
Comments of the Independent Office of Evaluation of IFAD on the country strategic opportunities programme for the Republic of Ghana

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Action: The Executive Board is invited to review the comments of the Independent Office of Evaluation of IFAD on the country strategic opportunities programme for the Republic of Ghana.

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I. General comments

1. The Independent Office of Evaluation of IFAD (IOE) completed its third country strategy and programme evaluation (CSPE) for Ghana in 2024 and presented the report to the 128th session of the Evaluation Committee, in March 2025, where the findings and recommendations were discussed with Committee members and Management. The CSPE assessed the 2013–2023 portfolio, which included seven loan-funded projects with a total cost of US\$628 million, of which US\$225 million was financed by IFAD. It also reviewed 11 grants and the non-lending activities, including policy engagement, partnerships and knowledge initiatives. The CSPE provided the primary evaluative evidence base for the formulation of the forthcoming country strategic opportunities programme (COSOP).
2. The evaluation found that overall portfolio relevance was moderately satisfactory. Outcomes related to agricultural productivity and production were achieved based on a mix of providing project participants with seeds and agrochemicals; training to build their capacity for increased and sustainable production; and building productive and market access related infrastructure for post-harvest management and physical connectivity to markets, the quality of which was good. Micro, small and medium-sized enterprises (MSMEs) in the non-farm sector that were supported with business development services and linkages with the financial sector for accessing business credit in general performed well. In addition, the programme's support to enterprises created some employment opportunities, including for vulnerable groups.
3. However, less success was achieved in creating effective market linkages and access for farmer-based organizations (FBOs), an essential condition for increasing and sustaining smallholder incomes. Similarly, growth opportunities for MSMEs were limited. Attempts to facilitate financial inclusion for smallholders and rural and agricultural MSMEs were inadequate; the sustainability of several activities and the established infrastructure was quite weak; and the efficiency of operations was low.
4. The CSPE made five key recommendations to guide the new COSOP. First, it advised explicit strategic orientations on support for business models (aligned with IFAD target groups), with clear impact pathways and measurable targets. Second, it recommended expanding partnerships with the private sector and other development actors supporting rural enterprises and value chains. Third, it emphasized strengthening the targeting strategy. Fourth, it called for systematically addressing capacity inefficiencies, including the implementation of a functional system of documentation, monitoring and accountability. Finally, it proposed leveraging additional funding for infrastructure investments and explicitly addressing gaps that weaken the sustainability of investments through effective local governance and enhanced community ownership.
5. Ghana's new COSOP (2025–2030) aims to foster sustainable, inclusive and resilient livelihoods to reduce rural poverty and improve well-being. It pursues two objectives: (i) enhancing financial access for high-growth, climate-resilient and market-oriented value chains and financially viable business models for MSMEs, and (ii) enhancing public and private investments in rural productive infrastructure for climate resilience and market integration of rural livelihoods.
6. Overall, as compared to the previous COSOP, this COSOP has clearer objectives, places greater emphasis on climate resilience, and continues to sharpen the focus on partnerships, the latter through market-oriented value chains and viable MSMEs.

Yet, as discussed below, the COSOP would have benefited from a more strategic and operational orientation in some areas.

II. Specific comments

7. **Targeting strategy.** The COSOP aims to prioritize MSMEs that integrate market-ready smallholder farmers into agricultural value chains. Geographic targeting is expected to be based on a careful analysis of resources and management capacities. These aspects are in line with the CSPE's recommendations about integration of different types of project participants and of greater consideration of IFAD's resources and capacities. However, while the targeting strategy is strong on geographic targeting, it could have benefited from an articulation of the differentiated strategies to effectively reach different types of project participants, including in terms of gender and youth. For instance, the COSOP could have offered more detail on how intersectionality and social differentiation would be addressed, particularly between gender, age and disability status and the differentiated access of these groups to productive resources such as land. While it presents several relevant criteria for the selection of target groups, the COSOP could have also included their specific strengths, needs and preferences as additional selection criteria, and outlined mechanisms for engaging them in the design and refinement of targeting criteria. This would make the targeting participatory and even more relevant.
8. The targeting strategy for selecting MSMEs, while according priority to enterprises that integrate market-ready smallholder farmers into agricultural value chains, could have provided clarity on how non-agricultural enterprises will be selected/targeted.
9. **Market access and incomes.** The COSOP focuses on high-growth, climate-resilient and market-oriented agricultural value chains. However, it could have mentioned how markets for both FBOs and MSMEs will be selected. The CSPE had highlighted that in the past, there was a general lack of sound needs assessment, demand and supply analysis, feasibility studies, and knowledge and lessons from its projects. The above focus on value chains may not necessarily lead to income increases and profitability. For instance, in the case of MSMEs, the CSPE found that incomes had risen but not necessarily profitability, because of the lack of emphasis on creating better input and output market opportunities for MSMEs to reduce the costs of doing business and to maximize sales revenue.
10. **Sustainability.** The COSOP acknowledges the CSPE's recommendation related to sustainability of infrastructure community groups by empowering community-led management committees to be responsible for the upkeep of infrastructure, and by ensuring clear operating and maintenance responsibilities of communities and local governments. However, as the CSPE noted, government ministries and national entities often faced budget constraints, leading to insufficient funds for regular maintenance and repairs that were crucial for preserving the quality and functionality of the systems. The COSOP could have gone a step further and explored how it could advocate for adequate maintenance funds within local government budgets to ensure a dedicated and continuous financial stream for infrastructure upkeep. Additionally, it could have included some activities for capacity-building of local governments to plan, budget and manage the infrastructure.
11. **Financial inclusion.** The COSOP rightly retains the focus on enhanced access to finance, an area that has proved effective in the past. It also renews its intent to increase the capacity of and access by smallholder farmers, FBOs, village savings and loans associations (VSLAs) and agricultural value chain actors to blended finance and digital services. However, the COSOP could have developed a more strategic orientation as to how these various actors, including local financial institutions, will come together to create a unified, viable financial ecosystem. As

the CSPE pointed out, while VSLAs play a critical role as a financial inclusion nursery, the end goal of financial inclusion is to promote seamless financial services where supply and demand interact freely, rather than promoting community financial institutions in isolation. The development and provision of financial services for value chains and MSMEs should not be conceptually and operationally fragmented, as was pointed out by the CSPE. In the same vein, the COSOP could have outlined its approach to tackling the fragmented nature of microfinance institutions, which very much depend on the apex financial bodies for their coordination.

12. **Non-lending activities.** The CSPE highlighted IFAD's mixed results in Ghana's non-lending activities. Lessons were not effectively used for higher-level activities or scaling up. These issues stemmed from underestimated resource requirements, insufficient evidence, and lack of strategic direction. The COSOP recognizes all three pillars of non-lending: knowledge management, partnerships and policy dialogue. While this is a positive step, the document would benefit from a clear roadmap: a more detailed, time-bound engagement plan and specific deliverables or resource allocations.
13. **Monitoring and evaluation (M&E).** The COSOP recognizes the need for stronger integration across projects and notes that a results management framework will bring projects under one programmatic umbrella, underpinned by an enhanced M&E system. This is in line with the CSPE's recommendation to improve programmatic coordination. However, the COSOP could have gone a step further to mention how day-to-day collaboration among projects on M&E, procurement and financial management will be fostered to promote better operational coordination. Specifically related to M&E, it could have outlined mechanisms for cross-project learning and clarified how data quality, timeliness and usability will be ensured across diverse implementing partners and regions.

III. Final comments

14. The COSOP aligns well with the CSPE recommendations and with national development goals with regards to strengthening value chains and rural enterprises through a focus on finance and productive infrastructure. However, some elements would benefit from further clarification. These include a more explicit targeting strategy; a focus on incomes and profitability; consideration of the financial aspect of sustainability; a structured and resourced non-lending plan; a more conceptually and operationally coherent financial inclusion approach; and use of M&E for more explicit arrangements towards cross-project coordination. IOE remains available for further engagement.