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# GHANA

## FY 2010 Implementation Plan

### U.S. Government Working Document

The Feed the Future (FTF) FY 2010 implementation plans are working documents outlining U.S. government planning for the first year of the Global Hunger and Food Security Initiative. These plans represent a transition towards the development of multiyear strategies and are targeted at investments that lay the foundation for a new country-level and coordinated approach with a diversity of partners. Multiyear strategies are under development that will span development and diplomatic actions across multiple USG agencies.

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## Abbreviations and Acronyms

<b>ADVANCE</b>	Agriculture Development and Value Chain Enhancement
<b>AgCLIR</b>	Agricultural Commercial Legal and Institutional Reform
<b>AgSWap</b>	Agriculture Sector-wide Approach
<b>AFD</b>	Agence Française de Développement
<b>ATP</b>	Agribusiness Trade Project
<b>BUSAC</b>	Business Sector Advocacy Challenge
<b>CAADP</b>	Comprehensive Africa Agriculture Development Program
<b>CEPA</b>	Center for Policy Analysis
<b>CIDA</b>	Canadian International Development Agency
<b>CSIR</b>	Council for Scientific & Industrial Research
<b>DANIDA</b>	Danish International Development Agency
<b>DFID</b>	UK Department for International Development
<b>DP</b>	Development Partners
<b>ECOWAP</b>	Regional Agricultural Policy for West Africa
<b>ECOWAS</b>	Economic Community of West African States
<b>EG</b>	Economic Growth
<b>FASDEP</b>	Food & Agriculture Sector Development Policy
<b>FBO</b>	Farmer Based Organization
<b>GFSR</b>	Global Food Security Response
<b>G-HAP</b>	Ghana Harmonization and Aid Effectiveness Plan
<b>GHFSI</b>	Global Hunger and Food Security Initiative
<b>GIMPA</b>	Ghana Institute for Management and Policy Analysis
<b>G-JAS</b>	Ghana Joint Assistance Strategy
<b>GOG</b>	Government of Ghana
<b>GPRS</b>	Ghana Poverty Reduction Strategy
<b>GPS</b>	Ghana Partnership Strategy
<b>GSS</b>	Ghana Statistical Service
<b>GSSP</b>	Ghana Strategy Support Program
<b>GTZ</b>	Deutsche Gesellschaft für Technische Zusammenarbeit
<b>ICFG</b>	Integrated Coastal and Fisheries Governance
<b>IEHA</b>	Initiative to End Hunger in Africa
<b>IFPRI</b>	International Food Policy Research Institute
<b>ISSER</b>	Institute of Statistical Social and Economic Research
<b>LEAP</b>	Livelihood Empowerment Against Poverty
<b>MCC</b>	Millennium Challenge Corporation
<b>MDA</b>	Ministries, Departments and Agencies
<b>MDG</b>	Millennium Development Goals
<b>MiDA</b>	Millennium Development Authority
<b>MOFA</b>	Ministry of Food and Agriculture
<b>MOFEP</b>	Ministry of Finance and Economic Planning
<b>MOTI</b>	Ministry of Trade and Investment
<b>NDI</b>	Northern Development Initiative
<b>NDPC</b>	National Development Planning Commission
<b>PAPA</b>	Participating Agency Program Agreement
<b>PASA</b>	Participating Agency Service Agreement
<b>PPMED</b>	Policy Planning and Monitoring and Evaluation Directorate

**REC**  
**RUTF**  
**USAID**  
**USDA**

Regional Economic Community  
Ready to Use Therapeutic Food  
United States Agency of International Development  
United States Department of Agriculture

## I. INTRODUCTION

In the West Africa region, Ghana is a key country targeted for focus and implementation in the USG's Global Hunger and Global Food Security Initiative<sup>1</sup>. In Ghana, a substantial increase in key staple food production and intra-regional staple food trade will require concentrating actions and resources that can rapidly increase staple food supply within its own borders and expand trade opportunities. Promoting sustainable food security is a prominent objective in Ghana's development agenda. The government's policy statements recognize that notwithstanding two decades of sustained economic growth, with nearly two million people still remaining vulnerable to food insecurity, food remains a serious concern in many parts of the country.

To address these challenges, for this Initiative's FY 2010 plan, the USG, through USAID/Ghana will capitalize on its strong track record in working with the Government of Ghana (GOG), multilaterals, the business sector and key civil society institutions to expand its efforts to help put in place the processes to leverage public and private investment. These investments are critical to ensure a rapid increase in supplies resulting from open market policies, to promote coherence of development assistance and to increase trade incentives in order to have the greatest impact on reducing prevailing high levels of poverty. Agriculture is still the bedrock of the Ghanaian economy. By modernizing and transforming the agricultural sector, Ghana can live up to its role as a major provider of food stuffs to ensure food security within and far beyond its own borders—into the whole West African region.

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<sup>1</sup> For the purposes of this plan, the terms Global Food Security Response (GFSR) is generally used to refer to FY09 and FY10 funding, whereas Global Hunger and Food Security Initiative (GHFSI) is used to refer to the newly developing initiative, Feed the Future.

## 2. FY 2010 OBJECTIVES

### 2.1. COUNTRY-LED COMPREHENSIVE STRATEGY

In FY 2010, the USG will ensure that the Global Hunger and Food Security Initiative for Ghana supports and engages Ghanaian public and private leadership to achieve the objectives of increased agricultural growth, expanded staple food supplies, and achieve the new government's vision. That vision is articulated by the GOG's commitment *"to lead Ghana into the status of a middle-income economy that*

The GOG is committed *"to lead[ing] Ghana into the status of a middle-income economy that registers in the lives, livelihoods and incomes of ordinary people by the year 2020. This shall be accomplished by the adoption of prudent policies defined by ordinary people, better policy co-ordination and better management of the national economy."*

*registers in the lives, livelihoods and incomes of ordinary people by the year 2020. This shall be accomplished by the adoption of prudent policies defined by ordinary people, better policy co-ordination and better*

*management of the national economy."* The GOG states that *"Modernizing Agriculture and the Rural Economy"* will be one of the main drivers to achieve this national goal. Importantly, the government's manifesto also highlights the *"appreciation for the special role of fishermen and farmers, especially women, as the main producers, processors and market[ers] of fish and food even though they have limited access to resources such as land, water, credit, inputs and training."* The GOG states its interest in *"removing all obstacles to increase their production and processing capacity and their role in promoting increased food security"*.

Impressive growth and record poverty reduction over the past twenty years have made Ghana an African success story. Agricultural growth has played an important role in this impressive development and broad agreement among policy makers and researchers exists that the agricultural sector

will continue to play an important role in Ghana's future development. Analysis of the recent past yields a potential average annual total GDP growth rate of 4.9% between 2006 and 2015. This growth performance is anticipated to be sufficient to reach the Millennium Development Goal (MDG) 1 of halve rural poverty well before 2015. However, along this growth path, Ghana will be challenged to reach its more ambitious vision of becoming a middle-income country by 2020. If the country is not careful, poverty in the North will remain high and the income gap between the North and the rest of Ghana will further widen especially if oil production grows as expected. So despite the sound agricultural performance of the past five years, sustaining and accelerating this growth remains a challenge, particularly if external conditions become less favorable.

Based on the recommendations from evidence-based investigation of alternative development approaches, the Mission's strategy under this Initiative will be to build on its long-standing involvement in agriculture and concentrate more on commercialization of staple crops, given their large share in agriculture. Evidence shows that these crops will continue to be the most important driver of agricultural growth, especially in the North where there is a greater incidence of poverty. The approach will focus on closing the yield gaps of the country's major staple crops.

With increased crop yields, and reasonable growth in the livestock, fishery and forestry sectors, Ghana will be able to reach the Comprehensive Africa Agriculture Development Program (CAADP) goal of 6% annual agricultural growth – which complements Ghana's goal of becoming a middle income country. Increased productivity rather than land expansion has to be the main source of agricultural growth. In addition, closing yield gaps will also require substantial investments in rural infrastructure (such as roads and irrigation), marketing, extension, processing and agricultural research and development (R&D). However, achieving CAADP growth levels alone will not be sufficient to reduce the regional gap or

substantially reduce poverty in the lagging North. Implementing policies and interventions under the CAADP framework should be integrated with targeted interventions that comprehensively address the underlying cause of hunger in the North and reduce deep levels of poverty for other groups.

### **2.1.1. Consultative Process**

The above discussion highlights the USG's aim of employing a comprehensive consultative and coordinated approach to addressing the key issues and constraints in order to achieve CAADP objectives and targets. The Mission's FY 2010 choices of core investment areas are within the mandate and intent of this Initiative and consistent with the country's agricultural development strategy and goals as articulated in the GOG's Food and Agriculture Sector Development Policy (FASDEP II). The Vision spelled out in the FASDEP, informed by several other government strategic documents (including the CAADP), is to achieve *“a modernized agriculture culminating in a structurally transformed economy, and evident in food security, employment opportunities and reduced poverty”*.

The Ghana Mission has benefited from the analysis behind the Ghana Poverty Reduction Strategy (GPRS) framework, which helps to inform the determination that increased agricultural productivity will be the priority in the USG's approach to implementing FY 2010 activities. This emphasis will be complemented by a focus on:

- Sound Market Based Principles
- Reduction of Trade and Transport Barriers
- Accelerated Participation of the Ultra Poor in Rural Growth
- Reducing Under Nutrition

The USG (USAID and partner USG agencies) will also work with the GOG and other Ghanaian partners to develop plans and activities that advance investments and support for the other important investment areas, i.e., expanding knowledge and training, stimulation of the private sector, maintaining natural resources, and support to women and families

in agriculture. These areas (many of which have been part of the Mission's strategy for years) have been incorporated in the Mission's current Economic Growth Strategic Objective (2009 – 2013).

To help inform the development of this Implementation Plan, to ensure an effective exchange of views about food security, and to solicit information and ideas, members of the mission met with key GOG ministries such as MOFA and MiDA and their technical advisors. In addition, meetings were held with multilaterals, think tanks, relevant private sector partners, USAID project partners, regional institutions, other US and local nongovernmental organizations, and other major bilateral donors. This process underlies the USG's commitment to transparency, collaboration and integration of development programs in supporting Ghana's agenda for increased food security and agricultural productivity.

The Mission has supported the country-led strategy and consultative process as an active member of the GOG/Donor Agricultural Sector Working Group (the focal point of the CAADP process in Ghana). The USG, through USAID, has had the reputation as the lead donor in agriculture and maintains that responsibility in many ways, by making top quality policy analysis available (currently through the Ghana Strategy Support Project) and by providing an embedded Ghanaian advisor to the Ministry of Food and Agriculture.

### **2.1.2. Status of CAADP**

Leading up to the design of this Implementation Plan, it was feared that following election of a new government and party in 2008, the CAADP strategy planning process might be in jeopardy or derailed soon after the new government established itself. But the planning division of the agricultural ministry formally compared the FASDEP II policy program to the ruling party's manifesto and came to the conclusion that adjustments in policy were feasible through modifications in funding allocation. Thus, the current government proceeded to work

diligently to quickly complete the Agriculture Strategy Plan (started under the previous government, but not yet fully costed) so that, as a package, the country has all the necessary guidance to move forward with modernizing the sector.

So far, Ghana has a completed and approved FASDEP II (policy framework), Agricultural Sector Plan (strategic plan), and CAADP held a Roundtable on October 27, 2009. The USG, through USAID's Ghana Strategy Support Program (GSSP) project implemented by IFPRI, has made substantial analytical and policy contributions to the CAADP process – a contribution that has been highly praised and appreciated by the Ghanaians as well as the entire donor community.

The Agricultural Working Group (which includes donors) has been intimately involved in technical and administrative arrangements of the CAADP process. For the CAADP Compact, Ghana prepared a number of brochures and briefing documents which the Mission has taken into consideration in the developing this IP. Recent results from an IFPRI analysis indicate that significant challenges remain for sustaining and accelerating agricultural growth in Ghana to meet the CAADP target. To meet that target, Ghana will need to address some critical issues such as low productivity and poor post-harvest management. The use of improved seeds must increase, market price incentives must improve, and the reliance on rainfall must be reduced. It will also be necessary to expand access to inputs and financial services, and reduce dependence on family labor as cropping intensifies.

In conclusion, the Government of Ghana has ensured the convergence of the FASDEP II and their Agricultural Sector Plan with the CAADP priorities. After the Roundtable, the country put together a post-Roundtable Road Map with costing of the Investment Plan as the most critical next step. Although a rough draft has been done, the Mission anticipates helping the GOG develop a more robust Investment Plan by providing technical assistance to the Ministry of Finance's new Agriculture Desk (which has



sector-wide resourcing responsibility) and the PPMED of MOFA to accomplish this task. The objective is help put Ghana in the position to convene a high-level CAADP Development Financing Meeting in June FY 2010. Plus, USAID is facilitating the post-Compact process by continuing to provide embedded senior Ghanaian advisors to the 3 key Ministers of Finance, Agriculture and Trade. This support to the most important CAADP-related leadership group helps them meet the urgent capacity challenge and contributes to forming the synergies needed between them.

The Mission believes that this 2010 IP aligns well with the government's agricultural policy statement (FASDEP), the country's Agricultural Sector Plan, and in turn, the CAADP principles, and will make a meaningful contribution to Ghana's ability to meet the CAADP target.

## **2.2. AFRICAN CAPACITY BUILDING**

An area for immediate attention is capacity development in FY 2010. This initiative will seek to support skills strengthening in order to promote stronger analysis and international technical networking in the Ministry of Food and Agriculture (MoFA). Another key area of investment in African management capacity building for FY 2010 is boosting capacity of the

Ministry of Food and Agriculture (MoFA), Ministry of Trade and Industry (MOTI), and the Ministry of Finance and Economic Planning (MOFEP) to collect, use and disseminate reliable data that can support reporting as well as policy formulation. The USG expects that approximately 60 GOG staff, from four institutions will be trained in FY 2010 to respond to these two priority areas.

## **2.3. INVEST IN PRIORITY ACTIONS**

In addition to the above shorter-term priority investments with the GOG, the USG also expects to continue its relationship (primarily through support of its GSSP project implemented by IFPRI) with policy units in the public sector as well as research institutes such as the Institute of Statistical Social and Economic Research (ISSER) and Center for Policy Analysis (CEPA). These investments will strengthen Ghanaian economic research expertise to provide guidance to GOG on appropriate reforms. USAID will continue to work with key partners, including FBOs, agribusiness, and service providers to build their capacities to promote, train and evaluate impacts in the areas of technology development, information and technology dissemination and management—especially executive management.



**Figure 1: The CAADP Process**

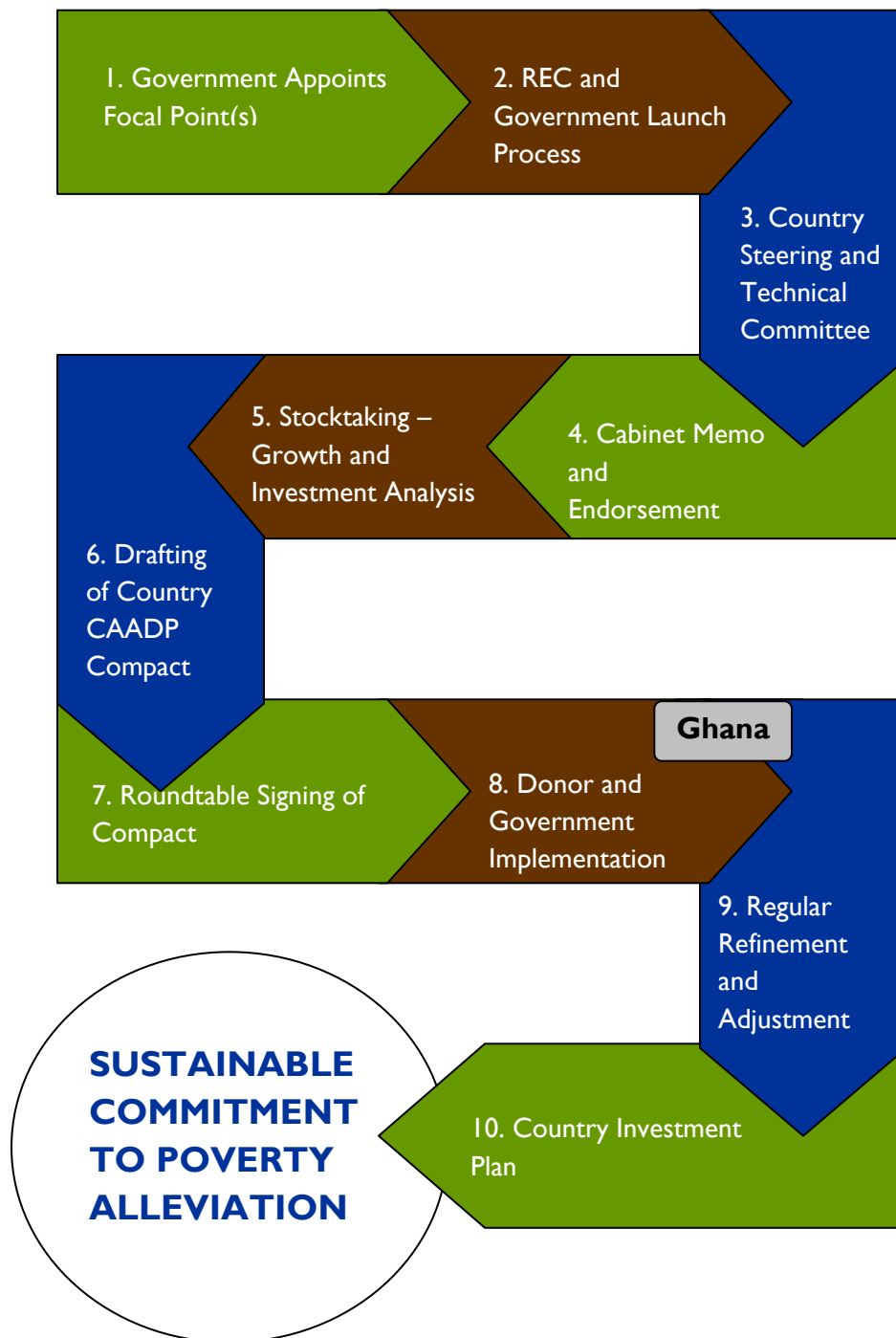
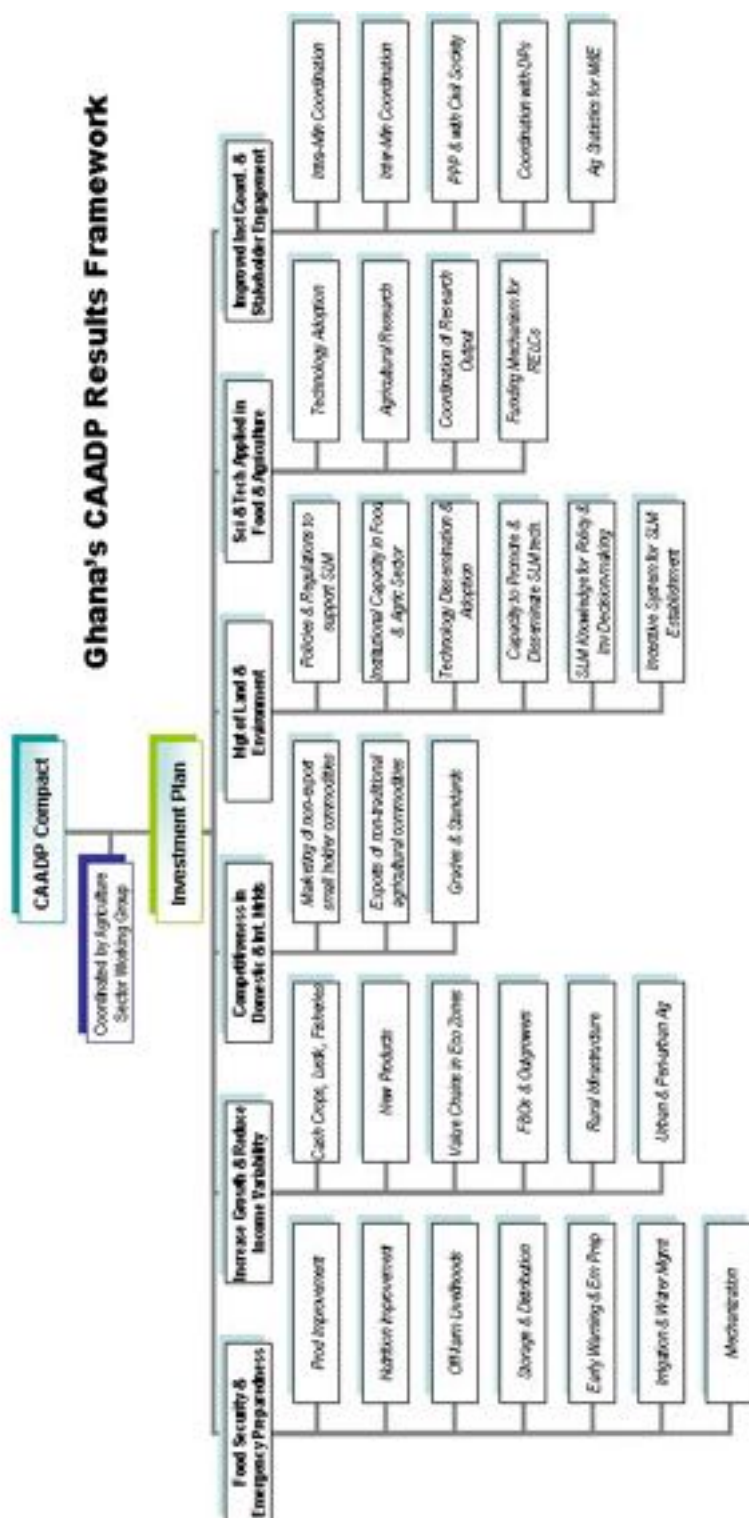


Figure 2: Ghana's CAADP Results Framework



### 3. TARGET GROUPS BY LOCATION AND INCOME

Despite the general success of reducing overall poverty levels in Ghana, there are significant intra-regional divergences in poverty levels and in the speed of reduction in poverty. High levels of under nutrition of children in the North demonstrate substantial problems in achieving food security in these regions, while similar rates of under nutrition in two southern regions indicate a need for further study.

Poverty levels have remained strikingly high in the Northern Savannah Zone which includes three administrative regions: Upper West, Upper East, and Northern region and parts of the Brong-Ahafo and Volta regions. Poverty levels in these regions stand more than double that of the national average (i.e. 63% vs. 29%). There are several ongoing GOG or proposed donor-funded programs in the North which focus mainly on developing economic growth opportunities. At the same time, however, there are no comprehensive donor-funded projects that support productive safety nets and risk management. Therefore, the Mission will examine opportunities to partner with the GOG and particularly the World Bank to address this apparent opportunistic niche for reaching the poor and most food insecure. The objective would be to target primarily chronically asset poor (e.g., geographical, productive and human capital), rural households, and communities that would not be able feed themselves or respond to external shocks.

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Although those involved in export farming are the next highest group, their situation has

improved faster than any other group over the last 15 years.

The USG, through USAID investments in major food crop value chains (such as maize, rice, and sorghum), and certain non-traditional export crops, will positively affect the most important income groups in the country by addressing poverty and food security. Following are the details on these two groups:

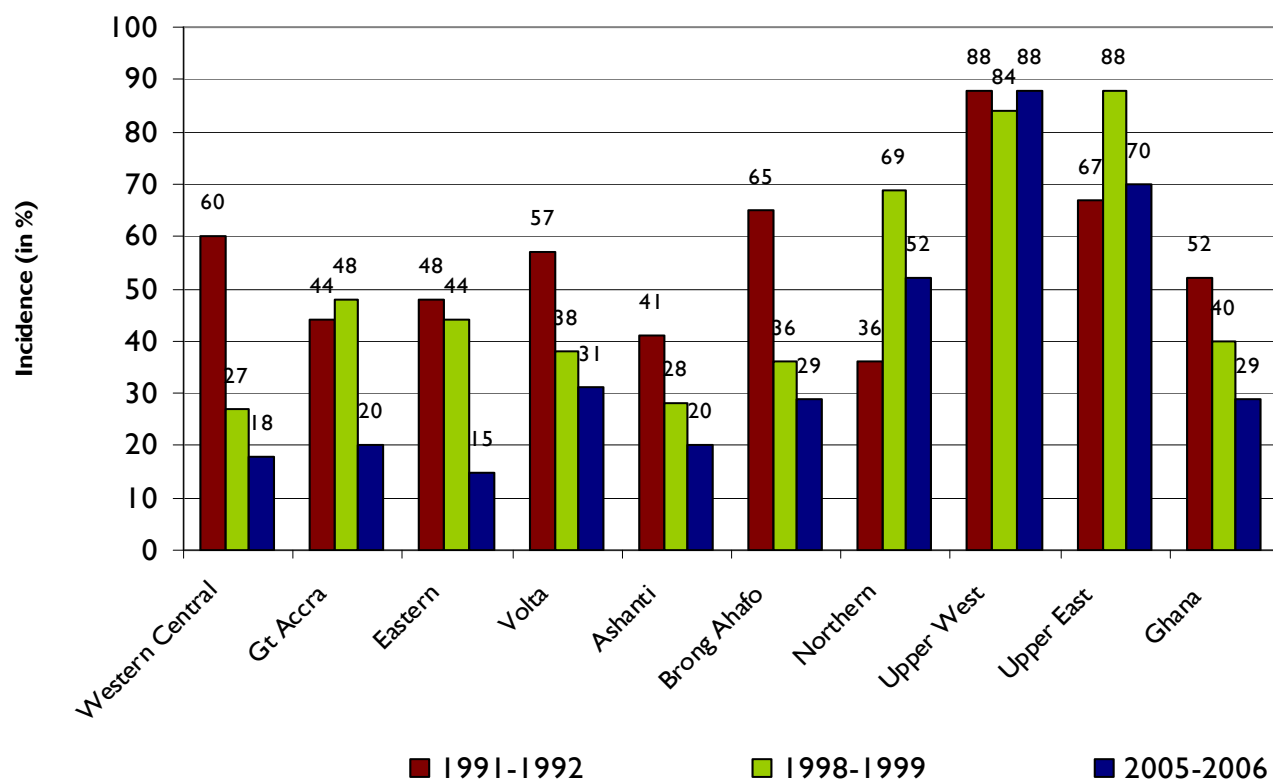
**Food crop farmers:** They represent 48% of the population in the Northern Savannah zone with the largest share living in Upper East region (56%). Their livelihood is characterized by the lowest annual per capita income, falling below the national poverty threshold and the recently agreed upon minimum daily wage rate in Ghana. While the districts of Ghana's coastal zone represent only about 6.5% of the land area of the country, it is home to 25% of the nation's total population. Poverty in the coastal areas is extensive, with the average welfare level among food farmers estimated by the Ghana Poverty Assessment as 12% below that in large urban centers such as Accra. The combination of poor health, poverty and environmental degradation contributes to a vicious cycle that negatively impacts the quality of human life in the coastal zone. Almost three-quarters of these farmers (72%) cultivate less than two hectares of land, and almost all are entirely reliant on rainwater for cultivation (98%). Nearly half of the households have family heads without any educational background, and 13% of their primary school-aged children are not attending school. Females head 22% of households.

**Cash crop farmers:** Although the large majority of cash crop farmers live in the Forest zone, representing 15% of the zone's population, the most vulnerable cash crop farmers live in Upper West region (Northern Savannah zone) representing 17% of that region's population. Their share of income from cash cropping (67%) is complemented by food crop farming (20%), the second most important income source. Among the agriculturalists, cash crop farmers have the highest annual per capita income. Nevertheless, more than half (51%) were identified to be in the poorest wealth

quintile. Eighteen percent (18%) of them are

female-headed households.

**Figure 3: Incidence of Poverty by Administrative District**



Rates of stunting in children under the age of five years, documented by the 2008 Demographic and Health Survey and reflected in the following map, demonstrate the impact of the widespread poverty in the North. Equally high rates were found in two southern regions, Central and Eastern. It is possible that these findings indicate a need for nutrition-related interventions unrelated to poverty alleviation. Further study of the situation affecting childhood nutrition in these regions is needed.

**Map 1: Percentage of children under 5 who are Stunted**



## 4. CORE INVESTMENT AREAS

The USG will invest in five Core Investment Areas in Ghana through the Global Hunger and Food Security Initiative (GHFSI): agricultural productivity; trade and transport; market-based principles; addressing poverty levels of the very poor; and improving nutrition. The analytical work and multi-donor coordination underlying this Implementation Plan was extensive, as can be seen in a cross-walk between Ghana's CAADP results framework and the USG GHFSI reveals a high degree of correlation.

Beyond the five Core Investment Areas, the issues of engaging women in economic growth and climate change are both of great importance and relevance to the Ghana GHFSI. They are addressed as cross-cutting issues to be integrated in the Core Investment Areas, similar to their incorporation in the CAADP Compact and the agriculture sector strategy. Since the USG would like to intensify programming in these areas, both feature prominently in the IP analytical agenda to generate a solid base of information to guide activity design.

### 4.1. CORE AREAS

The analysis underlying the determination of Core Investment Areas was derived from a substantial knowledge and information base. The Plan was best informed by studies by the local IFPRI team implementing USAID's GSSP project. Their studies and analyses have been widely reviewed, shared, and accepted by the development community, private sector and civil society, especially the members of the Agricultural Sector Working Group. The Implementation Plan has also been informed by the outcome of the CAADP Roundtable—providing further assurance that the selected focus areas are necessary and appropriately aligned with Ghana's CAADP strategy.

Prior to the CAADP Roundtable, the Working Group put together and discussed a matrix showing where each donor's projects fit within the agricultural sector strategy framework. This

effort further substantiates the extent of collaboration underlying this Implementation Plan.

#### 4.1.1. Increased Agricultural Productivity

This area of intervention is the highest priority in Ghana, substantiated by critical analysis by IFPRI, and adopted in all of Ghana's policy and strategic planning frameworks. For FY 2010, the initiative will:

- Expand the development, use and dissemination of demand-driven technologies that will increase productivity.
- Apply analytical tools such as farm budget models to determine the best economically viable smallholder technologies. USAID programs will also work with suppliers and service providers of these technologies, to adjust their distribution models and services to be more attractive and cost effective. For less familiar or unknown technologies that could possibly be effective, a range of local organizations including research organizations, commercial entities, and government will be engaged to research, test and roll out these technologies in a commercially viable way.
- Glean best practices by assessing past experiences with such interventions as minimum till farming and other soil fertility management practices, and integrate them into soil and water conservation practices to conserve soil fertility. The shift in farming practices as a result of introducing more efficient crop rotations will be integrated into commercial service offerings to increase the pace of adoption and adaptation, while reducing the risk and increasing the returns to making the shift.
- Increase the use, efficiency, and management of irrigation schemes.
- Facilitate the development of commercial linkages between actors within value chains, including between and among commercial farmers and smaller farmers, and build the capacity of farmers to produce a consistent supply of quality product that meets market demand.

- Build the capacity of key partners, including individual farmers, farmers' organizations (FBOs), agribusiness, and service providers in the areas of development, dissemination and management of technology, and business skills—especially mid-level farm management and executive management.
- Facilitate private investment in fully functioning Agribusiness Centers that provide a range of services to farmers and FBOs including technical assistance, training, seed trials, production, inputs, processing, machinery, post-harvest handling, irrigation and small-scale infrastructure and storage.
- Strengthen the GOG research and extension services; improve coordination of all such public facilities to better deliver services to the rural farm sector; and improve the ability of these service providers to partner with private technology suppliers and commercial enterprises.
- Increase access to credit, one of the most significant constraints to sustained agricultural development and continued economic growth, with an emphasis on working with banks and commercializing farming transactions.
- Improve management of coastal natural resources through an Integrated Coastal and Fisheries Governance (ICFG) Program for the Western Region.

#### **4.1.2. Reduced Trade and Transport Barriers**

Regional trade in food staples is important for Ghana as the country is a potential net provider of food products. Regional trade will be increased by improving the operation of key trade and transport corridors, improving market structures, and expanding financial services. This objective will be achieved through:

- Using a value chain approach to increase economic performance and product competitiveness, through engaging all actors in selected crop chains. These actors include nucleus farms, out growers, smallholder farmer groups, product/trade

associations, value-adding entities, local service providers, community members, and local authorities.

- Reducing post harvest losses through expansion of localized shelling service providers (e.g., for maize), farmer training in improved post harvest handling techniques, and building stronger marketing linkages to more efficiently move products.
- Identifying, promoting, and enabling opportunities for value-added product development (especially agro-processing) at critical junctions of commodity value chains.
- Increasing the agribusiness sector's access to credit to expand their capacity to source, market, and process agricultural products.
- Improving agricultural market information and management of financial transactions for smallholders and marketing agents (including inter-regional in partnership with such regional systems being strengthened by USAID/West Africa's Agribusiness Trade Project).
- Implementing innovative storage and market management systems such as warehouse receipting, already piloted in this country in partnership with regional initiatives being promoted by USAID/West Africa's Agribusiness Trade Project.
- Improving farm-to-market rural roads to reduce the cost of inputs and marketing of food crops in partnership with the agricultural component of the Millennium Challenge Corporation's (MCC) Compact program.
- Facilitating the creation of or strengthening strategic public-private partnerships and alliances with developed country, domestic, and/or regional buyer-sellers as well as joint venture partnerships.
- Using GIS-based tools for more efficient spatial planning of production, marketing, and processing in transport, storage and other forms of production and marketing infrastructure.
- Strengthening the capacity, use and effectiveness of Ghanaian public sector systems to achieve sustainable reforms in especially the regional trade arena.



#### **4.1.3. Sound Market-Based Principles for Agriculture**

Building on the significant contributions the USG has made in this area for years, the mission now needs to continue providing quality analytical support, such as that produced by a policy project implemented by IFPRI. This initiative will:

- Continue GOG capacity building of key policy analysis units to develop policies, regulations and strategies that enhance the competitiveness and trade of important commodity value chains.
- Improve the availability of reliable agricultural data and information, including management, analysis, and dissemination that meets private sector needs.
- Enhance public sector support for attracting and facilitating private sector investment at all levels of commodity value chains.
- Improve CAADP coordination and planning—particularly building a better sector-wide link between the Ministries of Finance and Agriculture.
- Promote civil society advocacy activities for improvement in the business and regulatory environment by supporting the multi-donor funded Business Association Policy Advocacy Challenge Fund (BUSAC).
- Strengthen the capacity, use and effectiveness of Ghanaian public sector systems to achieve sustainable agricultural sector reforms.

#### **4.1.4. Accelerated Participation of the Ultra Poor in Rural Growth**

In Ghana, extreme poverty is not pervasive throughout the country. The poorest are found mainly in the North. The poverty in this region is being addressed by GOG and several donor programs. The USG, through USAID, will support this effort and others by:

- Working with public-private partners to establish local capacity to produce, market and distribute nutritional foods for the most vulnerable; and to educate households on

better nutritional production, cooking, and feeding regimens.

- Considering interventions within the context of Ghana's Northern Development Initiative (NDI) and the newly emerging Savannah Accelerated Development Authority (SADA), which targets poverty-prone areas—especially women and children. The NDI articulates Government's highest strategic priority for attacking poverty reduction. The Mission will also consider supporting programs such as the Livelihood Empowerment Against Poverty (LEAP) project, which supports extremely poor households. To avoid duplicating efforts, the Mission is investigating how to support Government through collaboration with other donors who already have or are in the process of designing projects and programs in the North.

#### **4.1.5. Improving Nutrition**

Malnutrition is an underlying factor in 53% of all deaths in children under five years of age in Ghana. The situation is compounded by high levels of vitamin and mineral deficiencies that predispose children to vicious cycles of malnutrition, infection and poor growth. The 2008 Demographic and Health Survey (DHS) showed a high prevalence of under nutrition. Depending on the availability of FY2010 funds, the USG will invest in the following types of interventions:

- Improving household nutritional behaviors and practices through a combination of approaches including behavior change communication and reinforcement of skills of nurses in delivering key messages. This effort will improve the skills of health care providers, community outreach workers, mother support groups, and community health workers to enable mothers to appropriately feed their children.
- Scaling up USAID's existing community-based program to treat acute malnutrition (CMAM) to provide broad coverage of malnourished children in five regions;
- Strengthening the Severe Acute Malnutrition (SAM) Support Unit at the



- Supporting local production of ready-to-use foods (RUF) with capacity building to ensure high levels of quality assurance in nutritional content, processing standards and packaging, to improve access to therapeutic foods for treatment of severely malnourished children;
- Purchasing directly, locally produced RUF, to make products available for use in the expanded CMAM program and to strengthen the initial economic viability of local production;
- Supporting community-based social and behavior change communication in three regions concerning maternal nutrition, exclusive and continued breastfeeding, and appropriate infant and young child feeding;
- Building capacity for the GOG and its partners to assess, plan, design, implement, monitor and evaluate nutrition programs, including policy work to ensure nutrition is addressed as a development issue;
- Conducting surveys to examine household expenditure and individual and household food consumption patterns and their relationship to food security.

## 4.2. AFRICAN PRIORITIES

Ghana is not fundamentally a food-insecure country. Therefore, the rationale for including this country in the Initiative is its potential to supply food to the more food insecure countries in the region. Still, addressing food security is a prominent objective in Ghana in recognition of the rather stark geographic distribution of food insecurity. The 18.2% of Ghanaians who fall below the extreme poverty line are chronically food insecure. The remaining 10.3% classified as poor, but who fall above the extreme poverty line, are also vulnerable to food insecurity. But this group suffers from transient rather than chronic food

insecurity, such as seasonal food shortages linked to production variability. While the situation has improved in the last five years, 28% of children under the age of five years are stunted—too short for their age—indicating a lack of adequate food intake for a long period of time. The Upper East region is an area where populations are vulnerable to transient food insecurity.

A program for enhancing food security and emergency preparedness must increase agricultural productivity, boost total production and improve food distribution to vulnerable groups while enhancing nutrition. Groups most vulnerable to food insecurity would need income diversification opportunities to enable them to cope better with adverse food supply situations and production risk, and to enhance their incomes for better access to food. Caretakers must be educated about proper feeding practices for young children and have the means and opportunity to implement them. Appropriate treatment for severe and moderate malnutrition must be accessible, and food with appropriate micronutrients must be available.

The USG will focus implementation primarily on addressing agriculture productivity and marketing constraints in accord with the Ministry of Food and Agriculture's (MoFA) agricultural development strategy in the Food and Agriculture Sector Development Policy (FASDEP II). Some of the key broad areas for priority interventions for accelerated agriculture led growth are the following:

- Promoting selective crop development.
- Increasing access to extension services.
- Enhanced market access.
- Support to value addition/ agro-processing.
- Enhancing access to credit and inputs for agriculture.
- Reform to land acquisition and property rights.
- Accelerating the provision of irrigation infrastructure.
- Improving access to mechanized agriculture to reduce drudgery.

- Restoration of degraded land and environment.

The Government's vision is a commitment to people-centered rapid commercialization of agriculture, among other efforts. The GOG intends to achieve its vision by explicitly targeting youth and women as the primary beneficiaries of policy, income-generating and skill-building interventions. The orientation of the country's agricultural sector policy has been guided by a principle of inclusion, whereby all members of the rural environment (without forgetting the youth and those most vulnerable to food insecurity) are reached with services.

The CAADP stocktaking report noted that the key constraints to growth are low productivity and poor post-harvest management. Specific reasons cited were low usage of improved seeds, low price incentives in markets, heavy reliance on rainfall, poor access to inputs and financial services, and dependence on family labor for intensification. Modeling exercises suggested that the productivity targets chosen by the Ministry are adequate to achieve 6% growth as well. The stocktaking report noted that the key gaps that need to be addressed were low productivity in the agricultural sector (a 4% point gap in reaching the targeted 10 share of agriculture in the national budget), and a more equitable distribution of funding within the sector between cocoa and other sub-sectors. It also noted that the key challenges for the sector plan/ CAADP investment plan are reducing the yield gaps and regional differences.

The agriculture sector has been recognized in both Ghana's Poverty Reduction Strategies (GPRS) I and II as key to rural development and to poverty reduction. FASDEP I was developed to support the implementation of GPRS I. Its revision into FASDEP II responds to the 'growth focus for poverty reduction' paradigm of GPRS II. Therefore, the policy objectives in FASDEP II are consistent with the goals of GPRS II while the strategies encompass all of the interventions outlined for the agriculture sector in GPRS II.

The overriding goal of the CAADP is to help African countries increase their economic growth through agriculture-based development which eradicates hunger, reduces poverty and food insecurity. In West Africa, CAADP is implemented in conjunction with the Economic Community of West African States (ECOWAS) Regional Agricultural Policy (ECOWAP). The six ECOWAP themes embrace the objectives of FASDEP II. Therefore, FASDEP II is consistent with Global, Regional, Sub-regional and National frameworks for development. A specific review of ongoing development efforts and alignment with CAADP and ECOWAP targets and principles has been conducted.

The Agriculture Sector Plan, which is the operational framework for FASDEP II, has been completed. ECOWAS, through its unifying framework for programming, is supporting the process.

As is demonstrated by the inclusion of nutrition in the CAADP and Ghana's food security action plan, principle actors in health and agriculture in Ghana acknowledge that high levels of poor child nutrition pose a serious obstacle towards achieving the MDG. While child mortality rates have decreased significantly in recent years, rates of wasting and underweight children have not decreased similarly. The GOG is committed to respond to this problem. While there is no national strategy on food and nutrition, addressing under nutrition is prioritized in the Ghana Health Sector 5-Year Program of Work for 2007-2011, which has the theme of *Creating Wealth Through Health*.

Three important high-level strategy documents on nutrition are currently in place, outlining Ghana's priority objectives for nutrition. These priorities include:

- Promoting and strengthening the Essential Nutrition Action package.
- Extending community-based services for promoting optimal breastfeeding and appropriate complementary feeding within the context of the High Impact Rapid Delivery Child Survival Program.

- Providing rehabilitation of malnourished children in health facilities and communities, and supplementary feeding to communities with high levels of malnutrition.
- Strengthening program to control micronutrient deficiencies (Vitamin A supplementation, iodization of salt and food fortification).
- Ensuring food security and bio safety.

#### **4.3. HOW AREAS BUILD ON EARLIER INVESTMENTS**

The USG's comparative advantage is in ensuring that the private sector is able to make rational decisions based on solid information, lowering the hurdles to business expansion, and facilitating linkages between suppliers and buyers. The Mission has a twenty-year history of successful agricultural/private sector projects in Ghana (from TIP, to TIRP, and most recently TIPCEE) as well as many years of effective PL 480 programs. The PL 480 programs and portfolio (at one time larger than the DA portfolio) covered large sections of the North that still are recognized as needing the most pro-poor assistance in the country.

The Mission has coordinated closely with the Ministry of Health and Ghana Health Services in improving child health for 10 years. Improving child nutrition through promotion of exclusive breastfeeding, growth monitoring, community education, micronutrient supplementation, and prevention and treatment of diarrheal diseases was a crucial component of this work throughout. For the last 3 years, USAID has built the capacity of the Ministry of Health and community-based non-governmental groups to foster adequate nutrition of young children and assist in the rehabilitation of malnourished children. With an embedded advisor in the Nutrition Unit of the Ghana Health Service, the Mission has an excellent basis on which to build increased collaboration in nutrition policy and program scale-up. USAID's Behavior Change support Program is established and well-situated to design and implement effective campaigns on improving nutrition practices, while the existing C-MAM program has

demonstrated its effectiveness and is ready to be scaled up.

The USG, through USAID's recent Trade and Investment Promotion for a Competitive Export Economy (TIPCEE) program, has achieved some success in facilitating dialogue on appropriate business promotion policies and regulations, and provided valuable technical assistance to relevant GOG ministries, departments and agencies (MDAs). Through this Initiative, the mission addresses: constraints to access finance for agribusinesses with MOFEP and financial institutions; barriers to regional trade of agricultural goods and unreliable energy for processing and cold storage facilities with Ministry of Trade and Industry; and private sector delivery of inputs in the agriculture sector with Ministry of Agriculture. The USG will also continue its relationship with policy research institutes to strengthen Ghanaian economic research expertise and provide guidance to GOG on appropriate reforms.

In Ghana, the USG has shown its effectiveness in using a flexible, quick response capacity combined with high-quality technical assistance and private-sector orientation for finding niches to catalyze greater outcomes. By contrast, budget support has not proven as effective because of its limited levels and a lack of GOG commitment.

The GOG and other donors believe USG projects have been highly relevant and strategic, and have produced an effective model (through the value chain process) to introduce new products and technological packages, and management practices. These practices strengthen the vertical integration of value chains, and improve marketing linkages and farmer business skills. Linking farmers to local commercial buyers has had a considerable positive impact on the success of most value chains. It is appropriate to continue the strategy of promoting value chain development for both export horticulture and increased productivity in the production of basic staples. This approach builds on 20 years of USG experience in agriculture in Ghana in

introducing new technology, products, and management practices. It also successfully promotes the marketing of many horticulture crops (such as pineapples and mangos) and food crops (especially maize).

Since the USG wants to consider broad sector assistance, there is a history here of successfully using USAID non-project assistance (NPA) combined with technical assistance to achieve good results. For example, in the late 1990s, new and more effective Ministry of Finance budget and accounting systems were implemented in concert with World Bank and IMF macroeconomic reform objectives. NPA to government will also enable the USG to become an active player in modernizing agriculture by facilitating the provision of public sector services that attract transformative private sector investment.

#### **4.4. LINK TO FOREIGN ASSISTANCE FRAMEWORK**

The Mission's proposed core investment areas for this Initiative correspond and link well with the USG's Foreign Assistance Framework. The overall Mission monitoring program tracks indicators in the Agriculture and Natural Resource Program Elements of the Economic Growth Assistance Objective, the Initiative to End Hunger in Africa (IEHA) indicators, as well as the Investing in People Program Element (Health). These Economic Growth Program Elements (EG) are:

- Agriculture Enabling Environment (EG 4.5.1)
- Agriculture Sector Productivity (EG 4.5.2)
- Natural Resources and Biodiversity (EG 4.8.1).

For the FY 2009 supplemental funds, the food security program did include the EG Program Element 4.4.3 Transport Services.

The Mission funds programs and tracks indicators for nutrition-related assistance in the Health Program Area under Nutrition Element 3.1.9. Sub-elements under which activities will be carried out include 3.1.9.1 Individual Prevention Programs; 3.1.9.2: Population-based

Nutrition Service Delivery (including micronutrient supplementation); and 3.1.9.3: Nutrition Enabling Environment and Capacity

## **5. FY 2010 RESULTS/ INDICATORS/TARGETS**

Causal linkages along with anticipated results with FY 2010 targets are provided in this Section for the five Core Investment Areas: Increased Agricultural Productivity; Reduced Trade and Transport Barriers; Promote Sound Market Based Principles for Agriculture; Accelerated Participation of the Ultra Poor in Rural Growth; and Reduce Undernutrition.

### **5.1. INCREASED AGRICULTURAL PRODUCTIVITY**

This area will receive the highest priority in Ghana. The emphasis will be on increasing crop yields per unit of land and improving profitability. Under this Initiative, the USG, through USAID/Ghana will increase the intensity of its on-going assistance to farmers and add thousands more to targets in several commodity value chains. The Mission's programs are expected to eventually reach 200,000 farmers and through extended family households, many thousands more.

Farmers and agricultural groups link with seed companies, grain traders and processors, agro input dealers, and agricultural service companies offering technologies and know-how to increase production, reduce post-harvest losses and improve processing and irrigation efficiency. It is therefore conceivable that the pool of indirect beneficiaries will approach millions of people in Ghana. As regional trade increases, others

The Mission's approach will be to include mechanisms for sustainability, and it is estimated that growth will continue after the program is completed reaching 12-14% or doubling the value of agricultural output in 5-6 years.

throughout the region will be impacted by of an increase in the availability of food, or by increased income to purchase food. The Mission's approach will be to include mechanisms for sustainability. It is estimated that growth will continue after the program is completed, reaching 12-14% or doubling the value of agricultural output in 5-6 years.

## **5.2. REDUCED TRADE AND TRANSPORT BARRIERS**

Program efforts will be made both to increase and to improve the flow of farm products to domestic markets around the country and eventually across borders. At the same time, the impact of GFSR activities and those of the new Global Hunger and Food Security Initiative will be on reduced imports—particularly imports of products such as rice from outside the region. This will further expand the marketing and trade of food staples.

Program activities within select commodity value chains will achieve results such as reducing post-harvest losses thereby increasing marketable surplus, or improving the quality and availability of market information leading to more trade. Other results will include improving feeder roads to increase the volume of trade. By creating strong and greater links between small farmers and larger commercial farmers (e.g., through outgrowing schemes), increased farmer incomes and volume of product available will result.

Activities will also focus on the unique trade corridors of select food staple value chains as well as basic rural feeder roads. The Mission will collaborate with USAID/WA to reduce trade barriers by monitoring road practices that are harmful to trade and commerce, such as those on interstate trunk roads between Ouagadougou (Burkina Faso) and Tema (Ghana), Bamako (Mali) and Lomé (Togo).

## **5.3. PROMOTE SOUND MARKET-BASED PRINCIPLES FOR AGRICULTURE**

The Mission will use its on-going programs in this area as a springboard to achieve greater

results in using evidence-based policy decision making primarily in MOFA and MOTI, in important ministries such as the MOFEP, as well as among civil society analytical bodies. The impact of this area of intervention will be more qualitative than quantitative by continuing and intensifying a broad capacity-building effort of training analysts to improve the quality of policy research.

Administrative officers and policy makers will also be educated to enhance the outcome of policy dialogue. Expected outcomes include:

- More and better agricultural data collected and processed into demand-driven information and applicable knowledge requirements (especially for the private sector).
- More innovative, practical tools utilized for policy analysis.
- Improved capacity of Ghanaians to provide their own analysis for effective policy making.
- Increased communications linkages (such as more opportunity for civil society to voice their interests and concerns).
- Increased availability of useful communications products to foster informed policy making (such as policy briefs).

## **5.4. ACCELERATED PARTICIPATION OF THE ULTRA POOR IN RURAL GROWTH**

By boosting basic agricultural production and marketing of food staples which the most impoverished people depend on, Mission activities will have a positive impact on both rural poor household incomes and availability of food. In addition, because most of the Mission's value chain programs are structured around out-grower schemes, small farmers, farm laborers, and the ultra poor who are landless will be pulled into the more commercialized farming and food processing activities.



## 5.5. REDUCE UNDERNUTRITION

With extensive efforts expanding in FY2010 and coming to scale in FY2011 to both prevent and treat childhood malnutrition, Mission programs will increase access to high-quality nutrition-related health services and behavior change messages for children and their caretakers. GOG policies and practices will be improved to affect real gains in nutrition, and more and better information about malnutrition in Ghana will be available. USG programs will increase

access to quality, locally manufactured, supplemental foods. These coordinated efforts will result in improved nutrition-related behaviors and utilization of health services. Results will depend on the level of funding.

## 5.6. ANTICIPATED RESULTS

The following table show illustrative results anticipated in each of the core areas.

<b>Table 1: Anticipated Results</b> (Illustrative)		<b>2010 Targets</b>
<b>1. Increased Agricultural Productivity</b>		
	No. of additional hectares under improved technologies or management practices a result of USG assistance/adoption	2,000
	No. of rural households benefitting directly from USG interventions <sup>1</sup>	7,000
	No. of producers organizations, water users associations, trade and business associations, and community-based organizations (CBOs) receiving USG assistance	350
	No. of targeted enterprises accessing business development services through USG assistance <sup>1</sup>	10
	No. of individuals who have received USG-supported ST agricultural sector productivity training/Male attendance at ST training; Female attendance at ST training on agricultural sector productivity <sup>1</sup>	5,500
	Adoption of technologies targeted by USG assistance <sup>1</sup>	7,500
	Value of credit disbursed to targeted beneficiaries as a result of USG assistance (in cedis) <sup>1</sup>	1,325,600
<b>2. Increased trade and reduced Transport barriers</b>		
	No. of agriculture-related firms benefitting directly from USG-supported interventions <sup>1</sup>	10
	Usage of price and market information systems as a result of USG assistance	5,000
<b>3. Sound Market-based Principals promoted</b>		
	Analyses completed that address poverty, growth, gender, social inclusion, equity, governance, service delivery, agriculture and rural development	17
	Analytical tools developed that enable extensive and multidimensional analysis	1
	No. of consultative processes for stakeholder participation in policy dialogue	15
	No. of participants trained in different aspects of data management, policy analysis, etc <sup>1</sup>	50
<b>4. Ultra poor participation in rural growth is accelerated</b>		
	No. of vulnerable households benefitting directly from USG assistance. <sup>1</sup>	5,000
	No. of women's organizations/associations assisted as a result of USG intervention.	50

<b>Table 1: Anticipated Results</b> (Illustrative)		<b>2010 Targets</b>
	Volume and value of purchases from smallholder agricultural commodities targeted by USG assistance—e.g. maize (but will also cover rice, soya, mango)	8000 2,560,000
<b>5. Improved nutrition among children in target areas</b>		
	Number of children reached by USG-supported nutrition programs <sup>1</sup>	35,000
	Number of women reached with nutrition counseling and education	TBD
	Number of community workers trained on essential nutrition actions <sup>1</sup>	TBD
	Community management of acute under nutrition integrated into health system	Yes
	Number of private sector companies manufacturing ready-to-use therapeutic or supplementary foods	1

<sup>1</sup>The questionnaires and indicators of all baseline components will be gender sensitive to ensure that the impact of the interventions on both men and women can be captured throughout the program

## 6. KEY ISSUES AND ANALYTICAL ACTIVITIES LOOKING TOWARD FY 2011

Productivity and efficiency at all levels of the value chains for food and cash crops are severely limited by a variety of known factors and will be addressed by increasing the private sector's ability to compete. The USG, through USAID with technical support from the GSSP team, will provide new knowledge on the constraints and opportunities to increasing agricultural productivity in Ghana and to increasing regional trade in food staples produced in the country.

### 6.1. KEY ISSUES

Six main broad constraints to economic development in agriculture still persist: land tenure, finance, and infrastructure, limited technologies for small farmers, limited development of agro-processing, and lack of management capacity. The USG will address these constraints through analysis with an emphasis on promotion of rapid growth within priority value chains in conjunction with regional and domestic markets. Achievement of objectives at this level will not only address

short-term food shortages and food price inflation, but also contribute to the long-term national goals of alleviating poverty and achieving middle-income status. By transforming the agricultural sector, Ghana will become a reliable and sustainable regional leader in supply of staple crops.

While IFPRI's policy analysis highlighted that significant challenges remain for sustaining and accelerating agricultural growth in Ghana to meet the CAADP target, it also highlighted opportunities for Ghana. High world food prices combined with rising domestic demand through urbanization and income growth offer new market opportunities for staple crop producers. Currently, the country depends on imports of rice, wheat, livestock products, and processed food for domestic consumption; and demand for these commodities continues to rise. To take advantage of these new opportunities, increasing agricultural competitiveness to ensure great food availability and access at affordable prices is the key. Ghana can increase agricultural productivity by closing the existing gaps between current and achievable yields. In Ghana, broad-based agricultural growth comes mainly from domestic markets, so establishing a capacity to meet domestic food demand will serve to secure greater food security while providing a



platform for greater export of foodstuffs into the region.

As more detailed and region-specific information becomes available about the challenges affecting nutrition, the capacity of Ghanaian authorities at the district, regional and central level to meet these challenges must be enhanced. This will mean moving from addressing nutrition as simply a health issue to addressing factors affecting the quality and quantity of food consumed, cultural practices around child feeding, and adopting related prevention activities, such as hygiene and family planning. Community-led development programs linking small-scale agriculture with nutrition education and support for parents of at-risk children will be designed and tested by local leaders. The capacity of the health system and communities to identify and treat malnutrition must continue to be strengthened.

USAID has been involved in policy change for the past two decades within the macroeconomic, agriculture, trade, and the private sectors. The Agency under the GHFSR will try a different approach to complement what other donors have done to put expatriate advisors in the Ministry of Agriculture or to provide a team of technical advisors. The Agency will assist the country's decision makers on an incremental, demand-driven basis with the right technical assistance, at the right time, in the right manner, and for the right audience in accordance with a country-led process. The USG wants to avoid getting too far in front of what the Ghanaians want. When the needs are determined, USAID is prepared to supply longer-term TA in the policy area.

Considering the overall enabling environment, one of the best summaries of the situation can be found in the findings of the first USAID AgCLIR commercial, legal and institutional reform diagnostic studies. After examining ten subject-matter areas, the two areas that scored highest with the most positive findings are Protecting Investors and Enforcing Contracts. The weakest scores emerged from the areas of Getting Credit and Trading Across Borders. The government's FASDEP II and the analyses

behind the CAADP Compact have informed the design of the IP concerning the enabling environment issues. With this in mind, the USG has upgraded access of the GOG and donor partners to the world's première food policy analysis institution (IFPRI) to assist the collective response to the challenges. For example, one of the first actions in Ghana's CAADP Compact Road Map, is to convene a fertilizer symposium with IFPRI's help. The government needs to quickly address this highly visible and critical policy and has reached out to the USG for guidance.

Despite the GHFSI program being aimed at alleviating constraints and taking advantage of opportunities, the USG is aware of a few regulatory, political and institutional constraints beyond the USG's control that may affect achievement of the hoped for level of agricultural growth. The first example, and top among these is the lack of meaningful progress in land reform and the potential negative effects of poor land use planning. Land tenure has for years posed a significant obstacle to investment for small farmers as well as larger scale private sector investors. Access to land is one of the most intractable issues in Ghana. This is one particular area where donors clearly cannot take the lead, but must follow. USAID and other donors have tried to facilitate change for many, many years. What makes this so complicated, difficult, and different from most countries is that powerful traditional rulers control most of the land. The government tried to initiate reform years ago by expropriating land in order to modernize land rights. But this has, for the most part, backfired and adversely affected or severely frustrated farmers and private sector investors when they have tried to conduct productive activities on land where the rights are a contentious and volatile issue. However, the current government tried a different tactic and wisely consulted the traditional rulers, invited their participation in the CAADP Roundtable, and included them as signatories to the CAADP Compact. Perhaps there will be an opportunity for the USG to build on the pilot MCC Compact program of land title registration and work with the GOG on adopting aspects of this procedure in

national policy. The recent flood of interest in acquiring land in Ghana puts existing smallholder land rights and livelihoods at risk and can lead to an unhealthy structural change in agriculture that could limit opportunities to reduce poverty.

Another example of a constraint beyond the USG's immediate control is the looming influx of significant oil revenue that will affect the country's macro economy and raises the specter of Ghana soon having to cope with "Dutch disease". This could stifle the country's interest and concern for agriculture as its engine of growth – creating a short and narrow window of opportunity for the GHFSI objectives to be fulfilled before this problem arises.

There is concern that poor fiscal and monetary policies will jeopardize the sustainability of economic growth. Ghana is coming out of a period of high inflation which was one of the clearest signals of a problem emerging. Although the inflation rate is trending down at the moment, it is not certain if this is sustainable. If the rate trends upwards again, it could undermine competitiveness, augment investment risks, limit gains in poverty reduction, and put a strain on the political system.

The USG through the influence of an MCC Compact condition has leveraged drafting of an important modernized, contemporary seed law. Enactment of this law will address another serious limitation to agricultural growth – the lack of good, new plant varieties and associated technology needed as the foundation for raising crop yields so badly needed in this country. Passage of this politically sensitive legislation has been slow, and perhaps encouragement from senior members of the USG could hasten its approval. Downstream from this legislative framework is the substantial challenge of designing procedures for the introduction, development and dissemination of new seeds and plant varieties to get them into the hands of farmers without serious delay.

## **6.2. TRANSITION TO FY 2011**

The USG, through the USAID Mission, will continue the momentum built up over years of being involved in Ghanaian agricultural development and solidified under the Initiative to End Hunger in Africa (IEHA) program. As this initiative transitions from 2010 to 2011, the program will move forward to:

- Expand assistance into value chains that have apparent but not immediately quantified market potential. Further research in FY 2010 is necessary to determine how competitive these products can be—including oil palm, soya, and aquaculture. The approach is to conduct a value chain analysis to identify appropriate interventions.
- Scale-up the feeder road system initiated by the agriculture component of the MCC's Compact program.
- Plan for additional Initiative programs to scale up and extend other MCC activities in irrigation, farmer training, credit, storage, and agribusiness and management services (e.g., supporting and sustaining new managerial practices and institutional arrangements), as well as the governance of facilities (e.g., irrigation systems, pack houses), FBOs, financing and banking operations.
- Intensify and expand Peace Corps' agriculturally related capacity-building activities in developing better business skills among farmers, farm organizations, marketing agents, etc.
- Extend the Mission's analytical programmed support to expand knowledge, training, and R&D by Ghanaian researchers and Ghanaian research organizations.
- Provide assistance and guidance in support of the government's effort to create a national agricultural credit system and a national agricultural development and investment fund.
- Expand assistance to Ghanaian agricultural research and extension that is responsive to the public sector's plans and priorities and meets the needs of the private sector.

- Provide targeted institutional reform and human resource capacity, building on a review of MOFA expenditure and identification of opportunities conducted by USG projects to improve the effectiveness of agricultural spending.
- Expand collaboration with the USAID/West Africa Office's Agribusiness Trade Project and their extended program activities to pilot the provision of market information; mobilization of finance for agribusiness and trade; establishment of a pilot warehouse receipting program; and harmonization of trade.
- Partner with the World Bank to implement an innovative program for attracting substantial private sector investment in commercial agriculture as part of the planned private sector contribution to the CAADP Investment Plan.
- Given the urgency, rather than scaling up GHFSI assistance by project priority, the USG proposes using careful and selective use of agriculture and trade sector funding support through an Agriculture Sector-wide Approach (AgSWAp) to add its voice and leverage to achievement of a larger CAADP food policy reform agenda with other donors. In addition, this will enable the use of Ghanaian systems since this will be done in parallel with multi-donor budget support. As mentioned earlier, USAID has successfully used non-project assistance (NPA) in association with tailored TA.
- Intensify and expand strategies to overcome micronutrient deficiencies among young children and pregnant women, including iron-deficiency anemia. This could but won't be limited food product fortification, based on findings of research conducted in FY2010.
- Scale up community-based programs to identify and treat malnourished children for eventual national coverage.
- Develop and implement sustainability strategy for local RUF production, enabling eventual withdrawal of USG support for procurement of RUF.
- Explore public/private partnerships and other strategies to increase the availability

of locally-produced, high-value, complementary foods to ensure adequate nutrition among pregnant women and young children.

- Socially market ready-to-use supplemental food items for moderately malnourished children and other lipid-based nutrient supplements in coordination with ongoing health social marketing programs.
- Utilize research findings to develop cross-sectoral community-led initiatives to enable the families of at-risk children to become more food secure while improving and protecting their children's nutritional status.
- Closely coordinate food security activities with existing water, sanitation and hygiene, and family planning activities.

### 6.3. ANALYTICAL GAPS

A recent World Bank assessment of the analytical work on Ghanaian agriculture found that although substantial work was going on in the sector – primarily by IFPRI, AFD, DfiD, and the World Bank -- there were important knowledge gaps. These include input markets, land tenure, rural labor markets and livelihoods, international value chain comparison, livestock, risk management, and the dynamics of farmer-based organizations.

The USG has already put at the disposal of government and other donor partners a high-powered analytical team through the Ghana Strategy Support Program (GSSP). This team will move into a GSSP Phase II that will focus on answering the “how to” questions of agricultural transformation. Specifically, this Initiative program's research will look for the appropriate policies and state interventions—including intervention design—necessary to achieve the targets laid out in the GOG's sector strategy. It will focus on the most efficient ways to achieve the envisioned transformation of the sector, given identified constraints and opportunities. It will also support the government in identifying the social and political impacts of structural economic transformation.

The USG, through USAID with technical support from the GSSP team, will provide new

knowledge on the constraints and opportunities to increasing agricultural productivity in Ghana and to increasing regional trade in food staples produced in the country. GSSP will examine irrigation development, mechanization, seed industry development, input (fertilizer) subsidies, trends and performance of recent investments in agriculture, food crop value chain development, livestock development, farmer-based organizations, decentralization and rural service delivery, accountability in the research system, north-south and sectoral linkages, farmer response to food crisis and regional markets, Ghana's role in West Africa trade, oil and agriculture, a special story of Ghana's rural economy, strengthening capacity at MOFA, improved agricultural household data collection, and building a center of Policy Analysis.

Based on our consultation with the GOG, the greatest analytical gaps identified and the top analytical priorities at this time are examination and development of better policies and tools needed to encourage growth in livestock and aquaculture – two sub-sectors the government is keenly interested in developing. The GOG has also indicated interest in more analyses on how to mitigate risks in agriculture. This may include managing risks of rain-fed agriculture – such as supplemental irrigation and traditional irrigation; establishing buffer stocks and/or establishing storage capacity; warehouse receipting; and crop insurance. The Mission is having discussions with key partners, such as the World Bank, to consider joint studies in these areas.

Having recently discovered large oil resources, Ghana is on the verge of an oil revenue boom that may start as early as 2010. Given the significance of oil to the country's macroeconomic future and external sector, there is widespread concern about how to avoid "Dutch disease" problems so that oil revenue is programmed and managed to maximize its positive impact on development. Therefore, the Mission is the process of providing assistance to the GOG that would include analysis and support for macroeconomic policy planning and implementation to maintain

export competitiveness and avoid a loss of emphasis on agricultural growth.

The USG believes there are gains to be made from a vulnerability assessment and further examination of the effects of climate change, especially in the coastal areas, and how to design effective measures for adaption to these effects. This analysis would build on a recent overview of the climate change situation in Ghana and what USAID might consider in orienting the GHFSI's approach and investments in a stronger, more focused adaption and mitigation program in this important area. In addition, it would be useful to find out how to effectively program assistance that addresses the special needs of the very poor in remote areas, and other chronically underserved regions of the country, especially value-added interventions for the North. But there may well be other deserving yet omitted groups due to the emphasis on the North. The Mission will also examine more carefully how it can engage women– not just the poor but those who have been successful moving out of poverty as well as other numerous issues related to better addressing the potential of women farmers to more effectively take advantage of credit, land tenure, technology adaptation and access.

Regional, urban and rural food consumption patterns linked to economic status will also be explored as part of the analytic agenda, focused on identifying the economic, cultural, and practical barriers to improving childhood nutrition at the household level. Locally designed programs to address these barriers will be tested in order to provide lessons learned to government counterparts and for the purposes of scaling up activities.

The USG will make sure the suggestions and questions raised in the inter-agency review are incorporated in the Terms of Reference for these studies.

## 7. PARTNERSHIP PLAN

In February 2007, the GOG and most donors signed a Ghana Joint Assistance Strategy (G-JAS) which seeks to fully align partner activities with GPRS II and to formalize a Ghana Partnership Strategy (GPS). A GPS Results Matrix provides the overall framework for how Development Partners (DPs) support Ghana to achieve measurable outcomes in accordance with GPRS II. The GPS also includes a rolling Harmonization and Aid Effectiveness Plan (G-HAP) based on the Paris Declaration on Aid Effectiveness. GJAS partners are fully committed to the G-HAP in partnership with Government and civil society. To boost progress, G-JAS partners have identified a set of strategic principles and commitments drawn from the G-HAP, to drive their harmonization and aid effectiveness efforts forward during G-JAS implementation. The broad strategic principles that G-JAS partners will observe in their assistance programs are to:

- Increase their use of common arrangements to plan, deliver and monitor their development assistance.
- Work through pillar and sector working groups to share information and, as far as possible, plan policy dialogue, financial support, and technical assistance with each other, with the government, with civil society and private sector groups.
- Aim to use country systems to manage and implement their assistance, and seek to strengthen these systems in a coordinated way.
- Focus on the achievement of results through nationally driven M&E frameworks and support evidence-based decision-making through strengthened national statistics and systems for M&E.

Recent efforts to enhance ownership and reduce transaction costs include performance reviews conducted jointly by the ministry and the donor partners in the sector.

To develop this IP, the USG, led by USAID, met and exchanged ideas and information with the

MOFA, MOTI, World Bank, TechnoServe, MCC & MiDA, IFPRI, USDA, major private sector partners, GTZ, CIDA, ACDI-VOCA, TIPCEE project staff, Regional and AID/W GDA Officers, USAID/West Africa, regional Agribusiness Trade Project Chief-of-Party, MOFA Ag Advisor, USAID Mission Health Office, private sector groups, among others. There has been increasing harmonization over time in coordinating donors' activities, including structured dialogue between the agricultural ministry and donors as a group, and their move toward budget and sector wide support. Many donors continue to support projects.

Other than the host country's public/private sectors and civil society, key partners are GOG, GTZ, DFID, World Bank, and CIDA. The Agricultural Sector Plan notes that there are currently thirteen development partners funding agriculture-related projects and programs in Ghana. These partners have approximately sixty-three interventions, two of which are budget support. The time frame for the ongoing programs, projects and the budget support are between 2009 and 2015. Other interventions are frequently being developed creating a challenging situation. For many years, the USG/USAID was one of the few donors supporting agriculture developed a strong reputation, leadership role, and comparative advantage in the sector. However, the interest and involvement of other donors today requires the USG to allocate greater staff time to donor coordination and program harmonization, and determining USG value-added activities.

The USG will remain an active participant in various Government/donor sector working groups – especially the Agricultural Sector, Private Sector/Trade, Social Protection, Environment and Natural Resource Management, Water, Decentralization, Energy, and Finance Working Groups. Mission agriculture programs will continue working most closely with DANIDA, World Bank, GTZ, and the MCC to ensure coordination and avoid duplicity of efforts. Four USAID-funded embedded advisors – utilized quite successfully by previous projects in the ministries of Agriculture, Trade and Investment, and Finance



– will continue to be a great asset to ensure coordination with local level project implementation and facilitate progress towards the overall objectives of the GFSR. The most effective way to partner in Ghana is through the Agricultural Sector Working Group – which, for the USG, is further facilitated with the help of the Mission’s GSSP project that works directly with the agricultural ministry.

## **8. FY 2010 CAPACITY-BUILDING PLAN**

The USG should build capacity of Ghanaians in several areas in order to ensure the effective implementation of the GHFSI: strengthening data collection systems, capacity for policy development, and monitoring and evaluation. The capacity of the private sector and business community to engage in the reform process can also be strengthened. Most capacity building is aligned with the Core Investment areas of Increasing Agricultural Productivity, Trade, and Market-Based Principles based collective donor knowledge of working in these areas for years and knowing where the greatest weaknesses lie.

### **8.1. STRENGTHEN GOG AGRICULTURE AND NUTRITION DATA COLLECTIONS SYSTEM**

USAID’s GSSP Phase II plans to support a substantial research project on capacity building within the Ministry of Food and Agriculture. GSSP would facilitate two interventions while also documenting these initiatives to contribute to the general literature on the effectiveness of different approaches to developing state capacity. The first would target the agricultural statistics base within the country. Neither evidence-based policy making, monitoring of aid effectiveness, nor the type of deep-drill research GSSP Phase II proposes to do is feasible given the weakness of the existing statistical system in Ghana. This project would work with Ghana Statistical Service (GSS) and MOFA to develop a strong agricultural data

system that fits within the framework of the corporate strategy of GSS and assists in the implementation of surveys. It would also develop the capacity within the Ministry to collect data, manage its dissemination, and do preliminary analysis to be able to meet their reporting and monitoring requirements.

Through existing health programs, USAID will build the capacity of Ghana Health services to collect and analyze data on child health, including nutrition and the effects of various interventions, at the district and regional level. Design and implementation of surveys to better understand the linkages between poverty and food consumption as well as regional, ethnic and rural/urban differences in food consumption will also be supported.

### **8.2. FURTHER STRENGTHEN MOFA SKILLS AND CAPABILITIES FOR ANALYSIS AND POLICY FORMULATION, PLANNING, AND MONITORING AND EVALUATION**

The second intervention would involve a broader effort at building capacity within MoFA. Recent external and internal reviews have indicated that MoFA’s does not currently have the capacity to lead the development of the agricultural sector, a particularly critical role in the absence of a vibrant private sector. GSSP will thus support a multi-donor effort to develop organizational capacity and propose a strategy for an ongoing change management technical assistance program. An assessment about the extent and depth of change management necessary at MOFA and how to revamp the data and research systems will identify what longer term training is necessary – at least in the public sector right now.

There is enough information available to determine that the immediate attention in FY 2010 will be on upgrading the capacity of MoFA’s Policy, Planning and Monitoring and Evaluation Directorate (PPMED). This directorate is the foundation for ministry’s analysis and policy formulation and has been the unit most responsible for the CAADP. They

are already a very capable group, and the ministry will benefit enormously from an improvement in their skills and access to more contemporary analytical tools and international technical networks.

### **8.3. CAPACITY BUILDING TO PROMOTE BUSINESS SECTOR ENGAGEMENT IN THE REFORM PROCESSES**

In the area of training, the on-going Business Sector Advocacy Challenge (BUSAC) Fund currently financed by three development partners (DANIDA, DFID and USAID) will receive greater support from the Mission. The goal of BUSAC is to facilitate the development and growth of a competitive and vibrant private sector by improving the environment in which businesses operate. Assistance would support training efforts behind the organization's four objectives:

- to enhance business sector engagement in policy formulation and implementation;
- to strengthen the capacity of business sector representative organizations to advocate for pro-business sector reform;
- to remove bottlenecks that prevent the Private Sector, at all levels, from growing; and
- to broaden public understanding of the role of the business sector.

To increase private sector capacity in local production of nutrient-dense foods for treatment of malnutrition and prevention of nutritional deficiencies, public-private partnerships will be explored. Technical support will be offered to insure that products have the appropriate blend of nutrients to serve these purposes, and quality of production is assured.

### **8.4. CAPACITY-BUILDING PARTNER INSTITUTIONS**

Based on the Mission's experience with training institutions, it is envisioned that the potential non-governmental or donor partners will be the Bank of Ghana, Ghana Statistical Service, ISSER,

University of Ghana Legon (Department of Economics), the University of Cape Coast, and the Ghana Institute for Management and Policy Analysis (GIMPA). Since this latter institution has a special mandate to educate and train public sector administrative and management personnel, much can be gained by not only building a foundation for better training in 2010, but also creating sustainability for continued support for many years to come. USAID will take advantage of the desire by Ghanaian institutions (like GIMPA) to establish modernized programs in areas such as agribusiness management and econometric modeling (at the University of Cape Coast). Other than the agricultural ministry, public sector training partners will be MOTI, Ministry of Finance and Economic Planning (MOFEP), National Development Planning Commission (NDPC), and the Council for Scientific & Industrial Research (CSIR). Discussions will be held with the human capital development programmers and technical training staff at the universities and other organizations to examine the need for improvements in teaching, research, and curriculums to make them relevant today. GTZ and the World Bank will probably be the USG's closest donor partners in this area.

The bulk of the agriculture-related training will be handled by USAID's GSSP project, through a USDA Participating Agency Service Agreement (PASA) and will have a substantial participant training module, and through direct USDA training programs.

For capacity building in nutrition, the Mission will support pre-service and in-service training of nurses and midwives in dietary requirements and nutrition counseling. Private firms and civil society groups that are engaged in nutritional support activities will also be offered training in quality assurance and in community engagement on nutrition, respectively, through existing health program implementing partners. For social marketing of nutritious supplements, specific training in counseling and provision of these supplements will be done through franchisor networks to the vendors selling these supplements. Local health authorities



will be supported to initiate, support, and monitor community-led programs that will enable the families of at-risk children to improve their food security and nutritional status.

## 9. MANAGEMENT PLAN

### 9.1. WHOLE OF GOVERNMENT COORDINATION STRUCTURE

A country-level USG Food Security Committee has been formed at the US Embassy Mission with senior leadership provided by the Ambassador, USAID's Mission Director and MCC's Resident Country Director. The Committee includes other core group members from USAID, the Embassy, MCC, Peace Corps and USAID/WA Regional that have technical and/or programmatic responsibilities, e.g., economics, agriculture, etc. Further expanded membership from the same and additional USG agencies such as USDA provide support in areas like legal, contracting/procurement, program, etc.

Regular quarterly meetings and the sharing of information has been institutionalized, especially between USAID and the MCC – the two agencies with the most Initiative-related programs on the ground. The Peace Corps will also be included along with the USDA when the regional Agricultural Attaché is in Ghana. In addition, USAID/Ghana will coordinate closely with the regional USAID/West Africa Mission since Ghana is expected to play a more important role in regional trade and interaction.

USAID and the MCC have begun programming FY 2009 funds to expand their MCA Compact rural feeder roads program. The Mission anticipates continued support from FY 2010 through 2011 in this area to ensure synergies between this investment in infrastructure and activities to commercialize farm products already undertaken by the USG will be continued and expanded in the newer Agriculture Development and Value Chain Enhancement (ADVANCE) project.

USAID and Peace Corps are developing a Participating Agency Program Agreement (PAPA) around the structure of their volunteer profile and program frameworks. Two of their Small Enterprise Development capacity-building goals are consistent with the GFSR framework and will be the foundation for moving forward together.

The USDA continues to participate in food security programming by providing specialized technical assistance to the Mission (see section 8 for more information). When it comes to capacity building, the Foreign Agricultural Service (FAS) of the USDA could contribute through their international programs such as the Cochran Fellowship Program, Embassy Science Fellows Program, Faculty Exchange Program and the Norman E. Borlaug International Agricultural Science & Technology Fellows Program (BFP).

Some other illustrative activities for FAS could include policy and trade guidance to the Ministry of Agriculture as they consider establishing a strategic or buffer storage stock of strategic commodities such as corn, rice and soybeans to ensure sufficient storage for food security. Ghana could also benefit from institutional organizational advice on how to improve agricultural research, technology dissemination, and adoption through strengthening their agricultural knowledge systems, especially the linkage between the research institutions and MOFA).

Periodic meetings between USAID's Economic Growth Office, MCC, USDA, and the Peace Corps around agriculture and food security will also be organized in conjunction with the USG Food Security Committee mentioned earlier. This will also be coordinated with USAID and MCC's participation in the GOG/donor Agriculture Working Group. Because of USAID's staff size, greater technical capabilities, and more on-going food security programs, USAID will take the lead on Initiative planning and programming. USAID and MCC already collaborate and coordinate their interventions around key food value chains (especially maize), and USAID has held discussions with partner

agencies on how the Initiative can scale up and sustain MCC activities that need support now and when the Compact ends in 2 years. Similar discussions have been held with Peace Corps around their current program areas and what changes should be made in their volunteer and program configurations to fit future Initiative objectives.

## **9.2. REVIEW AND EVALUATION SCHEDULE**

USAID/Ghana will continue using its existing Program Management Plan for FY 2009 – 2013 that includes its monitoring of regular Development Assistance funds and GFSR funds. In addition, the Mission has several years of experience using the IEHA monitoring and reporting system which will form the foundation for GFSR monitoring and reporting. Since Mission implementing partners will be the source of most information, their own monitoring and reporting systems will be set up to provide the appropriate baselines, results, indicators, etc., followed by regular monthly, quarterly, semi-annual, and annual reports to comply with the Operating Unit's overall M&E system requirements. The Program Office with Mission-wide M&E responsibility will work with the Economic Growth Office (responsible for GFSR) to report the Operating Unit's performance. The Mission will also be a partner in Joint Sector Reviews of agricultural sector performance conducted jointly by MOFA and development partners according to a mutual agreement for transparency, accountability, benchmarking, and results monitoring.

The Mission will use its Technical Services PASA to work with the Mission, implementing partners, other development partners, the GOG Ministries, Departments and Agencies, private sector entities and organizations, to collect and analyze information for monitoring progress and the impact of assistance. There may be times where additional design work is needed to create results-monitoring frameworks for new activities and modification of existing frameworks by adjusting indicators, defining baselines and setting targets. The

services staff can be called upon to assist in collecting information to help determine objectively, and make recommendations accordingly to make sure implementing partners are meeting their performance requirements as defined in their agreements. The USG through USAID will periodically evaluate the overall food security program to determine if in fact its activities are contributing effectively and efficiently to meet broad, long-term development goals such as poverty reduction, increased trade, etc.

## **9.3. STAFFING REQUIREMENTS**

In FY 2008-2009, the USAID/Ghana Economic Growth Office had one USDH (EG Officer), one PASA (Agriculture Adviser), and two FSNs (Environmental Specialist and Administrative Assistant) who had been implementing an Economic Growth portfolio of approximately \$8 million a year prior to FY 2009. This staffing structure has evolved to conform to a new FY 2009 – 2013 strategic planning horizon that already incorporates the objectives of this anticipated Initiative. A DLI (Agriculture Officer) arrived in June 2009. The EG Office hired two FSNs to serve as Program Coordinating Officer and Private Sector Specialist. The Mission will monitor the capacity of this office and realizes it will need to add US/offshore management staff to the office.

With regard to regional trade, the Mission will rely on USAID/WA support. Program management and technical support will continue to be provided by embedded advisors in key, critical public sector institutions. Currently there is one advisor each in MOTI and MOFA and two advisors in MOFEP. These are all experienced, highly trained, and selectively-picked Ghanaian experts who have the confidence and trust of senior members of their ministries as well as other institutions across the country. This is a powerful and very effective way of facilitating direct communication with key members of the public sector.

USAID has arranged to scale up program management and technical services to support

the Mission's economic growth, agriculture and food security activities, and to meet its requirements for monitoring, evaluation and reporting. An agreement with USDA would provide periodic technical support for program design, policy and regulatory reform, special technical studies and training relating agriculture and food security. The agreement will make available, in a timely manner, a vast array of expertise from the USDA and its Land Grant University partners, Ghanaian universities and research institutions, as well as other special advisors (including Ghanaians) – many of which have many years of experience in Ghana and have a longstanding professional relationship with the Mission and other indigenous public and private institutions. USDA may draw on

local expertise through collaborative arrangements with Ghanaian universities and research organizations. USDA will collaborate with other USAID/Ghana EG implementing partners in the performance of the requirements of the PASA.

The USAID/Ghana Health, Population and Nutrition Office has one US Direct Hire, two Personal Service Contractors, one Third Country National, and eight Foreign Service Nationals who have been implementing a Health portfolio of approximately \$51 million per year prior to FY 2010. This staffing structure has been increased by one Direct Hire, and the Mission plans to hire a Foreign Service National Nutrition Advisor in FY 2010.