeting.

“USAID FinGAP has given me the opportunity to diversify my business. My interaction and work with a wide range of value chain actors has given me a new dimension to providing quality service to SMiLEs who recommend me to others. We shall support BASPAG to grow and bring a lot of benefits to everyone.” - *Henry Myers, Business Finance Consultants Limited.*

“Today’s meeting has been as usual very fruitful. The presentation from EXIM Bank Ghana was great. I see the potential for my SMiLEs to access financing at a lower interest rate. The concept of BASPAG is also great. It needs to be nurtured to meet expectations.” - *Nana Ama Oppong-Duah, Project Alternatives Limited.*

COMPONENT 2: FINANCIAL SECTOR SUPPORT UNIT

CONTEXT AND OVERALL APPROACH

When USAID FinGAP began in 2013, approximately 5% of all commercial bank credit went to the agriculture sector. Four years into the Project’s life, this has changed; with USAID FinGAP’s support FIs in Ghana are dedicating a greater proportion of their lending portfolios to agriculture. Agribusinesses still face challenges obtaining medium to long-term financing for growth and capital investment, as well as high interest rates and collateral requirements. However, FIs are now better meeting the needs of agribusinesses through appropriate financial products, and are well-positioned to continue to expand lending, having launched new policies, products, and institutional investments to expand staff capacity in serving the sector. USAID FinGAP’s FSS Unit is active in two activity areas:

- **Task 4: Financial Sector Capacity Building** to enable FIs to undertake agriculture-related investments, including training, technical assistance, and support with new product development specific to agriculture.
- **Task 5: Small Grants Facility** to incentivize the financing of agribusinesses, encourage uptake of risk mitigation tools, and support the development of new financial products.

Additionally, the Project provides technical assistance to support the success of USG/GoG's Partnership for Growth (PFG) financial sector initiatives, which aim to improve overall conditions of access to finance for SMEs.

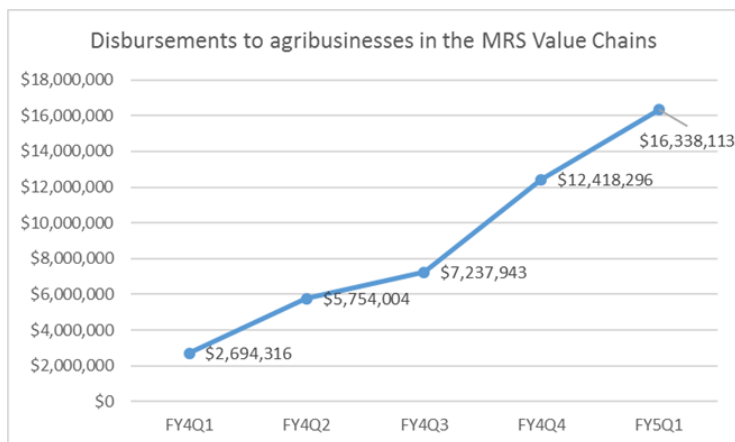
TASK 4 ACTIVITIES: FINANCIAL SECTOR CAPACITY BUILDING

FINANCING FACILITATED

As of the end of Y5Q1, USAID FinGAP had facilitated \$152 million in financing to 2,686 SMiLEs in the maize, rice and soy value chains, more than doubling the project's \$75 million financial facilitation goal. During the current quarter, the Project facilitated \$16,338,113 in financing to agribusinesses, including \$10,585,937 to actors in the maize value chain, \$4,671,167 to the soy value chain and \$1,079,949 to the rice value chain. Female-led SMiLEs and women's groups accessed \$784,197 of the total financing facilitated this quarter. Notable deals facilitated in FY5Q1 by USAID FinGAP 'pay-for-performance' FI grantees include the following:

- **Fidelity Bank** disbursed **\$5,490,000** to a major processor in the maize value chain for fixed capital and working capital investments. The facility will enable the SMiLE to establish a new maize processing plant to meet its supply obligation to emerging markets in the West African sub-region, and provide a ready market for smallholder producers of maize in the north of Ghana.
- **GCB Bank** disbursed **\$4,759,100** for working capital and fixed capital investments to a SMiLE to expand its fish production facility, and procure maize and soybeans from smallholder farmers in northern Ghana for increased feed production.
- **Ghana Exim Bank** disbursed **\$1,922,420** in working capital to an input dealer that supplies feed and poultry production-related inputs to poultry farmers in Ghana. The loan, which will be re-paid over a five-year period, was offered at an interest rate of 5% per annum. It was facilitated by Business Finance Consult, a BAS Provider in the USAID FinGAP network.
- **Barclays Bank** disbursed **\$1,704,777** as working capital to a major agro input dealer to expand its capacity to meet the growing demand for its products in the north of Ghana. The facility will enable the SMiLE to meet the input and small equipment needs of producers in the target value chains to increase production. The facility was also facilitated by Business Finance Consult Ghana, a BAS Provider in the Project network.
- **Sinapi Aba Savings and Loans** disbursed **\$807,782** to 70 SMiLEs engaged in the production of maize, rice and soybeans and poultry products. Of the total amount, \$710,561 will be invested in capital assets, including the purchase of tractors, and machines for processing maize and soybeans into chicken feed. The remaining amount of \$97,221 will be used as working capital for the procurement of agro inputs to increase production of the three crops.
- **CARD FNGO** disbursed **\$547,666** in the form of Supplier's Credit to 101 SMiLEs engaged in the production of maize, rice, and soybeans in the north of Ghana. The facility will enable the SMiLEs to obtain improved seeds and other agro inputs to increase production of the three staple crops.
- **Ga Rural Bank Limited** disbursed **\$318,225** in working capital to a SMiLE for the procurement of maize, rice and soybeans for supply to the School Feeding Program, a GoG initiative to improve the nutrition of school children. The facility will enable the SMiLE to create market opportunities for smallholder farmers producing maize, rice and soybeans in northern Ghana.
- **Nationwide Microfinance** disbursed **\$285,038** as working capital to 49 SMiLEs to expand their trading operations in the maize and rice value chains. The facility will enable the SMiLEs to augment

their stock to meet their supply obligations to rice processors and poultry feed producers. It will also provide a ready market for smallholder producers of maize and rice in the north of Ghana.



The significant volume of financing reported above enabled USAID FinGAP to continue its upward trend of facilitating finance to SMiLEs in the target value chains between the period FY4Q1 and FY5Q1 (See chart on left).

The upward trend in financing is attributed to intensified technical assistance and capacity building, development of new financial products targeted at the MRS value chains, and deal facilitation and closure by BAS providers.

DESIGN AND DELIVER INSTITUTION SPECIFIC TRAINING TO PFIS

USAID FinGAP held four institution specific trainings (ISTs) this quarter for three PFI grantees in response to their requests for Project support to address specific capacity gaps. ISTs provided by USAID FinGAP are tailored to the needs of the PFIs and have proven an effective means of enabling them to improve their agricultural loan portfolio quality, strengthen corporate governance structures for compliance, increase liquidity, and ensure operational sustainability.

Two ISTs were held in October 2017 in Nalerigu and Sandema in the Upper East Region for the Board of Directors, management and staff of the Nalerigu Community Cooperative Credit Union (NACCCU) and Builsa Community Bank (Bucobank). The training in Nalerigu focused on “Agricultural Loan Portfolio Management and Corporate Governance,” and was attended by 22 board and committee members (12 males and 10 females) from October 19-20, 2017. In Sandema, 27 board, management and staff (25 male and two female) of Bucobank received three days training on “Effective Risk and Treasury Management, Performance Management and Performance-Based Reward Schemes” from October 24-26, 2017.



USAID FinGAP STTA (standing) takes participants through the development of strategic objectives of corporate governance at the training held in Nalerigu.



Raymond Akakpo of Finaskill, USAID FinGAP's Training Consultant (standing) presents the effective treasury management model to members of the Bucobank board, management and staff.

Thirty-four (20 male and 14 female) staff of Fidelity Bank Ghana Limited in Accra and Kumasi received training on the “Principle of Lending to Agribusiness Value Chains and Financial Statement Analysis for Agribusinesses Lending” on December 14-15 and December 18-19, 2017. The staff included Hub Managers, Credit Managers, Senior Analysts, and Relationship Officers.

The ISTs were facilitated by Finaskill, a local FI training institution engaged by USAID FinGAP to take over project trainings, with the goal of building in-country skills to deliver market-oriented capacity building to FIs after the LOP.

Some quotes from the IST training programs:

“We thank USAID FinGAP for organizing such an interactive and participatory workshop for us. As per the draft action plan developed, we shall organize an in-house workshop to review the strategic objectives, outputs, and activities to finalize our business plan for submission to Bank of Ghana.” - Rev. Gladys Lariba Mahama, Board Chairperson, NACCU.

“The training was useful in that I gained new ideas on agricultural credit appraisal, crop budget and calendar, loan monitoring and recovery. I will engage the committee members on the best practices discussed to ensure that quality loans are granted to our members.” - Aebiya Blessing Assibi, Loan Committee Member, NACCU.



Staff of Fidelity Bank during the training session on Principles of Lending to Agribusiness Value Chains facilitated by in Accra.

“The training has given me a more holistic view of the lending opportunities that lie in every step of the agricultural value chain, from the input supplier through to the ultimate consumer.” – Emmanuel Akorful, Commercial Hub Manager, Fidelity Bank.

“The training has been an eye-opener. Going forward, I will pay more attention to the balance sheet in doing analysis in order to accurately unravel the facts behind the figures” - Richard Ajuik, Deputy General Manager, Bucobank.

“My approach after receiving this training will be to ensure a healthy portfolio by significantly reducing risk during loan appraisal” - Joseph Abowan, Head of Bucobank Yagaba Agency

ASSESS PFIS PERFORMANCE ON NPLS FOR OVERALL, AGRICULTURE AND MRS VALUE CHAIN PORTFOLIO

USAID FinGAP engaged two consultants this quarter to undertake an in-depth analysis of loan portfolio performance of PFI grantees over the period 2013 to 2017, in order to obtain hard data to influence the still widely-held perception that agricultural lending is inherently more risky than loans to other economic sectors. The analysis will validate existing data collected by the team, investigate the key

drivers of FI loan performance improvements, and assess PFI willingness to reduce interest rates as a result of declined NPL rates. The assignment is expected to be completed in February 2018.

NEW PRODUCTS RESULTS AND IMPACT

Technical support and ISTs provided by USAID FinGAP to PFI grantees continues to inspire FIs to create innovative products that better meet the needs of client SMiLEs. One such innovation was the development in FY5Q1 of the IFS Agribusiness Loan by IFS Financial Services Limited, a new PFI grantee. Three SMiLEs in the target value chains have since received a total of \$467,654 in financing through the new loan product.

CONDUCT ASSESSMENT OF AGRICULTURE INSURANCE MARKET

With a view to lay the foundation for a viable agricultural insurance market prior to project closure, USAID FinGAP undertook an assessment of the agricultural insurance landscape to determine how best to shape the sector moving forward. The insurance expert hired by the project to conduct this study submitted his report at the end of the quarter. The report is being finalized and will be submitted to USAID early in Y5Q2. Some of the key recommendations emerging from this work include: (1) there needs to be a legal basis for agricultural insurance, as there is no mention of this in the Insurance Act of Ghana, (2) GAIP or any other insurance company offering agricultural insurance needs an estimated capital infusion of \$5M in order to have the funds to develop products and market the policies to individuals and business institutions alike, including FIs; and (3) stakeholders in Ghana should develop and agree on the structure of the organization that will provide insurance for agriculture in Ghana.

USAID FinGAP held a roundtable meeting on “Options to Develop Insurance for Agriculture in Ghana” for stakeholders in the agricultural insurance sector on November 3, 2017 in Accra. The STTA expert engaged by the project to conduct the assessment of the agricultural insurance landscape presented on the status of the insurance market for agriculture, the results of the project’s assessment, and possible ways forward for developing the market. USAID FinGAP’s expert The meeting was attended by 21 representatives (15 males and six females) from



Rick Dvorin, Chief of Party of USAID FinGAP (standing left) and Russell Leith, USAID FinGAP STTA (standing right) during the round table discussions held in Accra on November 3, 2017.

FIs, Development Partners, Bank of Ghana, Ministries of Finance; Food and Agriculture, Exim Guaranty Ghana Limited (now Exim Bank), and GAIP. There were also presentations from GAIP on the company’s position and opportunities in the agriculture sector for insurance, and the BoG on the operations of the Ghana Incentive-Based, Risk-Sharing Agricultural Lending (GIRSAL) program, which is designed to mitigate risks associated with agricultural lending and is expected to be operational by the first quarter of 2018.

Some quotes from the Roundtable Presentation:

“The program was well organized with good content that brought out the difficult issues on agricultural insurance and proposed solutions” – *Thomas Essel, Bank of Ghana*

“Agriculture is not risky if it is done well. However agricultural insurance is necessary not only for farmers but for the country to be food secure” - *Wilhemina Dodd, Credit Analyst, Ecobank*

“(GoG) Policy is key to achieve success in agricultural insurance. This will help widen the net for the insurance providers and bring down premiums at the same time to ensure food security” - *Sylvia Nyante, Agriculture Development Bank.*

“The roundtable provided useful information on what other countries are doing in the area of agricultural insurance. It has broadened my knowledge on agro lending for decision making on agricultural insurance” - *Obed Omari, Fidelity Bank*

“The roundtable discussion provided a good platform for stakeholders to express their concerns about agricultural insurance. I believe that with government support and agricultural insurance stakeholder commitment, agricultural insurance will be a success in Ghana” - *Dennis Edzie, Ministry of Finance.*

IMPROVE SME ACCESS TO FINANCE THROUGH TA FOR PFG COMPONENT



Stakeholders in Ghana's Capital Markets hold discussions on developing the demand and supply sides of Capital Markets with Derek Saleeby, USAID FinGAP STTA (standing left), and Rick Dvorin, Chief of Party, USAID FinGAP (standing right) in Accra.

USAID FinGAP held a Roundtable Presentation and Discussion on “Findings and Implementable Options to Develop Both the Demand Side and Supply Side of the Capital Markets” on November 17th, 2017 in Accra. Participants discussed options to expand the Ghanaian capital markets on the debt, equity, and related hybrid securities side. The meeting was attended by 28 (23 male and 5 female) representatives from 18 stakeholder organizations including fund managers and trustees, impact investors, insurance companies, investment banks, the National Pensions Regulatory Authority, the Securities and Exchange Commission, the GSE, and the Ministry of Finance. USAID FinGAP presented the preliminary results of an in-depth feasibility study on the potential to deepen the Ghanaian capital markets, including opportunities to diversify

investor's (Demand Side) reach in the Ghanaian capital markets through innovative debt, hybrid, and equity-linked issuances (Supply Side).

Some quotes from the Capital Markets Roundtable Discussions:

“This is the first time (in many years at the Ministry) that I have been invited and attended an important meeting like this...when the economy is moving from one level to the next...stakeholders coming together...to pave the way forward...I am excited to hear what conclusions will be made and to learn of the next steps to be taken...we may need to do this again.” – *Samuel Danquah Arkhurst, Director, Debt Management Division, Ministry of Finance.*

“The roundtable presentation and discussion was good. Insurance and Pension Funds are critical to functioning capital markets. Stakeholders in these areas must be brought round the table often to see how they can channel more funds into the capital market.” – *Jacob Aidoo, Securities and Exchange Commission*

“The discussion was great. It helped us to identify various sectors and areas that we need to invest more and how best we can utilize the pension and other funds.” – *Caleb Mensah, National Pensions Regulatory Authority*.

“The roundtable was a good start. The demand side has a percentage of assets to invest in the capital markets. It will be good to hear what the challenges of the supply side are that make it difficult to come to the market.” – *Helena Poke, Petra Trust*.

“The roundtable presentation and discussion was great. We have to ensure the takeaways are implemented for impact. The Bank of Ghana and National Insurance Commission should be invited to the next roundtable discussions for policy direction.” – *Kwabena Boamah, Stanlib Ghana*.

Support to the Ghana Stock Exchange

USAID FinGAP continued to provide technical assistance to support the achievement of PFG Goal 3 (Develop the Financial Sector Infrastructure) and Goal 4 (Broadening and Deepening the Financial Sector), and responded to formal requests for various forms of assistance from the GSE this quarter. First, the Project collaborated with SADA to hold a mini summit in Tamale in November 2017 for 19 RCBs in the SADA Zone to learn about the benefits of listing their securities on the GAX, in order to meet the new capital requirements of the BOG. USAID FinGAP also responded to a request by the GSE for assistance to develop a three-year Strategic Plan. USAID FinGAP engaged an expert to provide this support in December 2017, to be deployed in early January 2018. The project is additionally creating a database of potential companies interested in, or planning to list their securities on any of the capital markets in Ghana, at the request of the GSE. As the Project conducts meetings with SMiLEs during the financing portfolio assessment early in Q2 (see “evaluate stalled pipeline deals for effective follow-up and pre-financing support” under Task 2), it will determine if any of these companies have desire to list their securities on the capital markets.

TASK 5 ACTIVITIES: SMALL GRANTS FACILITY

MONITOR GRANTS UTILIZATION AND MEASURE IMPACT

Use of Small Grants Facility for BAS Performance-based contracts: In Y5Q1 BAS providers facilitated \$4,688,860 in financing for 57 SMiLEs in the target value chains, resulting in a leverage factor of 40:1 for all BAS incentive payments. Since project inception, the BAS incentive program has mobilized \$41,827,887 in financing for agribusinesses, with a corresponding leverage ratio of 21:1 to date.

Use of Small Grants Facility in incentivizing Financial Institutions: During the quarter under review, the Project’s pay-for-performance grants incentivized 10 PFI grantees to finance deals worth \$16,338,113. The project additionally made a \$2,200 grant payment to Eximguaranty Ghana Limited.

USAID FinGAP has expended over \$4.7 million of its \$5 million small grants facility on pay-for-performance grants to PFIs, performance-based incentives to BAS providers/Business Advisors for capital markets listings, Eximguaranty, and GAIP. This represents over 95% of the \$5 million grants facility. The project's priority going forward is to support full expenditure of obligated grants, and ensure compliant and efficient closure of all PFI grant awards and BAS subcontracts.

MAKE GRANT MODIFICATIONS AS NECESSARY

Following USAID's approval, the Project modified grant agreements for 11 PFIs this quarter which have excelled in meeting their milestones in credit delivery to SMiLEs. Eximguaranty Company Ghana Limited's grant agreement was also modified, but with a downward adjustment in the grant amount from \$50,000 to \$20,000 following the non-utilization of grant funds. Additional grant funding for Barclays Bank of Ghana Limited was approved during the quarter as a result of a full grant drawn down.

CLOSE OUT GRANTS TO GAIP AND EXIMGUARANTY COMPANY GHANA LIMITED

USAID FinGAP has as of the close of FY5Q1 completely dispensed grants earmarked for GAIP, and modified the Grant Agreement with Eximguaranty ending January 15, 2018. The project also requested, and received approval, to extend the close out of all grants from the current contractual "six months to end of project" to "no later than two months prior to the end date of the contract", in order to provide more time for grantees to disburse financing and contribute more to project results.

ENSURE HARD AND SOFT COPIES OF PFI GRANTS AND PBCS ARE IN PLACE, COMPLETE AND WELL LABELLED FOR EASE OF REFERENCE

In preparation for the close out of all grants, USAID FinGAP has been conducting detailed review of all paperwork/electronic files to make sure these are properly organized in both hard and soft copy. The project began consolidating all files in soft copy form, to provide an easy reference point for internal use.

CROSS-CUTTING ISSUES

GENDER

This quarter USAID FinGAP collaborated with MEL Consulting Limited, a BAS provider in the project network, host a "Women in Agribusiness Development" Summit in Accra. The Summit highlighted the contributions of women in Ghana's agriculture sector. Awards were presented to three female-led SMiLEs, two female-led FIs, a female-led Business Advisor, and three male-led SMiLEs as well as an FI in recognition of their achievements and contributions to the Ghana's agricultural sector.

Female-led SMiLEs and women's groups accessed \$784,197 (5%) of the total financing facilitated into the MRS for the period. JCS Investments, a female-led Business Advisor also facilitated the disbursement of a convertible debt of \$303,741 to Innovative Microfinance Limited (IML), a female-led MFI, to extend financial services to underserved communities in the three northern regions.

ENVIRONMENT

The Project continued monitor environmental compliance through direct follow up with SMiLEs and completion of Environmental Review Forms this quarter. This is in line with the Project's Environmental Monitoring and Mitigation Plan (EMMP) developed in accordance with USAID's contract requirements.

COLLABORATION WITH FEED THE FUTURE IMPLEMENTING PARTNERS

Assistance to GAIP and Assessment of Agriculture Insurance Prospects in Ghana

In August 2017, USAID FinGAP engaged an expert to assess Agriculture Insurance prospects in Ghana and GAIP's activities during the past five years. This engagement was a joint endeavor between USAID FinGAP and the ADVANCE II project, as both IPs had been supporting GAIP over the past three years. The agriculture insurance expert submitted his final report during the last week of 2017. Key findings from this assessment are discussed under Component 2, Task 4; however, one of the recommendations was that stakeholders should develop and agree on the structure of the organization that will provide insurance for agriculture in Ghana. In response to this recommendation, both USAID FinGAP and ADVANCE II COPs attended the agriculture insurance Steering Committee meeting held in the latter part of December 2017. USAID FinGAP's COP will assist to determine and recommend alternative ways for GAIP or other agriculture insurance product providers to operate.

Assistance to the Ministry of Food and Agriculture

USAID FinGAP, along with the USAID Agriculture Policy and Support Project (APSP) were engaged by MoFA to assist in the training of Licensed Buying Companies (i.e., Aggregators) who in turn will train producers from whom they are buying the produce as part of the GOG's *Planting for Food and Jobs Program*. This support will commence next quarter.

ANNEX I: PERFORMANCE INDICATORS

#	Indicator	Unit of Measure	Baseline	Y1	Y2	Y3	Y4	Year 5 (Oct 2017 - Dec 2018)			Y1 + Y2 + Y3 + Y4 + Y5			LOP Target
				Achieved	Achieved	Achieved	Achieved	Target	Achieved	% Achieved	CUM Target	Cum Achievement	% Achievement	
Component I: AOD UNIT														
Ia. Improved access to BAS by agri-enterprises, as well as development of Ghanaian capacity to provide these services														
I	Number of SMiLEs including farmers, receiving business development services from USG-assisted sources (\$)	Number of enterprises	0	22	162	205	73	35	70	200%	125	509 ¹	407%	125
	Size													
	Small			19	146	192	71		66					
	Medium			2	15	12	2		4					
	Large			1	1	1	0		0					
	Type: (Small and Medium Enterprises)													
	Agricultural producer			5	88	146	65		63					
	Input supplier			1	9	4	3		3					
	Trader			0	9	22	1		2					
	Output processors			14	46	30	1		1					
	Non-agriculture			1	5	2	3		1					

¹ The cumulative total is not reflective of the total across the years because some SMiLEs received assistance in more than one year.

FINANCING GHANAIAAN AGRICULTURE PROJECT (FinGAP)
QUARTERLY PROGRESS REPORT #17, JANUARY 2018

#	Indicator	Unit of Measure	Baseline	Y1	Y2	Y3	Y4	Year 5 (Oct 2017 - Dec 2018)			Y1 + Y2 + Y3 + Y4 + Y5			LOP Target
				Achieved	Achieved	Achieved	Achieved	Target	Achieved	% Achieved	CUM Target	Cum Achievement	% Achievement	
	Other			0	4	0	0		0					
	Type: (Large Enterprises):													
	Agricultural producer			0	0	0	0		0					
	Input supplier			0	0	0	0		0					
	Trader			0	0	0	0		0					
	Output processors			1	1	1	0		0					
	Non-agriculture			0	0	0	0		0					
	Other			0	0	0	0		0					
	Gender (Small and Medium Enterprises)													
	Male			20	141	159	67		63					
	Female			1	20	45	6		7					
	Gender (Large Enterprises)													
	Male			1	1	1	0		0					
	Female			0	0	0	0		0					
2	Number of BAS providers trained in deal making and BAS in agriculture	Number of providers	0	27	43	43	26	0	14	100%	50	53 ²	106%	50
	Gender:													

² The cumulative total is not reflective of the total across the years because some BAS providers were trained in more than one year.

FINANCING GHANAIA AGRICULTURE PROJECT (FinGAP)
QUARTERLY PROGRESS REPORT #17, JANUARY 2018

#	Indicator	Unit of Measure	Baseline	Y1	Y2	Y3	Y4	Year 5 (Oct 2017 - Dec 2018)			Y1 + Y2 + Y3 + Y4 + Y5			LOP Target
				Achieved	Achieved	Achieved	Achieved	Target	Achieved	% Achieved	CUM Target	Cum Achievement	% Achievement	
	Male			26	39	39	22		13					
	Female			1	4	4	4		1					
	Status													
	New			27	21	4	1		0					
	Continuing			0	22	39	25		14					
3	Number of SMiLEs paying fees for BAS	Number of enterprises	0	4	52	14	46	25	71	284%	80	189	236%	80
	Size													
	Small			4	42	14	43		67					
	Medium			0	9	0	3		4					
	Large			0	1	0	0		0					
	Type: (Small and Medium Enterprises)													
	Agricultural producer			0	32	11	39		64					
	Input supplier			0	3	0	2		3					
	Trader			0	4	2	2		2					
	Output processors			4	9	1	2		1					
	Non-agriculture			0	1	0	1		1					
	Other			0	2	0	0		0					
	Type: (Large Enterprises):													
	Agricultural producer			0	0	0	0		0					
	Input supplier			0	0	0	0		0					
	Trader			0	0	0	0		0					

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#	Indicator	Unit of Measure	Baseline	Y1	Y2	Y3	Y4	Year 5 (Oct 2017 - Dec 2018)			Y1 + Y2 + Y3 + Y4 + Y5			LOP Target
				Achieved	Achieved	Achieved	Achieved	Target	Achieved	% Achieved	CUM Target	Cum Achievement	% Achievement	
	Output processors			0	1	0	0		0					
	Non-agriculture			0	0	0	0		0					
	Other			0	0	0	0		0					
	Gender (Small and Medium Enterprises)													
	Male			4	44	13	42		63					
	Female			0	7	1	4		8					
	Gender (Large Enterprises)													
	Male			0	1	0	0		0					
	Female			0	0	0	0		0					
I b. Improved ability of agri-enterprises to create fundable investment proposals														
4	4.5.2-30: Number of SMiLEs, including farmers, receiving USG assistance to access loans (\$)	Number of enterprises	0	8	526	591	1265	80	305	381%	250	2503 ³	1001%	250
	Size													
	Small			4	72	536	1221		263					
	Medium			3	452	45	31		40					
	Large			1	2	10	13		2					
	Type: (Small and Medium Enterprises)													

³ The cumulative total is not reflective of the total across the years because some SMiLEs received finance in more than one year.

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#	Indicator	Unit of Measure	Baseline	Y1	Y2	Y3	Y4	Year 5 (Oct 2017 - Dec 2018)			Y1 + Y2 + Y3 + Y4 + Y5			LOP Target
				Achieved	Achieved	Achieved	Achieved	Target	Achieved	% Achieved	CUM Target	Cum Achievement	% Achievement	
	Agricultural producer			4	320	208	489		200					
	Input supplier			0	14	10	16		1					
	Trader			0	124	332	667		101					
	Output processors			3	46	29	74		1					
	Non-agriculture			0	1	1	3		0					
	Other			0	19	1	3		0					
	Type: (Large Enterprises):													
	Agricultural producer			0	1	2	8		0					
	Input supplier			0	0	1	4		1					
	Trader			0	0	5	1		1					
	Output processors			1	1	0	0		0					
	Non-agriculture			0	0	2	0		0					
	Other			0	0	0	0		0					
	Gender (Small and Medium Enterprises)													
	Male			7	425	341	678		218					
	Female			0	99	240	574		85					
	Gender (Large Enterprises)													
	Male			1	2	5	11		2					
	Female			0	0	5	2		0					

FINANCING GHANAIAAN AGRICULTURE PROJECT (FinGAP)
QUARTERLY PROGRESS REPORT #17, JANUARY 2018

#	Indicator	Unit of Measure	Baseline	Y1	Y2	Y3	Y4	Year 5 (Oct 2017 - Dec 2018)			Y1 + Y2 + Y3 + Y4 + Y5			LOP Target
				Achieved	Achieved	Achieved	Achieved	Target	Achieved	% Achieved	CUM Target	Cum Achievement	% Achievement	
5	Number of food security private enterprises (for profit), producers organizations, water users associations, women's groups, trade and business associations, and community-based organizations (CBOs) receiving USG assistance (RiA) (WOG)	Entity	0	28	659	780	1286	60	366	610%	245	2922 ⁴	1193%	245
	Type of entity													
	food security private enterprises (For profit)			28	503	381	499		232					
	Producers organizations			0	156	163	552		111					
	Water users associations			0	0	0	0		0					
	Women's groups			0	0	220	235		1					
	Trade and business associations			0	0	16	0		22					
	Community-based organizations (CBOs)			0	0	0	0		0					
	Status													
	New			28	634	723	1171		298					
	Continuing			0	25	57	115		68					
Ic.&Id Increased private sector investment in socially inclusive agriculture related activities and enhanced agricultural commerce														

⁴ The cumulative total is not reflective of the total across the years because some organizations received USG assistance in more than one year.

FINANCING GHANAIAAN AGRICULTURE PROJECT (FinGAP)
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#	Indicator	Unit of Measure	Baseline	Y1	Y2	Y3	Y4	Year 5 (Oct 2017 - Dec 2018)			Y1 + Y2 + Y3 + Y4 + Y5			LOP Target
				Achieved	Achieved	Achieved	Achieved	Target	Achieved	% Achieved	CUM Target	Cum Achievement	% Achievement	
6	Total value of private capital deployed to targeted value chains by financial institutions with USG assistance	USD	0	\$4,351,745	\$38,323,957	\$65,322,001 ⁵	\$28,104,559	\$21,000,000	\$16,338,113	78%	\$75,000,000	\$151,952,303	203%	\$75M
	Value Chains													
	Maize			\$2,090,000	\$14,397,861	\$27,259,268	\$9,943,238		\$10,585,937					
	Rice			\$312,626	\$6,169,765	\$15,860,666	\$9,241,181		\$1,081,009					
	Soy			\$1,949,119	\$17,756,331	\$22,202,067	\$8,920,140		\$4,671,167					
	Type of PFI													
	Commercial / Universal Banks			\$3,163,096	\$27,550,795	\$45,226,365	\$19,764,056		\$13,876,297					
	Rural & Community Banks			\$0	\$1,522,617	\$4,918,846	\$3,649,521		\$821,330					
	Micro Finance (NGOs), S&Ls & Credit Unions			\$90,000	\$3,016,861	\$3,630,998	\$2,947,048		\$1,092,820					
	Social Impact & Private Equity Funds			\$205,000	\$2,403,349	\$5,745,000	\$272,681		\$0					
	NBFI			\$241,412	\$1,900,967	\$607,957	\$1,471,253		\$547,666					
	Other (GoG Agencies, Controlled Institutions, Donor Agencies / DFIs)			\$0	\$468,509	\$762,937	\$0		\$0					
	Capital Market			\$0	\$1,154,468	\$0	\$0		\$0					
	Other			\$652,236	\$306,391	\$26,470	\$0		\$0					

⁵ FY3 Finance was reduced by \$488,073 due to new information

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#	Indicator	Unit of Measure	Baseline	Y1	Y2	Y3	Y4	Year 5 (Oct 2017 - Dec 2018)			Y1 + Y2 + Y3 + Y4 + Y5			LOP Target
				Achieved	Achieved	Achieved	Achieved	Target	Achieved	% Achieved	CUM Target	Cum Achievement	% Achievement	
7	Number of successful investment opportunities (proposals) funded	Number of opportunities	0	8	534	602	1309	0	305	100%	28	2702 ⁶	9650%	28
	Value Chains													
	Maize			2	103	237	603		113					
	Rice			1	108	121	174		24					
	Soy			5	18	63	54		7					
	Maize & Rice & Soy			0	193	93	218		105					
	Maize & Rice			0	85	75	174		5					
	Maize & Soy			0	25	12	83		49					
	Rice & Soy			0	2	1	3		2					
8	Value of agricultural and rural loans	USD	0	\$3,699,509	\$34,701,596	61535208	\$26,775,969	\$14,000,000	\$15,790,447	113%	\$50,000,000	\$141,773,243 ⁷	284%	\$50M
	Size													
	Small			\$295,000	\$17,599,615	18960830	\$10,956,695		\$10,249,100					
	Medium			\$1,344,509	\$15,084,898	40106019	\$6,351,198		\$1,927,436					
	Large			\$2,060,000	\$2,017,083	2468359	\$9,468,076		\$3,613,911					
	Type: (Small and Medium Enterprises)													

⁶ The cumulative total is not reflective of the total across the years because multiple investment opportunities received finance in FY1, FY2, FY3, FY4 and/or FY5.

⁷ FY1 finance was reduced by \$241,412 as it was converted to equity and is no longer a loan

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#	Indicator	Unit of Measure	Baseline	Y1	Y2	Y3	Y4	Year 5 (Oct 2017 - Dec 2018)			Y1 + Y2 + Y3 + Y4 + Y5			LOP Target
				Achieved	Achieved	Achieved	Achieved	Target	Achieved	% Achieved	CUM Target	Cum Achievement	% Achievement	
	Agricultural producer			\$90,000	\$7,327,104	6933756	\$6,242,061		\$1,113,843					
	Input supplier			\$0	\$14,871,666	39898920	\$1,747,712		\$3,627,197					
	Trader			\$0	\$1,830,817	5167106	\$4,867,778		\$482,082					
	Output processors			\$1,549,509	\$7,609,533	6673878	\$3,443,516		\$318,225					
	Non-agriculture			\$0	\$305,069	181926	\$644,487		\$0					
	Other			\$0	\$740,324	211263	\$362,339		\$0					
	Type: (Large Enterprises):													
	Agricultural producer			\$0	\$0	53854	\$343,255		\$4,759,100					
	Input supplier			\$0	\$0	1313300	\$9,106,881		\$0					
	Trader			\$0	\$1,359,083	136630	\$17,940		\$0					
	Output processors			\$2,060,000	\$658,000	0	\$0		\$5,490,000					
	Non-agriculture			\$0	\$0	964575	\$0		\$0					
	Other			\$0	\$0	0	\$0		\$0					
	Gender (Small and Medium Enterprises)													
	Male			\$1,639,509	\$32,246,932	57486931	\$13,153,730		\$4,787,984					
	Female			\$0	\$437,581	1579918	\$4,154,163		\$753,363					
	Gender (Large Enterprises)													
	Male			\$2,140,000	\$2,017,083	2331729	\$9,425,570		\$10,249,100					
	Female			\$0	\$0	136630	\$42,506		\$0					
9	Value of new private sector investments in the agriculture sector or food value chains leveraged by FTF implementation	USD	0	\$3,849,197	\$9,658,375	\$14,372,394	\$4,467,565	\$7,000,000	\$8,580,111	123%	\$25,000,000	\$40,927,643	164%	\$25M

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#	Indicator	Unit of Measure	Baseline	Y1	Y2	Y3	Y4	Year 5 (Oct 2017 - Dec 2018)			Y1 + Y2 + Y3 + Y4 + Y5			LOP Target
				Achieved	Achieved	Achieved	Achieved	Target	Achieved	% Achieved	CUM Target	Cum Achievement	% Achievement	
	Size													
	Small			\$195,000	\$2,969,879	\$4,413,528	\$2,864,311		\$710,561					
	Medium			\$1,514,197	\$5,870,496	\$9,958,866	\$1,455,936		\$0					
	Large			\$2,140,000	\$818,000	\$0	\$147,318		\$7,869,550					
	Type: (Small and Medium Enterprises)													
	Agricultural producer			\$571,117	\$2,720,353	\$1,690,689	\$1,968,701		\$710,561					
	Input supplier			\$0	\$3,269,707	\$6,600,000	\$0		\$0					
	Trader			\$0	\$614,738	\$623,744	\$950,480		\$0					
	Output processors			\$1,138,079	\$1,502,208	\$5,246,698	\$1,395,948		\$0					
	Non-agriculture			\$0	\$733,369	\$0	\$0		\$0					
	Other			\$0	\$0	\$211,263	\$5,118		\$0					
	Type: (Large Enterprises):													
	Agricultural producer			\$0	\$0	\$0	\$0		\$2,379,550					
	Input supplier			\$0	\$0	\$0	\$147,318		\$0					
	Trader			\$0	\$0	\$0	\$0		\$0					
	Output processors			\$2,140,000	\$818,000	\$0	\$0		\$5,490,000					
	Non-agriculture			\$0	\$0	\$0	\$0		\$0					
	Other			\$0	\$0	\$0	\$0		\$0					
	Gender (Small and Medium Enterprises)													
	Male			\$1,709,196	\$8,764,483	\$14,347,546	\$2,855,654		\$710,561					
	Female			\$0	\$75,892	\$24,848	\$1,464,593		\$0					
	Gender (Large Enterprises)													

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#	Indicator	Unit of Measure	Baseline	Y1	Y2	Y3	Y4	Year 5 (Oct 2017 - Dec 2018)			Y1 + Y2 + Y3 + Y4 + Y5			LOP Target
				Achieved	Achieved	Achieved	Achieved	Target	Achieved	% Achieved	CUM Target	Cum Achievement	% Achievement	
10	Male			\$2,140,000	\$818,000	\$0	\$147,318		\$7,869,550					
	Female			\$0	\$0	\$0	\$0		\$0					
	Value of incremental sales in rice, maize and soya as a result of U.S. government assistance along the value chain	USD	\$9,188,176	\$9,188,176	\$208,843,323	\$223,397,143	\$565,319,314	\$117,000,000	\$0	0%	\$231,000,000	\$565,319,314	245%	\$231M
	Value of Sales (SMiLEs receiving less than \$250,000 in finance)			\$195,517	\$57,490,553	\$84,304,913	\$211,328,773		\$0					
	Number of SMiLEs (SMiLEs receiving less than \$250,000 in finance)			3	504	1,049	2,198		0					
	Value of Sales (SMiLEs receiving more than \$250,000 in finance)			\$8,992,659	\$151,352,770	\$339,350,333	\$353,990,540		\$0					
	Number of SMiLEs (SMiLEs receiving more than \$250,000 in finance)			5	22	44	54		0					
Component 2: FSS UNIT														
11	Number of PFIs receiving capacity/competency strengthening as a result of U.S. government assistance	Number	0	40	30	69	40	3	3	100%	20	93 ⁸	465%	20
	Type of PFI													

⁸ The cumulative total is not reflective of the total across the years because some PFIs received assistance in more than one year.

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#	Indicator	Unit of Measure	Baseline	Y1	Y2	Y3	Y4	Year 5 (Oct 2017 - Dec 2018)			Y1 + Y2 + Y3 + Y4 + Y5			LOP Target
				Achieved	Achieved	Achieved	Achieved	Target	Achieved	% Achieved	CUM Target	Cum Achievement	% Achievement	
	Commercial / Universal Banks			15	15	24	10		1					
	Rural & Community Banks			8	4	18	12		1					
	Micro Finance, S&Ls & Credit Unions			4	5	13	12		1					
	Social Impact & Private Equity Funds			3	0	5	2		0					
	NBFI			6	4	6	3		0					
	Insurance / Credit Guarantee			2	1	2	1		0					
	Other (GoG Agencies, Controlled Institutions, Donor Agencies / DFIs)			2	1	1	0		0					
	Status													
	First Time			40	6	37	6		0					
	Continuing				24	32	33		3					
1 2	Number of grants disbursed / subsidy disbursed	Number	0	22	276	437	268	0	135	100%	130	870	669%	130
	Type of recipient													
	BAS Provider			22	262	413	217		127					
	PFI			0	14	24	51		8					
	SMiLE			0	0	0	0		0					

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#	Indicator	Unit of Measure	Baseline	Y1	Y2	Y3	Y4	Year 5 (Oct 2017 - Dec 2018)			Y1 + Y2 + Y3 + Y4 + Y5			LOP Target
				Achieved	Achieved	Achieved	Achieved	Target	Achieved	% Achieved	CUM Target	Cum Achievement	% Achievement	
13	Number of public-private partnerships formed as a result of U.S. government assistance	Number	0	0	16	37	0	0	-	#DIV/0!	25	40 ⁹	160%	25
	Partnership Focus													
	Agricultural production			0	0	1	0		0					
	Agricultural post-harvest transformation			0	0	0	0		0					
	Nutrition			0	0	0	0		0					
	Multi-focus			0	0	0	0		0					
	Other			0	16	36	0		0					
14	Financial recovery rates for agriculture sector	Percentage	75%		97%	94%	87%	96%	0%	0%	96%	87%	91%	96%
15	Value of agricultural loans by US government supported banks (on a percentage portfolio basis)	Percentage	6%		7%	41%	27%	13%	0%	0%	13%	27%	207%	13%

⁹ The cumulative total is not reflective of the total across the years because some PPPs carried over into Y3

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#	Indicator	Unit of Measure	Baseline	Y1	Y2	Y3	Y4	Year 5 (Oct 2017 - Dec 2018)			Y1 + Y2 + Y3 + Y4 + Y5			LOP Target
				Achieved	Achieved	Achieved	Achieved	Target	Achieved	% Achieved	CUM Target	Cum Achievement	% Achievement	
16	Score, in percent, of combined areas of organizational capacity among U.S. government direct and indirect local implementing partners	OCAT Score	73%	N/A	N/A	N/A	0.77	78%	77%	99%	83%	77% ¹⁰	93%	83%
17	Number of new products offered by Fis (including DCAs)	Number	0	0	2	13	15	9	1	11%	30	31	103%	30
	Type of PFI													
	Commercial / Universal Banks			0	1	3	0		0					
	Rural & Community Banks			0	0	3	8		0					
	Micro Finance (NGOs), S&Ls & Credit Unions			0	0	7	6		0					
	Social Impact & Private Equity Funds			0	0	0	0		0					
	NBFI			0	1	0	1		1					
	Insurance / Credit Guarantee			0	0	0	0		0					
	Other (GoG Agencies, Controlled Institutions, Donor Agencies / DFIs)			0	0	0	0		0					

¹⁰ Next data collection for this indicator is scheduled to be undertaken in FY5Q3 of project implementation in accordance with the project PMP. However, for purposes of project evaluation and learning, a preliminary assessment was undertaken in FY4Q2, before the scheduled assessment in FY5Q3.

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#	Indicator	Unit of Measure	Baseline	Y1	Y2	Y3	Y4	Year 5 (Oct 2017 - Dec 2018)			Y1 + Y2 + Y3 + Y4 + Y5			LOP Target
				Achieved	Achieved	Achieved	Achieved	Target	Achieved	% Achieved	CUM Target	Cum Achievement	% Achievement	
18	Number of hours of technical assistance in financial sector capacity provided to counterparts or stakeholders	Number	0	356	2276	1555	3167	1010	3167	314%	4136	7354	178%	4136
19	4.5.1-24. Number of policy reforms/laws/regulations/administrative procedures drafted and presented for public/stakeholder consultation to enhance sector governance and/or facilitate private sector participation and competitive markets as a result of U.S. government assistance	Number	0	0	3	5	66	4	1	25%	14	75	536%	14
	Type													
	Inputs			0	0	0	0		0					
	Outputs			0	0	0	0		0					
	Macroeconomic			0	0	0	0		0					
	Agricultural sector-wide			0	0	0	0		1					
	Research/Extension/Information/Other Public Service			0	0	0	0		0					
	Food Security/Vulnerable Populations			0	0	0	0		0					
	Climate Change adaptation/natural resource management			0	0	0	0		0					

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#	Indicator	Unit of Measure	Baseline	Y1	Y2	Y3	Y4	Year 5 (Oct 2017 - Dec 2018)			Y1 + Y2 + Y3 + Y4 + Y5			LOP Target
				Achieved	Achieved	Achieved	Achieved	Target	Achieved	% Achieved	CUM Target	Cum Achievement	% Achievement	
	Other			0	3	5	66		0					
	Stage													
	Analyzed			0	0	0	66		1					
	Drafted			0	3	3	0		0					
	Presented for legislation/decreed			0	0	0	0		0					
	Passed/approved			0	0	0	0		0					
	Passed/Implemented			0	0	0	0		0					
20	Number of financial institutions receiving U.S. government assistance in extending services to micro and small businesses	Number	0	0	34	3	11	20	26	130%	20	73	365%	20
	Type of PFI													
	Commercial / Universal Banks			0	0	0	0		4					
	Rural & Community Banks			0	0	0	11		0					
	Micro Finance (NGOs), S&Ls & Credit Unions			0	0	0	0		1					
	Social Impact & Private Equity Funds			0	0	0	0		1					
	NBFI			0	0	0	0		0					
	Institutional Investors			0	30	0	0		9					
	Other (GoG Agencies, Controlled Institutions, Donor Agencies / DFIs)			0	4	3	0		11					

ANNEX 2: SUCCESS STORIES

(Attached)



Financing Brings Food Security into Focus and Hope to Young Female Would-Be Migrants

USAID FinGAP assists Tamanaa Company in strengthening each link along Nasia's rice supply and value chain



Tamanaa Company Ltd.

Braimah Shaibu, CEO of Tamanaa Company Limited, displays Nasia Star rice at an exhibition in Tamale.

“For less than \$1 per day, community members can purchase rice from our mill to feed their families”

*- Braimah Shaibu, CEO,
Tamanaa Company*

Braimah Shaibu looked around his rural community of Nasia and saw two things: a struggling cottage industry of rice producers, and young women fleeing the poverty stricken area to find menial jobs in Ghana's urban centers. As a former micro credit officer with a local non-governmental organization, Shaibu wanted a different view. He knew that with determination, business acumen, and financial backing, he could strengthen Nasia's rice production and equip the local youth with employable skills to earn a living and prosper in their own community.

In 2013, Shaibu launched Tamanaa Company Limited to process and market Nasia Star rice, with the ultimate goal of increasing income levels and enhancing food security in the West Mamprusi District of Ghana's Northern Region. Partial funding for Tamanaa's rice milling center, a modernized 20-metric ton per day operation, could only bring the region's rice sector so far. Further funding acquired with the help of the USAID Financing Ghanaian Agriculture Project (USAID FinGAP), established to facilitate financing and investment in maize, rice, and soy in the north of Ghana, laid the foundation for thriving rice supply value chains.

“Tamanaa has made the rice business attractive to the community by offering employment, ready market, and competitive prices for rice produced by our outgrowers and aggregators,” Iddi Abdul Razak, a mill operator at the Nasia rice milling center which permanently employs 27 people, including 10 women, said. “The youth and women are now interested in working in the rice value chain.”

USAID FinGAP linked the Tamanaa Company to Tradeline Consult, a business advisory service (BAS) provider within the Project's network. Tradeline assisted the company in preparing a comprehensive business plan and loan applications to access additional financing. First came a no interest loan of \$20,553 from the then Export Trade, Agricultural and Industrial Development Fund (EDAIF), now part of Ghana EXIM Bank, for acquisition of a tractor and combine harvester. The equipment provided critical ancillary services to mechanize operations and cultivate more land and timely harvesting, resulting in improved rice quality and limiting losses.

Next came financing from Sinapi Aba Saving and Loans Limited (SASL), a USAID FinGAP pay-for-performance grantee, to implement an outgrower input credit and mechanization services



Amama Issah sells Nasia Star rice at the Nasia tollbooth.

Tamanaa Company Ltd.

“Tamanaa has given us hope for the future”

*- Amama Issah,
Nasia Star rice retailer*



Female outgrowers linked to Tamanaa gather rice harvested on a farm near Nasia.

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scheme for 200 outgrowers in 2015 and 300 outgrowers in 2016. First Allied Savings and Loans Limited (FASL), another USAID FinGAP pay-for-performance grantee, followed up with funds for 600 outgrowers in 2017.

Tradeline Consult continued to assist Tamanaa in acquiring financing designed to further solidify the area’s rice value chain. They secured a grant of approximately \$53,230 from the GIZ’s Competitive Africa Rice Initiative (CARI) to train over 2,000 farmers and 300 female parboilers in good agricultural practices (GAP) and business skills during the 2017 and 2018 production seasons. The financing, released in tranches, also enabled Tamanaa to improve the branding and packaging of its local rice.

Tamanaa, meaning “Chief Hope,” was aptly named. Its series of financing has provided area jobs to over 3,000 rice value chain actors and contributed to enhancing food security and slowing imports valued at \$400 million a year. Women, including young girls who otherwise would have migrated to the urban centers, make up the core (70%) of Tamanaa’s operations. These women work all along the value chain as members of farmer groups, parboilers, aggregators, packers, and retailers.

“Tamanaa has given us hope for the future,” Amama Issah, a Nasia Star rice retailer who now earns between \$200 and \$270 a month, said. “We have the opportunity to earn our own income and feed our families. Our daughters no longer migrate to urban areas to engage in menial jobs and live in squalor.”

Financing impact has been impressive. The number of women who double as parboilers and aggregators increased from 70 in 2015 to 350 in 2017. The company has engaged 14 dedicated sales women to sell rice on commission at the Nasia tollbooth and other sales outlets within the Northern Region. It has also increased cultivated farmland from 400 acres in 2015 to 1200 in 2017, tripling rice production from 850 metric tons to 2,550 metric tons over the same period.

Tradeline also supported a successful proposal submission from which Tamanaa was selected to participate in this summer’s Government of Ghana’s “One District, One Factory” initiative. The program will enable Tamanaa to scale up production, supply the Government’s School Feeding Program, and contribute to the country’s food security and livelihood development strategies. By the end of 2018, rice processing is expected to increase from 20 to 100 metric tons a day, expanding outgrowers from 2,000 to 5,000 and providing them with quality inputs and GAP training to increase yield from 2.4 to 3.5 metric tons per hectare.

“My intention was to get my sisters back home to engage in productive and decent income earning activities,” Shaibu said. “Now, the whole community is benefitting from the work of Tamanaa. For less than \$1 a day, community members can purchase rice from our mill to feed their families. I am grateful to USAID FinGAP for linking me to the BAS provider who has helped me access the financing needed to accomplish my vision.”



Award-winning Community Bank Earns Satisfaction Plus in Facilitating Loans to Farmers

TCCU's inclusion financing and membership numbers have more than doubled since joining USAID FinGAP Pay-for-Performance Incentive Program



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Aisha Batong Hor, General Manager of TCCU (second from the right) receives an award from USAID Ghana Mission Director Sharon Cromer. Looking on are Otiko Afisa Djaba, Minister of Gender, Children and Social Protection, and Rick Dvorin, Chief of Party of USAID FinGAP.

"USAID FinGAP has enabled us to realize the benefits of lending to the agricultural sector"

*- Aisha Batong Hor,
General Manager of TCCU*

Tumu Cooperative Credit Union (TCCU) was established almost half a century ago in the Sissala East and West districts of the Upper West Region of Ghana to provide financial support to members engaged in a variety of economic enterprises. Its major source of funding was the money in members' savings accounts, which in turn were used for collateral on loans. Never in its history were these funds enough to support the community's growing needs, particularly those of members working in high risk, but essential farming activities.

USAID Financing Ghanaian Agriculture Project (USAID FinGAP) was established to facilitate financing in the maize, rice, and soy value chains in northern Ghana, and its pay-for-performance incentive program, launched in December 2014, offered TCCU the boost it needed to expand its lending program to actors working in maize and soy, the area's primary economic crops.

"TCCU's partnership with USAID FinGAP has significantly increased our loan portfolio to the MRS value chains," Aisha Batong Hor, General Manager of TCCU, said. "Contrary to the perception that lending to the agricultural sector is risky, the performance incentives, technical assistance and capacity building training that we received from the USAID FinGAP has enabled us to realize the benefits of lending to the agricultural sector."

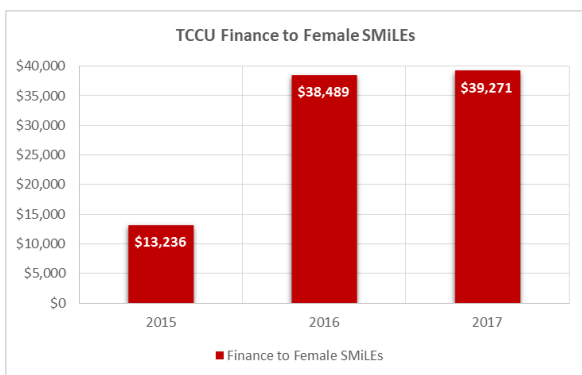
As a selected pay-for-performance grantee, TCCU pledged to disburse \$500,000 over 12 months to its members looking to expand their farming activities in the MRS value chains. For this commitment, USAID FinGAP granted an incentive award of \$50,000. The loan program for TCCU was so successful that nine months in, the credit union adjusted its disbursement target, ultimately loaning \$3.2 million for an incentive award of \$86,000. At the end of 2015, the Ghana Co-operative Credit Union Association named TCCU the second best community-based credit union in the country.

The following year TCCU once again exceeded its financing goal. As of December 2017, TCCU had disbursed approximately \$4.8 million to 112 agribusinesses in the MRS value chains. At the Agribusiness Investment Summit 2017, USAID FinGAP honored the financial institution (FI) for disbursing the fourth greatest amount of financing to agribusinesses supported by the Project.



Afisatu Iddrisu, one of over 4,000 women from farmer groups that received financing from TCCU, speaks at a group meeting.

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Trends show that TCCU financing to female enterprises is growing and sustainable.



James Gbene Bawa works one of two tractors acquired with financing from TCCU. He is now able to service over 1,800 outgrowers.

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The total incentive grant of \$146,000 awarded to TCCU earned a return on investment of 33:1. Strategic use of the money further supported the farming community. TCCU used the initial performance grant to purchase a tractor, a maize sheller, and a truck. These acquisitions offered mechanization services to various links along the supply chain for land preparation, processing, and transportation services. The results were improved quality product selling for premium prices and access to additional markets. The fees earned for these services were put right back into the lending pool. With the second incentive award, TCCU completed work on its new office building and purchased motorbikes for loan monitoring to ensure repayment.

USAID FinGAP also linked the FI with two business advisory service (BAS) providers. Solutions Consulting Limited and DAB Consult organized agribusinesses into groups, providing social guarantees for accessing loans to those who would not have had those on their own. Assistance with document preparation and loan applications clarified the viability of the enterprises, creating a more reliable agriculture loan portfolio. Loan repayment for TCCU since working with USAID FinGAP has been around 97%. BAS providers also benefitted farmer groups like Kanyirewieri by facilitating financing and negotiating lower interest rates.

“We did not know we could access finance from the bank for farming,” Kanyirewieri member Afisatu Iddrisu said. “Now we are able to do so whenever necessary.”

Technical assistance and institution-specific training programs developed by USAID FinGAP helped TCCU develop four new agricultural financing products for increased lending and improved liquidity. *Biiriniia*, a local Sissala name, is geared towards youth savings. Another, *Paarinchining*, is a farming loan product tailored to disburse according to the crop calendar to ensure efficient utilization of funds.

USAID FinGAP is also committed to ensuring financial inclusion for women. In 2015, the female-led TCCU supported this effort by extending \$13,326 in credit to female-led agribusinesses, including women’s groups. In the second year, financing to women’s enterprises more than doubled, and the trends show that this type of lending is becoming sustainable.

Over the past three years, five female-led agribusiness enterprises, benefitting 77 smallholder farmers, received a total of \$90,996 in financing. Most recently, USAID FinGAP recognized TCCU at the Women in Agribusiness Development Summit for increasing productivity of smallholder actors, including women, in the maize and soy value chains through financing.

Beyond the honors hanging on the office wall, TCCU’s membership since joining the performance incentive program has increased from a membership of 3,625 (2,879 males, 540 females and 206 groups) as of December 2014 to 7,726 (3,637 males, 3,599 females and 490 groups) three years later. Those kinds of numbers are all the award TCCU and the community really need.