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Invertir en la población rural

Informe del Presidente

Propuesta de préstamo y donación a la República de Ghana para el Programa de Inversión en el Sector Agrícola de Ghana

Nota para los representantes en la Junta Ejecutiva

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Para aprobación

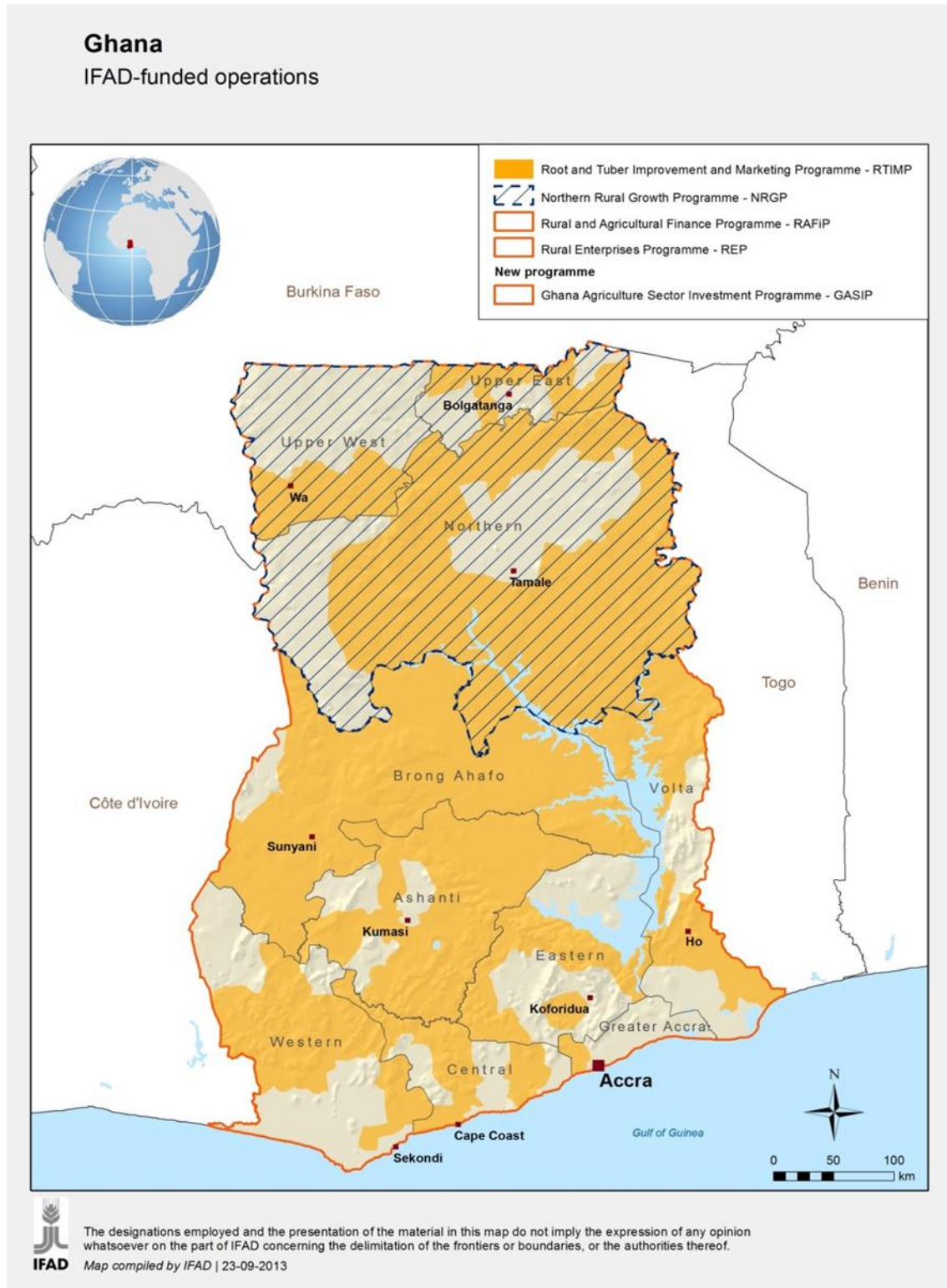
Índice

Siglas y acrónimos	ii
Mapa de la zona del programa	iii
Resumen de la financiación	iv
Recomendación de aprobación	1
I. Contexto estratégico y justificación	1
A. Desarrollo rural y del país y situación de la pobreza	1
B. Justificación y alineación con las prioridades gubernamentales y el COSOP basado en los resultados	2
II. Descripción del programa	2
A. Zona del programa y grupo objetivo	2
B. Objetivo de desarrollo del programa	3
C. Componentes/efectos directos	3
III. Ejecución del programa	4
A. Enfoque	4
B. Marco organizativo	4
C. Planificación, seguimiento y evaluación, y aprendizaje y gestión de los conocimientos	5
D. Gestión financiera, adquisiciones y contrataciones y gobernanza	6
E. Supervisión	7
IV. Costos, financiación y beneficios del programa	7
A. Costos del programa	7
B. Financiación del programa	7
C. Resumen de los beneficios y análisis económico	10
D. Sostenibilidad	11
E. Determinación y mitigación del riesgo	11
V. Consideraciones institucionales	13
A. Conformidad con las políticas del FIDA	13
B. Armonización y alineación	13
C. Innovación y ampliación de escala	13
D. Actuación normativa	13
VI. Instrumentos y facultades jurídicos	14
VII. Recomendación	14
Anexo	
Negotiated financing agreement	15
(Convenio de financiación negociado)	
Apéndice	
Logical framework	
(Marco lógico)	

Siglas y acrónimos

ASAP	Programa de Adaptación para la Agricultura en Pequeña Escala
COSOP	programa sobre oportunidades estratégicas nacionales
PBAS	sistema de asignación de recursos basado en los resultados
POA	plan operativo anual
SyE	seguimiento y evaluación
TIRE	tasa interna de rendimiento económico
UCP	unidad de coordinación del programa
VAN	valor actual neto

Mapa de la zona del programa



Fuente: FIDA

Las denominaciones empleadas y la forma en que aparecen presentados los datos en este mapa no suponen juicio alguno del FIDA respecto de la demarcación de las fronteras o límites que figuran en él ni acerca de las autoridades competentes.

República de Ghana

Programa de Inversión en el Sector Agrícola de Ghana

Resumen de la financiación

Institución iniciadora:	FIDA
Prestatario o receptor:	República de Ghana
Organismo principal del programa:	Ministerio de Alimentación y Agricultura
Costo total del programa:	USD 113,0 millones
Cuantía del préstamo del FIDA:	DEG 23,7 millones (equivalente a USD 36,6 millones, aproximadamente)
Cuantía de la donación del Fondo Fiduciario del Programa de Adaptación para la Agricultura en Pequeña Escala (ASAP):	DEG 6,5 millones (equivalente a USD 10 millones, aproximadamente)
Condiciones del préstamo del FIDA:	Plazo de 40 años, incluido un período de gracia de 10, con un interés a una tasa de tres cuartos del uno por ciento (0,75 %) anual
Financiación adicional prevista que se solicitará al FIDA en 2016-2018:	USD 35 millones
Contribución del prestatario o receptor:	USD 7,6 millones
Contribución de los distritos:	USD 1,7 millones
Cofinanciación de las instituciones financieras participantes:	USD 17,5 millones
Contribución de los beneficiarios:	USD 4,6 millones
Institución evaluadora:	FIDA

Recomendación de aprobación

Se invita a la Junta Ejecutiva a que apruebe la recomendación sobre la propuesta de financiación a la República de Ghana para el Programa de Inversión en el Sector Agrícola de Ghana, que figura en el párrafo 53.

Propuesta de préstamo y donación a la República de Ghana para el Programa de Inversión en el Sector Agrícola de Ghana

I. Contexto estratégico y justificación

A. Desarrollo rural y del país y situación de la pobreza

1. El perfil de la pobreza de Ghana ha mejorado notablemente entre 1991 y 2006, tanto a nivel nacional como en las zonas urbanas. No obstante, la desigualdad social y la pobreza rural continúan siendo los problemas más acuciantes a los que se enfrenta el Gobierno del país. En las regiones norte, nororiental y noroccidental, los niveles de inseguridad alimentaria de los hogares son particularmente alarmantes: el 20 %, el 38 % y el 24 %, respectivamente.¹ El Plan a medio plazo de inversión en el sector agrícola del Gobierno de Ghana tiene por objeto imprimir una orientación más comercial a la producción de cultivos alimentarios con el fin de mejorar los ingresos de los pequeños productores y reducir la seguridad alimentaria y la pobreza estructurales de las zonas rurales.
2. La agricultura ghanesa está todavía dominada por pequeñas explotaciones agrícolas tradicionales, con aproximadamente un 90 % de los predios rurales de menos de 2 hectáreas. La población rural pobre y los hogares que padecen de inseguridad alimentaria pertenecen principalmente a pequeños productores de cultivos alimentarios con escaso acceso a los mercados de factores de la producción y productos terminados. Ello trae como consecuencia una baja productividad de la tierra y la mano de obra, pobreza, una baja capacidad de inversión y la falta de oportunidades para los jóvenes. La contribución de las mujeres y niñas a las labores agrícolas es significativa.
3. Se observa una fuerte demanda nacional y regional de cultivos alimentarios, y un interés por parte de los agronegocios de trabajar con los pequeños agricultores, pero lo condicionan al establecimiento de unas relaciones comerciales más formales a lo largo de las cadenas de valor.
4. La creación de oportunidades de empleo para los jóvenes rurales es una de las máximas prioridades del Gobierno. Las altas tasas de migración, en especial de la población masculina joven debido a la falta de alternativas económicas, están trayendo como consecuencia un envejecimiento y una pérdida de dinamismo de la población rural, tasas altas de desempleo juvenil, subempleo y desigualdad social.
5. La agricultura de Ghana, predominantemente de secano, está afectada por los peligros relacionados con el clima, entre los que se incluyen: i) el estrés hídrico de los cultivos debido al aumento de los períodos cortos de sequía, además de las sequías estacionales; ii) la degradación y la erosión de la tierra arable (con multiplicación de efectos sobre los espacios naturales circundantes), y iii) las inundaciones intermitentes y los daños que producen en la infraestructura crítica.

¹ Programa Mundial de Alimentos, en colaboración con el Ministerio de Alimentación y Agricultura y el Servicio de Estadísticas de la República de Ghana, Análisis detallado de la seguridad alimentaria y la vulnerabilidad en las regiones nororiental, noroccidental y norte, 2012.

B. Justificación y alineación con las prioridades gubernamentales y el COSOP basado en los resultados

6. El Programa de Inversión en el Sector Agrícola de Ghana contribuirá a alcanzar los objetivos del Plan a medio plazo de inversión en el sector agrícola, el cual proporciona la hoja de ruta del pacto del Programa general para el desarrollo de la agricultura en África. El Ministerio de Alimentación y Agricultura ejecutará el programa con la intención de promover un “enfoque normativo” que guiará la formulación de sus políticas y servirá de plataforma central de inversiones para el desarrollo de las cadenas de valor en Ghana y para alinear la financiación complementaria y paralela conforme al programa de oportunidades estratégicas nacionales (COSOP) basado en los resultados. El programa se asienta en cuatro ejes estratégicos: i) vínculos entre los pequeños agricultores y los agronegocios con el fin de impulsar el crecimiento que favorezca a los pobres; ii) ampliación a escala a nivel nacional de enfoques de inversión en cadenas de valor que han dado buenos resultados; iii) promoción e incorporación de enfoques de adaptación al cambio climático en Ghana, en particular, en las regiones del norte del país, con financiación provista por el Programa de Adaptación para la Agricultura en Pequeña Escala (ASAP), y iv) gestión de los conocimientos, armonización de los enfoques de intervención y optimización de políticas.
7. El programa proporcionará un marco y una base institucional para la colaboración a largo plazo para la ampliación a escala de inversiones en el desarrollo de cadenas de valor agrícolas favorables a los pobres e impulsadas por el sector privado. El Ministerio de Alimentación y Agricultura ha invitado a los principales asociados que apoyan el desarrollo de su sector agrícola para que se unan a un proceso en el que participen las distintas partes interesadas destinado a imprimir un enfoque sectorial al programa. Para evitar las deficiencias clásicas de enfoques sectoriales utilizados en el pasado (mecanismos rígidos, falta de orientación e impacto visible amplio, fase de inicio prolongada), se decidió utilizar como puntos de partida los logros del Programa de Crecimiento Rural en el Norte y el Programa de Mejora del Cultivo y Comercialización de Raíces y Tubérculos, financiados por el FIDA, y dedicar el primer ciclo del programa a elaborar herramientas que faciliten un enfoque sectorial flexible.

II. Descripción del programa

A. Zona del programa y grupo objetivo

8. El programa tendrá un alcance nacional y estará guiado por un enfoque impulsado por la demanda y los mercados. Los distritos, las organizaciones de agricultores, las empresas y los individuos podrán acceder a los beneficios del programa en función del grado con que cumplan los requisitos para recibir ayuda y de la existencia de oportunidades para establecer cadenas de valor viables. Asimismo, se facilitarán los recursos necesarios para desarrollar cadenas de valor en 160 distritos en el primer ciclo del programa (hacia el final del tercer año) y, por lo menos, un total de 180 distritos en el segundo ciclo (hacia el final del sexto año) y, al mismo tiempo, se ampliará el impacto y el alcance en los distritos abarcados en el primer ciclo.
9. El programa está dirigido a los pequeños agricultores y pobladores rurales carentes de recursos, en particular las mujeres, los jóvenes de entre 15 y 24 años y los adultos jóvenes de entre 25 y 34 años. La donación proveniente del Fondo Fiduciario del ASAP se destinará a hogares vulnerables a las conmociones ocasionadas por el cambio climático, en particular en las tres regiones del norte del país que son las más vulnerables a los riesgos relacionados con el clima, desde un punto de vista ecológico y social.

B. Objetivo de desarrollo del programa

10. La meta general del programa es contribuir a la reducción sostenible de la pobreza rural en Ghana. El objetivo de desarrollo es que los agronegocios, incluidos los pequeños productores, mejoren su rentabilidad y su capacidad de resistencia al cambio climático.
11. Por medio de los indicadores del impacto del objetivo de desarrollo del programa se medirán los siguientes aspectos: i) el alcance del programa con respecto a los pequeños productores, incluidas las mujeres, los jóvenes y los adultos jóvenes; ii) la rentabilidad de las intervenciones en todas las fases de la cadena de valor, y iii) la aplicación de las medidas de adaptación al cambio climático.

C. Componentes/efectos directos

12. El programa constará de los tres componentes complementarios siguientes: i) desarrollo de las cadenas de valor; ii) infraestructura rural para el funcionamiento de las cadenas de valor, y iii) gestión de los conocimientos, apoyo normativo y coordinación.
13. **Componente 1: desarrollo de las cadenas de valor.** Gracias a este componente del programa se fomentarán los vínculos con los agronegocios y se facilitará el acceso seguro de los pequeños agricultores a los mercados de factores de la producción y productos terminados a través de convenios formales con los agronegocios. El programa apoyará la realización de análisis de cadenas de valor, la formación de comités de cadenas de valor, la capacitación técnica e institucional de las organizaciones de agricultores y otras partes interesadas, y la incorporación de innovaciones. Para que los emprendimientos ligados a las cadenas de valor puedan acceder y disponer con mayor facilidad y de manera más sistemática de financiación a corto y largo plazo se fortalecerá la capacidad de las instituciones bancarias rurales y comunitarias y se apoyará el desarrollo estratégico y operativo de los bancos universales para que puedan ofrecer servicios estructurados de financiación comercial; se promoverán modalidades de inversión tales como los arrendamientos financieros, los capitales de riesgo y otras inversiones de capital; se fomentará la creación de capital en los bancos rurales y comunitarios a través de inversiones directas y vínculos con instituciones bancarias de mayor envergadura, y a través de mecanismos de financiación por donaciones, y se equiparán las aportaciones de capital de los agentes de cadenas de valor de alto potencial pero poco capitalizados para obtener financiación destinada a inversiones en equipo e infraestructura.
14. Como parte integral del componente de desarrollo de cadenas de valor, el programa aumentará la resistencia al cambio climático a través de la promoción de tecnologías con eficacia comprobada en otros lugares. Concretamente: i) se llevarán a cabo pruebas y demostraciones adaptativas comercialmente válidas de técnicas modernas de agricultura de conservación en condiciones de secano y técnicas de conservación de agua de lluvia in situ; ii) se harán demostraciones de técnicas de uso eficiente del agua mediante sistemas de riego nuevos o ya existentes, y iii) se brindará apoyo al fomento de la capacidad institucional y al aumento de la concienciación de los agentes de cadenas de valor privados y públicos con respecto al tema de la resistencia al cambio climático, y se propiciarán los conceptos de resistencia y adaptación al cambio climático en todas las actividades de capacitación que se lleven a cabo bajo el auspicio del programa. La financiación inicial provendrá de la donación del ASAP. La labor de promoción continuará financiándose con fondos provenientes de los instrumentos de apoyo existentes, como por ejemplo la financiación del FIDA y otros fondos de asistencia para el desarrollo.
15. **Componente 2: infraestructura rural para el funcionamiento de las cadenas de valor.** El programa facilitará las inversiones en i) obras de infraestructura e instalaciones productivas para determinadas cadenas de valor, de cuyo funcionamiento está previsto que se ocupe una entidad del sector privado, en beneficio de todos los participantes de las cadenas de valor, y ii) obras de

infraestructura pública esencial, tales como carreteras, electrificación de las zonas rurales con objeto de facilitar el uso de bombas para riego y la elaboración de productos, pequeñas represas, y el uso de sistemas de gestión de agua y de recolección de agua de lluvia. La donación del ASAP cubrirá las inversiones iniciales en sistemas de recolección de agua e infraestructura de control; las inversiones posteriores se financiarán con financiación del FIDA y otros fondos de asistencia para el desarrollo.

16. **Componente 3: gestión de los conocimientos, apoyo normativo y coordinación.** El programa creará un entorno normativo y regulatorio propicio para que los pequeños productores participen en cadenas de valor agrícolas rentables y resistentes al cambio climático, y garantizará la coordinación, la gestión, el seguimiento y la evaluación (SyE).

III. Ejecución del programa

A. Enfoque

17. El programa se ha diseñado como una intervención a largo plazo que se ejecutará en ciclos de tres años. El diseño del programa contenido en esta propuesta abarca los dos primeros ciclos (seis años). Antes del final del primer ciclo se organizará una misión de revisión "entre ciclos" con el fin de evaluar el progreso y preparar el ciclo siguiente. En cada misión de revisión se examinará: i) si el enfoque para reducir la pobreza rural ha sido eficaz, y ii) si hay propuestas de inversión válidas para cada componente y si están listas para la fase siguiente.
18. La selección, el examen y la evaluación de las cadenas de valor será una tarea continua, impulsada por la demanda. El programa se concentrará primero en la yuca, el ñame, el maíz, el sorgo, las frutas y las verduras, así como en la agricultura de conservación. Posteriormente, se irán agregando otras cadenas de valor en función de la demanda, la viabilidad financiera y económica, y los beneficios previstos del apoyo para el grupo objetivo. Este proceso continuo de análisis de cadenas de valor permitirá recabar un importante caudal de información sobre dichas cadenas y proporcionar datos para el marco lógico, guiará la ejecución del programa y se utilizará como material de base y referencia para la misión de revisión entre ciclos.

B. Marco organizativo

19. El Ministerio de Alimentación y Agricultura tendrá la responsabilidad general de la ejecución del programa. Un comité directivo nacional del programa tendrá a cargo todo lo relativo a la orientación de la estrategia, la supervisión de la planificación, la revisión del progreso y también asegurará los vínculos con otras entidades. La unidad de coordinación del programa (UCP) tendrá su sede en Accra y su función será asegurar la coordinación general del programa. Tres oficinas zonales del programa se encargarán de asegurar la programación, así como coordinar y supervisar la puesta en marcha de las actividades bajo la dirección de la UCP. Los servicios especializados estarán a cargo principalmente de terceros (facilitadores de cadenas de valor, entidades de servicios públicos, proveedores de servicios técnicos especializados e instituciones financieras participantes) con los cuales se acordarán contratos basados en el desempeño. Para asegurar la descentralización, se transferirá gradualmente la coordinación a las estructuras regionales y distritales, de acuerdo a las evaluaciones institucionales y las recomendaciones hechas por las misiones de revisión entre ciclos. Se respaldará con la asistencia técnica necesaria todas las actividades de inicio del programa, los análisis de cadenas de valor y la elaboración de planes operativos detallados para la incorporación de nuevos productos. Se prevé que el FIDA destinará una donación pequeña de USD 500 000 para reforzar la capacidad institucional y directiva del Ministerio de Alimentación y

Agricultura en todo lo relativo a la planificación y aplicación de procedimientos y sistemas para el desarrollo agrícola en Ghana. Un beneficio adicional de ello es que también contribuirá a aumentar el grado de preparación del programa.

C. Planificación, seguimiento y evaluación, y aprendizaje y gestión de los conocimientos

Planificación

20. El programa se ejecutará sobre la base de un plan operativo anual (POA) aprobado que se va renovando cada dos años, elaborado a partir de un plan general de ciclo en el cual se estiman las actividades anuales y las asignaciones presupuestarias al inicio de cada ciclo. Todos los años tendrá lugar un proceso de planificación participativo a nivel distrital, regional y zonal cuyo fin será asegurar que todas las partes interesadas tengan una participación activa en el programa y confirmen su compromiso con el mismo. La planificación se guiará por: i) los toques presupuestarios anuales que fijará la oficina zonal; ii) los componentes y metas previstas para cada efecto directo y producto, y iii) los informes semestrales sobre el progreso y las evaluaciones participativas de efectos directos. Los POA consolidados se enviarán al comité directivo nacional del programa para su examen y aprobación, previo a su consideración por los diferentes entes financiadores conforme al procedimiento de no objeción.

Seguimiento y evaluación

21. El marco lógico servirá de base para medir los progresos en la consecución de los productos, los efectos directos y el impacto del programa. Cuando sea posible, el sistema de SyE presentará datos desagregados por género y por edad para así reflejar la focalización de los grupos objetivos (mujeres y jóvenes). La UCP recabará información de cada oficina zonal y la presentará en informes detallados, específicamente, los POA y los informes trimestrales, semestrales y anuales. Esta unidad también verificará la calidad del seguimiento interno realizado por las oficinas zonales y llevará a cabo evaluaciones participativas de los efectos directos y estudios ad hoc.
22. Las misiones de revisión entre ciclos tendrán lugar alrededor de un año antes de la finalización de cada ciclo. De ese modo, será posible elaborar el plan operativo detallado para el ciclo sucesivo, y rediseñar el proyecto si hiciera falta o incorporar pedidos de financiación adicionales. A su debido tiempo, se efectuará un estudio comparando los indicadores de efectos directos e impacto de la situación actual con los de referencia, y estos datos se tendrán en cuenta en las reuniones de revisión.

Aprendizaje y gestión de los conocimientos

23. La gestión del aprendizaje y los conocimientos ocupa un lugar central en los planes del programa en cuanto a la incorporación de tecnologías y ampliación de escala. El sistema de SyE se centrará en la eficiencia y la eficacia de las herramientas que se utilizarán para desarrollar las cadenas de valor y aportará conocimientos respaldados por procesos rigurosos de obtención de información y datos científicamente corroborados con el fin de perfeccionar los modelos que se emplearán para la ampliación de escala sistemática. La gestión de los conocimientos también asume un papel central en las actividades del FIDA de asociación con el Gobierno y los diálogos sobre políticas. Se promoverá el aprendizaje institucional a través de reuniones de coordinación organizadas por la UCP cada seis meses, en las cuales los asociados podrán compartir y debatir sobre buenas prácticas y los problemas a los que se enfrentan.
24. El aprendizaje y la gestión de conocimientos relativos a la adaptación de los pequeños productores al cambio climático estará facilitado por la donación del ASAP y se centrará en cuestiones de política y en la promoción de medidas locales de adaptación. Estas actividades generarán publicaciones, notas técnicas, resúmenes y otros materiales de comunicación que se difundirán dentro del país y a través de las

redes internacionales. Además, el programa estimulará el intercambio de enseñanzas dentro del país y con otros países de la región con el fin de permitir la ampliación a escala de prácticas de adaptación eficaces.

D. Gestión financiera, adquisiciones y contrataciones y gobernanza

Gestión financiera

25. Se llevó a cabo una evaluación del sistema de gestión financiera con el fin de verificar su cumplimiento de los requisitos del FIDA en cuanto al riesgo fiduciario. El riesgo, considerado potencialmente alto debido al amplio alcance geográfico del programa —en particular, al abarcar zonas remotas y subatendidas del país— y a que los niveles descentralizados tienen una capacidad débil de contabilidad financiera y elaboración de informes, se mitigará hasta llegar a un grado “medio” gracias a un conjunto de medidas. Estas incluyen la contratación y la capacitación de personal calificado especializado en finanzas, la elaboración de informes financieros trimestrales y el control conjunto de las cuentas del programa por parte de la UCP, el FIDA y el Ministerio de Alimentación y Agricultura, cada uno dentro del ámbito de su jurisdicción. Personal capacitado del ministerio llevará a cabo auditorías internas periódicas de los riesgos y los informes correspondientes se presentarán ante la UCP y el FIDA. Una vez al año se efectuará una auditoría externa independiente de los registros financieros del programa, de acuerdo con las directrices del FIDA en la materia.
26. Las disposiciones de gestión financiera del programa se alinearán gradualmente con los sistemas gubernamentales, sujeto a una evaluación minuciosa de la viabilidad durante la ejecución.
27. **Elaboración del presupuesto.** La UCP preparará los POA en colaboración con sus asociados en el ministerio y los someterá a aprobación al comité directivo nacional del programa y el FIDA.
28. **Flujo de fondos.** El préstamo del FIDA y la donación del ASAP se transferirán a dos cuentas designadas que funcionarán conforme a la modalidad de cuentas de anticipo. Se abrirán y gestionarán una cuenta del programa a nivel de la UCP y otras tres cuentas para cada oficina zonal del programa. En estas cuentas se repondrán, a partir de las cuentas designadas, los fondos correspondientes a los gastos administrados a nivel de la UCP y de las oficinas zonales del programa, respectivamente.

Adquisiciones y contrataciones

29. Las adquisiciones de bienes y contrataciones de servicios financiados por el préstamo del FIDA y la donación del ASAP se harán de acuerdo a los procedimientos nacionales en la materia, que cumplen los requisitos establecidos en las directrices del FIDA en esa esfera. Sin embargo, en caso de diferencias entre ambos sistemas, primarán los procedimientos del FIDA sobre los del prestatario o receptor. La contratación de servicios y la adquisición de equipo, materiales y vehículos estará sujeta a los métodos apropiados, teniendo en cuenta los umbrales aprobados. La responsabilidad general de las adquisiciones y contrataciones en todos los niveles estará a cargo de la UCP y las oficinas zonales del programa, y se guiará por los planes anuales en la materia.

Gobernanza

30. En líneas generales, el entorno fiduciario de la República de Ghana se considera adecuado. El Gobierno ha hecho esfuerzos por fortalecer sus sistemas públicos de gestión financiera. Las medidas previstas para mejorar la buena gobernanza durante la ejecución del programa son: i) fortalecer la capacidad institucional de las organizaciones de agricultores y los comités de cadenas de valor; ii) promover evaluaciones y reuniones de programación participativas, con participación de las bases; iii) fortalecer la capacidad del personal del programa, los organismos de

ejecución y las asambleas distritales en cuestiones de gestión financiera y adquisiciones/contrataciones; iv) producir informes financieros interinos, y v) realizar auditorías internas y externas.

E. Supervisión

31. El proyecto será supervisado directamente por el FIDA, en colaboración con el Gobierno y las instituciones de cofinanciación. Se prevé la realización de dos misiones de supervisión anuales en los dos primeros años. Además, la oficina del FIDA en el país organizará misiones de apoyo a la ejecución cuando lo crea necesario. Durante el primer año, la supervisión y el apoyo a la ejecución se concentrarán en los siguientes aspectos: i) la eficiencia del proceso de ampliación de escala; ii) el proceso de preparación de los POA; iii) la participación progresiva de las estructuras descentralizadas en la programación, el seguimiento de la ejecución y la gestión financiera; iv) la capacidad operativa de la UCP y las oficinas zonales, y v) la adecuación de las disposiciones de gestión financiera.

IV. Costos, financiación y beneficios del programa

A. Costos del programa

32. Se calcula que los costos para los seis años del programa, incluidos los imprevistos por alza de precios, derechos e impuestos, ascenderán a USD 113,0 millones o el equivalente en cedis ghaneses de GHS 297,9 millones (cuadro 1).

B. Financiación del programa

33. En los dos primeros ciclos de financiación de tres años cada uno, se prevé que se movilice un total de USD 71,6 millones en concepto de fondos del FIDA para el programa (cuadro 2). Este absorberá la asignación completa destinada a Ghana del sistema de asignación de recursos basado en los resultados (PBAS) del FIDA de 2013-2015, que es de USD 36,6 millones, en forma de un préstamo en condiciones muy favorables, además de una financiación por el monto de USD 10 millones en forma de donación del ASAP, destinada a actividades de adaptación al cambio climático. En función de la disponibilidad se prevé que, de los fondos asignados al ciclo del PBAS de 2016-2018, se destine una financiación adicional para el programa de USD 35 millones, para lo cual se elaborará un diseño por separado y se solicitará la debida aprobación. El Gobierno financiará los impuestos sobre el valor añadido y sobre los bienes importados por un total de USD 7,6 millones. Se prevé que las instituciones financieras participantes aporten fondos por una cuantía mínima de USD 17,5 millones. Se calcula que las contribuciones de los beneficiarios, en efectivo y en especie, sean de USD 4,6 millones, y la cofinanciación aportada por los distritos de USD 1,7 millones.
34. Durante la fase preliminar al inicio del programa y el primer ciclo del mismo, el Gobierno y la oficina del FIDA en el país explorarán oportunidades adicionales de cofinanciación con el objeto de ampliar el alcance del programa y profundizar su impacto.
35. Se prevé que el programa sea una plataforma de colaboración flexible y a largo plazo, y un marco para la ampliación a escala de modelos comprobados basado en ciclos de tres años de planificación, ejecución, evaluación y aprendizaje. Estos ciclos se pueden conectar con los ciclos del PBAS del FIDA, con la opción de proporcionar financiación adicional complementaria para ciclos futuros del programa, sujeto al desempeño del programa, la capacidad de absorción y la disponibilidad de fondos.

Cuadro 1

Costos del programa por componente

	<i>En miles de GHS</i>			<i>En miles de USD</i>			<i>Porcentaje de divisas</i>	<i>Porcentaje de base de referencia</i>
	<i>Moneda local</i>	<i>Divisas</i>	<i>Total</i>	<i>Moneda local</i>	<i>Divisas</i>	<i>Total</i>		
A. Desarrollo de las cadenas de valor								
1.Fomento de los vínculos con los agronegocios	39,876	4,523	44,399	19,938	2,261	22,200	10	20
2.Financiación de las cadenas de valor	24,313	41,407	65,720	12,156	20,704	32,860	63	30
3.Resistencia al cambio climático	14,185	10,122	24,308	7,093	5,061	12,154	42	11
Subtotal desarrollo de las cadenas de valor	78,374	56,052	134,424	39,187	28,026	67,213	42	61
B. Infraestructura rural para las cadenas de valor								
1.Infraestructura e instalaciones comerciales	14,865	4,875	19,740	7,433	2,438	9,870	25	9
2.Infraestructura pública de apoyo	27,930	9,210	37,140	13,965	4,605	18,570	25	17
Subtotal infraestructura rural para las cadenas de valor	42,795	14,085	56,880	21,398	7,043	28,440	25	26
C. Gestión de los conocimientos y coordinación del programa								
1.Gestión de los conocimientos y optimización de políticas	4,257	1,083	5,341	2,129	542	2,670	20	2
2.Coordinación, SyE	21,512	3,710	25,222	10,756	1,855	12,611	15	11
Subtotal gestión de los conocimientos y coordinación del programa	25,769	4,793	30,562	12,885	2,396	15,281	16	14
COSTO BÁSICO total	146,939	74,930	221,869	73,469	37,465	110,934	34	100
Imprevistos de orden físico	-	34	34	-	17	17	100	-
Imprevistos por alzas de precios	50,381	25,607	75,988	1,349	687	2,036	34	2
COSTO TOTAL DEL PROGRAMA	197,319	100,572	297,891	74,818	38,169	112,987	34	102

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Cuadro 2
Cuentas de gastos por financiador
(en miles de USD)

República de Ghana
Programa de Inversión en el Sector Agrícola de Ghana
Cuentas de gastos por financiador
(en miles de USD)

	FIDA1		FIDA2		ASAP		Gobierno		Asamblea de distrito		Bancos locales		Beneficiarios		Total	
	Cuantía	%	Cuantía	%	Cuantía	%	Cuantía	%	Cuantía	%	Cuantía	%	Cuantía	%	Cuantía	%
I. Costos de inversión																
A. Obras civiles	13 018	45,1	6 848	23,7	1 510	5,2	4 325	15,0	1 061	5,8	-	-	1 473	5,1	28 833	25,5
B. Vehículos, bienes y equipo																
Vehículos y motocicletas	504	75,0					168	25,0							672	0,6
Equipo	812	13,7	1 805	30,4	2 726	45,9	602	10,1	-	-	-	-	-	-	5 945	5,3
Bienes	-	-	1 154	32,5	1 512	42,6	568	16,0	-	-	-	-	317	8,9	3 552	3,1
Subtotal vehículos, bienes y equipo	1 316	12,9	2 959	29,1	4 239	41,7	1 338	12,9	-	-	-	-	317	3,1	10 170	9,0
C. Servicios																
1. Asistencia técnica nacional	795	62,5	139	10,9	234	18,4	104	8,2	-	-	-	-	-	-	1 271	1,1
2. Asistencia técnica internacional	1 762	80,0	-	-	442	20,0	0	-	-	-	-	-	-	-	2 203	2,0
3. Capacitación	5 871	25,2	12 915	55,4	3 380	14,5	1 084	4,6	-	-	58	0,2	-	-	23 307	20,6
4. Talleres	827	55,6	587	39,4	-	-	74	5,0	-	-	-	-	-	-	1 489	1,3
5. Consultorías	4 916	76,8	1 031	16,1	197	3,1	261	4,1	-	-	-	-	-	-	6 405	5,7
Subtotal servicios	14 171	40,9	14 672	42,3	4 252	12,3	1 522	4,4	-	-	58	0,2	-	-	34 676	30,7
D. Apoyo financiero																
Crédito de las instituciones financieras participantes	-	-	-	-	-	-	0	-	-	-	17 416	86,0	2 835	14,0	20 251	17,6
Donaciones	3 583	41,3	5 097	58,7	-	-	0	-	-	-	-	-	-	-	8 679	7,5
Subtotal apoyo financiero	3 583	12,4	5 097	17,6	-	-	0	-	-	-	17 416	60,2	2 835	9,8	28 930	25,6
Costos de inversión totales	32 088	31,3	29 575	28,8	10 000	9,7	7 185	7,0	1 661	1,6	17 474	17,0	4 625	4,5	102 609	90,8
II. Costos ordinarios																
A. Sueldos	3 141	46,1	3 676	53,9	-	-	-	-	-	-	-	-	-	-	6 817	6,0
B. Prestaciones	682	46,9	773	53,1	-	-	-	-	-	-	-	-	-	-	1 455	1,3
C. Funcionamiento y mantenimiento	688	32,7	976	46,3	-	-	442	21,0	-	-	-	-	-	-	2 107	1,9
Costos ordinarios totales	4 512	43,5	5 425	52,3	-	-	442	4,3	-	-	-	-	-	-	10 379	9,2
COSTO TOTAL DEL PROGRAMA	36 600	32,4	35 000	31,0	10 000	8,9	7 628	6,8	1 061	1,5	17 474	15,5	4 625	4,1	112 987	100,0

C. Resumen de los beneficios y análisis económico

Gobernanza

36. Se prevé que los clientes directos adopten tecnologías mejoradas, como las que potencian la adaptación al clima, principalmente como parte de un acuerdo de agronegocio. Se vinculará a dichos clientes con otros agentes de las cadenas de valor y se les brindará acceso a bancos de semillas optimizadas, apoyo de extensión, créditos estacionales, apoyo financiero, sistemas de riego, instalaciones de almacenaje, unidades de elaboración de propiedad colectiva, etc. Este apoyo traerá como consecuencia aumentos significativos en: i) el capital social y económico (bienes y vínculos con agentes de cadenas de valor), y ii) los rendimientos e ingresos provenientes de cultivos que se impulsan a través de asociaciones locales entre los sectores público y privado. En las zonas del norte de Ghana, se incorporará la agricultura de conservación, lo cual se traducirá en unos rendimientos más estables, unos suelos más fértiles y menores exigencias de insumos externos.
37. Se aumentará la capacidad del personal del Ministerio de Alimentación y Agricultura a nivel nacional, regional y distrital en materia de desarrollo de cadenas de valor, así como en el ámbito de la adaptación al cambio climático y la resistencia de los sistemas de producción agrícola.

Análisis económico y financiero

38. Se examinó la viabilidad financiera a nivel de empresa de nueve modelos de cultivo, basándose en experiencias previas y en los logros que se están consiguiendo con otros programas en Ghana. Se concluyó que todos los modelos eran financieramente rentables. Se prepararán otros modelos para la adopción de cadenas de valor adicionales a las que pueda apoyar el programa; entre los principales criterios que se tendrán en cuenta para apoyarlas están la rentabilidad financiera para los grupos objetivos del programa y la capacidad de traer beneficios para estos.
39. El cálculo de los beneficios económicos se hizo para un período previsto de 20 años. El costo de oportunidad del capital es del 12 %. El análisis tiene en cuenta el escalonamiento de las intervenciones del programa durante los seis años que duran los dos primeros ciclos. Se basa en los 86 400 clientes directos a los que se propone llegar el programa hacia el final del año sexto, utilizando un modelo de flujo de efectivo que incluye todos los costos de inversión y operativos, los costos de mantenimiento de toda la infraestructura pública adquirida por el programa (un 5 % anual durante 20 años) y los ingresos incrementales netos de los modelos financieros mencionados previamente. En el análisis se han incluido todos los costos de inversión y los costos incrementales ordinarios de todos los componentes del programa. Se han deducido los flujos de fondos provenientes de los servicios de los créditos y la donación con el fin de evitar el doble cómputo. El análisis se basa en los costos y beneficios directos, ya que los beneficios sociales e indirectos no se tuvieron en cuenta. Sobre la base de estos supuestos, se prevé una tasa interna de rendimiento económico (TIRE) del 18,6 % y un valor actual neto (VAN) de USD 31,4 millones.

Análisis de sensibilidad

40. El cuadro 3 presenta un análisis de sensibilidad de la TIRE con el fin de calcular el beneficio en términos de efectivo que traerán las inversiones en la economía de Ghana. Los principales factores que facilitarán la consecución del objetivo de desarrollo del programa son claramente: i) el alcance o el número de agricultores beneficiados o el total de la superficie cultivada, y ii) el aumento del ingreso por hectárea.

Cuadro 3

Tasa interna de rendimiento económico (TIRE)

<i>Supuesto</i>	<i>Riesgo relacionado</i>	<i>TIRE</i>	<i>VAN (en millones de USD)</i>
Hipótesis básica (86 400 agricultores)		18,6 %	31,4
Disminución en los beneficios incrementales por hectárea: -10 %	Reducción de los precios de mercado, retraso en la adopción de tecnologías	16,3 %	19,9
Disminución en los beneficios incrementales por hectárea: -20 %	Bajo rendimiento de las cosechas, poca disposición a adoptar tecnologías, bajos precios al productor, bajo poder de negociación de los agricultores, poca disposición de las instituciones financieras participantes de conceder préstamos	13,9 %	8,4
Aumento de los costos del programa del 10 %	Limitada capacidad de gestión de la UCP y las oficinas zonales, insuficiente dedicación a las actividades principales	16,5 %	23,0
Aumento de los costos del programa del 20 %		14,7 %	14,7
Número de agricultores -15 % (73 440 agricultores)	Limitada capacidad de ejecución de las oficinas zonales y los facilitadores de las cadenas de valor	15,1 %	14,0
Número de agricultores -27 % (65 700 agricultores)	Limitada capacidad de los servicios de extensión distritales, acaparamiento de beneficios por parte de las élites	12,1 %	0,4
Beneficios postergados por un año	Débiles vínculos locales, limitada capacidad de las oficinas zonales, estructura del programa no suficientemente descentralizada	15,2 %	16,7
Beneficios postergados por dos años		12,6 %	3,6

D. Sostenibilidad

41. **Estrategia de salida.** La estrategia de salida del programa se basa en los siguientes aspectos del diseño: i) el programa se orienta a establecer vínculos formales en las cadenas de valor; ii) las partes interesadas del sector privado, es decir, los agronegocios, las organizaciones de agricultores, las instituciones financieras participantes y otros proveedores de servicios reciben servicios de facilitación y asistencia técnica con el fin de entablar relaciones económicas mutuamente beneficiosas; iii) los comités de cadena de valor actúan como los facilitadores locales entre las distintas partes interesadas del programa, y iv) se hace hincapié en actividades de agronegocios que estén totalmente integradas en la economía de mercado local y regional.
42. **Adaptación al cambio climático.** La sostenibilidad es un tema central a la hora de considerar el diseño de las intervenciones financiadas a través del ASAP. Las actividades están orientadas a aumentar la capacidad de adaptación de los sistemas sociales y agroecológicos a los impactos del cambio climático. Se promueven actividades y tecnologías que son económicamente viables y cuyo objeto es aumentar la resistencia al cambio climático de los participantes en el programa y de su competitividad general. El apoyo que se brindará reforzará la capacidad dentro de los sistemas nacionales para promover la producción agrícola resistente al clima.

E. Determinación y mitigación del riesgo

43. En el cuadro 4 se presentan los riesgos que tienen mayor probabilidad de ocurrir y el impacto potencial más alto sobre el logro de los efectos directos del programa.

Cuadro 4
Riesgos y medidas de mitigación

<i>Riesgo</i>	<i>Implicaciones</i>	<i>Medidas de mitigación</i>
Falta de capacidad de los comités de cadenas de valor para formalizar vínculos	Limitado interés por parte de los agentes de cadenas de valor formales de trabajar con pequeños productores	Fortalecimiento de las organizaciones de agricultores, en tanto miembros centrales de los comités de cadenas de valor Elaboración de contratos fáciles de entender y aplicar entre compradores y vendedores, elemento crítico para el programa Investigación de oportunidades de cadenas de valor en las que los grandes compradores e instituciones financieras vean claramente el valor de trabajar con los pequeños productores
Limitada capacidad del programa para interesar a las instituciones financieras participantes en financiar cadenas de valor	Alcance limitado con respecto a los pequeños agricultores Escasa disposición para dar financiación a agentes de cadenas de valor	Apoyo adecuado al personal y consultores desde el inicio del programa para asegurar que el análisis y la presentación de las cadenas de valor sean de alta calidad Capacitación en el análisis de cadenas de valor agrícolas, establecimiento y gestión de riesgos Facilitación de vínculos contractuales por los comités de cadenas de valor para reforzar la seguridad de la entidad crediticia Reproducción de estrategias de financiación estructuradas de iniciativas comerciales, aplicadas por los bancos rurales y comunitarios que operan en el Programa de Crecimiento Rural en el Norte Otorgar donaciones complementarias para mejorar la capacidad del prestatario o receptor de ofrecer garantías Colaboración con el Programa de Financiación Rural y Agrícola y otros programas Hacer experiencias piloto de innovación en la financiación de cadenas de valor
Las donaciones complementarias no consiguen estimular los préstamos de las instituciones financieras participantes	La financiación de cadenas de valor no logra aumentar La liquidez a lo largo de las cadenas de valor es un obstáculo para la comercialización Las pequeñas y medianas empresas no consiguen aumentar sus operaciones aplicando tecnologías de más alto rendimiento	Comenzar con donaciones complementarias de pequeña cuantía Comprobar que la idea funciona antes de ampliar la escala Ofrecer una orientación clara a las instituciones financieras participantes, apoyada por estudios de viabilidad Investigación de oportunidades de cadenas de valor en las que las instituciones financieras vean claramente el valor de trabajar con los pequeños productores, como se mencionó anteriormente
Las donaciones complementarias terminan en manos de empresas que no se vinculan con los pequeños productores	Las empresas que no tienen ningún impacto en la pobreza rural gastan rápidamente los fondos de las donaciones	Para donaciones de más de USD 20 000, exigir que los estudios de viabilidad empresarial demuestren claramente los beneficios para todos los componentes de la cadena de valor, ya sea como una baja de los costos o un aumento de los ingresos para los pequeños productores
Falta de conocimientos técnicos especializados en materia de tecnologías comerciales de adaptación al cambio climático	Baja tasa de adaptación Falta de interés en las tecnologías por parte de los agronegocios Dispersión en el desembolso de los fondos provoca un bajo impacto	Centrar la labor en demostraciones comerciales en asociación con los agronegocios y los agricultores por contrata Asistencia técnica especializada
Descentralización del Ministerio de Alimentación y Agricultura hacia las asambleas distritales	Insuficiente capacidad de cofinanciación de las asambleas distritales Demoras en la programación y la ejecución	Adopción de herramientas que pueden incorporarse en las estructuras de las asambleas distritales Colaboración directa entre las oficinas zonales y los niveles regional y distrital Diálogo sobre políticas con el Ministerio de Alimentación y Agricultura, y el Ministerio de Gobierno Local y Desarrollo Rural
Enfoque sectorial de la agricultura	Poca disposición de los asociados en el desarrollo para proporcionar financiación adicional Baja sostenibilidad	Enfoque basado en el programa, con integración en otras actividades Durante el primer ciclo, institucionalización de mecanismos de financiación de cadenas de valor destinados a la infraestructura, donaciones complementarias para innovaciones en cadenas de valor

V. Consideraciones institucionales

A. Conformidad con las políticas del FIDA

44. El diseño del programa se ajusta a las políticas y estrategias del FIDA pertinentes, a saber, el Marco Estratégico del FIDA (2011-2015), la política en materia de empresas rurales, la estrategia para el sector privado, la estrategia de asociación, la política en materia de financiación rural, la política en materia de género, la nota de orientación para la política de la juventud, la estrategia de focalización, y la nota analítica sobre los aspectos ambientales y sociales. El proyecto se ha clasificado en la categoría B desde el punto de vista de la evaluación ambiental, debido a que las actividades económicas del programa tendrán un impacto negativo relativamente bajo.

B. Armonización y alineación

45. El Ministerio de Alimentación y Agricultura ejecutará el programa apuntando a: i) promover el enfoque normativo; ii) constituirse como la plataforma de inversión principal para el desarrollo de las cadenas de valor en Ghana; iii) orientar los esfuerzos a armonizar las herramientas de intervención en las cadenas de valor, y iv) movilizar financiaciones paralelas adicionales, de acuerdo a la modalidad de preferencia de cada uno de los asociados en el desarrollo. El alcance nacional y sectorial del programa, su alineación con la descentralización y su enfoque programático implicarán que: i) la ejecución se integrará gradualmente en las asambleas distritales y las instituciones regionales, y ii) se institucionalizarán los mecanismos para facilitar la inversión privada y pública en las cadenas de valor.
46. El enfoque, que hace hincapié en el papel del sector privado, es ampliamente compatible con las operaciones de otras entidades asociadas importantes que apoyan el desarrollo de la agricultura en Ghana, a saber: la Agencia de Cooperación Internacional del Japón, la Agencia de los Estados Unidos para el Desarrollo Internacional, la Agencia Francesa de Desarrollo, la Alianza para una Revolución Verde en África, el Banco Africano de Desarrollo, el Banco Mundial, el Canadá, el Ministerio para el Desarrollo Internacional del Reino Unido, el Organismo Alemán para la Cooperación Internacional/Banco público Alemán de Desarrollo, el Organismo Danés de Desarrollo Internacional, los Países Bajos y la Unión Europea. En su calidad de líder de los asociados en el desarrollo del sector agrícola, el FIDA es uno de los motores principales de los esfuerzos de armonización en dicho sector, a través de la participación en el Grupo de Trabajo sobre el Sector Agrícola de Ghana y sus subcomités, revisiones sectoriales conjuntas, visitas sobre el terreno temáticas conjuntas y reuniones periódicas de armonización entre los distintos asociados en el desarrollo.

C. Innovación y ampliación de escala

47. El enfoque de ciclos de tres años de programación, ejecución y aprendizaje constituye una manera innovadora de proporcionar un marco para la ampliación a escala sistemática. El programa se basa en los buenos resultados adquiridos en ciertos aspectos de programas previos, y ofrece mecanismos para promover la innovación y el aprendizaje. La promoción y el desarrollo adicional de iniciativas innovadoras se centrará en: i) la facilitación de vínculos empresariales a través de los comités de cadenas de valor; ii) el acceso a los servicios financieros, y iii) la adaptación al cambio climático.

D. Actuación normativa

48. La participación en los diálogos sobre políticas que prevé el programa apunta a crear un entorno propicio para que los pequeños agricultores exploten cadenas de valor rentables y resistentes al cambio climático. Serán de especial importancia aquellas políticas que optimicen el apoyo del Gobierno a los agronegocios y, específicamente, aborden cuestiones en materia de resistencia al cambio climático, política comercial,

tenencia de la tierra y creación de entornos favorables para las mujeres, y para que los jóvenes y los adultos jóvenes emprendan actividades empresariales. La financiación reservada del ASAP se destinará a cuestiones de políticas relacionadas con la adaptación al cambio climático y la gestión de los recursos naturales. Con la colaboración de los distintos asociados en el programa se conseguirá lo siguiente: i) crear un sistema georreferenciado de información climática y medioambiental que sirva para el relevamiento y la gestión de los recursos hídricos y otros recursos naturales, y para la gestión de los riesgos climáticos; ii) obtener y procesar datos pertinentes para el programa en las regiones de la sabana; iii) aumentar la capacidad de la oficina regional de información ambiental del Ministerio de Alimentación y Agricultura y de la oficina de información del Organismo de Protección Ambiental en materia de cambio climático, y iv) elaborar materiales para la difusión de los conocimientos (discos compactos, estudios de casos, mapas de vulnerabilidad, documentos de políticas y otras publicaciones).

49. En el ámbito del programa se proporcionarán análisis y se facilitará el diálogo, y así se fortalecerá la capacidad de las organizaciones de agricultores, mujeres y jóvenes y otras entidades del sector privado pertinentes para que aboguen en defensa de los intereses de sus miembros. La oficina del FIDA en el país apoyará estos esfuerzos a través de su relación con el Gobierno y asociados en el desarrollo.

VI. Instrumentos y facultades jurídicos

50. Un convenio de financiación de programa entre la República de Ghana y el FIDA constituye el instrumento jurídico para la concesión de la financiación propuesta al prestatario o receptor. Se adjunta como anexo una copia del convenio de financiación negociado.
51. La República de Ghana está facultada por su legislación para recibir financiación del FIDA y del Fondo Fiduciario del Programa de Adaptación para la Agricultura en Pequeña Escala (ASAP), por conducto del FIDA en su calidad de administrador fiduciario.
52. Me consta que la financiación propuesta se ajusta a lo dispuesto en el Convenio Constitutivo del FIDA y las Políticas y Criterios en materia de Financiación.

VII. Recomendación

53. Recomiendo a la Junta Ejecutiva que apruebe la financiación propuesta de acuerdo con los términos de la resolución siguiente:

RESUELVE: que el Fondo conceda un préstamo en condiciones muy favorables a la República de Ghana, por una cuantía equivalente a veintitrés millones setecientos mil derechos especiales de giro (DEG 23 700 000), conforme a unos términos y condiciones que se ajusten sustancialmente a los presentados en este informe.

RESUELVE ADEMÁS: que el Fondo conceda una donación del ASAP a la República de Ghana, por una cuantía equivalente a seis millones quinientos mil derechos especiales de giro (DEG 6 500 000), conforme a unos términos y condiciones que se ajusten sustancialmente a los presentados en este informe.

Kanayo F. Nwanze
Presidente

Negotiated financing agreement: "Ghana Agricultural Sector Investment Programme (GASIP)"

(Negotiations concluded on 4 April 2014)

Loan Number: _____

ASAP Grant Number: _____

Programme Title: Ghana Agricultural Sector Investment Programme (the "Programme" or "GASIP")

The International Fund for Agricultural Development (the "Fund" or "IFAD")

and

The Republic of Ghana, represented by the Ministry of Finance, (the "Borrower")

(each a "Party" and both of them collectively the "Parties")

WHEREAS the GASIP has been designed as a long-term Programme and is expected to be implemented in cycles of three years each. The initial design (under this Financing Agreement) covers two three-year cycles, i.e. six years of implementation. Co-financing will be sought by the Borrower from other development partners and its own resources under the broader Sector Wide Investment Programme of the Borrower of which this Programme is an integral part;

WHEREAS the Fund's total contribution to the Programme is estimated at seventy one million six hundred thousand United States Dollars (USD 71.6 million), the Fund shall provide the equivalent to thirty six million six hundred thousand United States Dollars (USD 36.6 million) under the current Financing Agreement. The remaining funding, equivalent to approximately thirty five million United States Dollars (USD 35 million) will be sought and, if available and based on satisfactory implementation results, will be provided under the 2016-2018 Performance Based Allocation System (PBAS) cycle through a complementary Financing Agreement;

WHEREAS the Executive Board of the Fund approved at its 105th Session, the creation of the Trust Fund for the Fund's Adaptation for Smallholder Agriculture Programme (ASAP), with the purpose of financing in the form of grants some components of the Programme to increase the resilience of small farmers to climate change in the five key ASAP outcome areas;

The parties hereby agree as follows:

Section A

1. The following collectively form this Financing Agreement: the main text, the Programme Description and Implementation Arrangements (Schedule 1), the Allocation Table (Schedule 2), the Special Covenants (Schedule 3) and the Fund's General Conditions for Agricultural Development Financing (Schedule 4).

2. The Fund's General Conditions for Agricultural Development Financing dated 29 April 2009, as may be amended from time to time (the "General Conditions") and all provisions thereof shall apply to this Agreement. For the purposes of this Agreement the terms defined in the General Conditions shall have the meanings set forth therein.

3. The term Borrower shall be used in this Agreement to refer both to the Borrower of the Loan and to the Recipient of the ASAP Grant.

4. The Fund shall provide a Loan and an ASAP Grant (the "Financing") to the Borrower, which the Borrower shall use to implement the Programme in accordance with the terms and conditions of this Agreement.

Section B

1. The amount of the Loan is twenty three million seven hundred thousand Special Drawing Rights (SDR 23 700 000).

The amount of the ASAP Grant is six million five hundred thousand Special Drawing Rights (SDR 6 500 000).

2. The Loan is granted on highly concessional terms.

3. The Loan Service Payment Currency shall be the United States Dollars.

4. The first day of the applicable Fiscal Year shall be 1st January.

5. Payments of principal and service charge shall be payable on each 15 April and 15 October.

6. Two Designated Accounts in United States Dollars shall be opened at the Bank of Ghana to receive the proceeds from the IFAD loan and the ASAP Grant, respectively. A Programme Account denominated in Ghana cedis shall be opened at a commercial bank acceptable to the Fund which shall be managed at the level of the Programme Coordination Unit. Three additional Programme Accounts denominated in Ghana cedis shall be opened at zonal office level in commercial banks acceptable to the Fund.

7. The Borrower's counterpart contribution to the Programme shall approximately amount to the equivalent of five million three hundred thousand United States Dollars (USD 5.3 million), to cover taxes and duties levied on the implementation of the Programme. A counterpart fund account shall be opened to receive funds to cover any expenditure for which exemption of taxes and duties is not feasible.

Section C

1. The Lead Programme Agency shall be the Ministry of Food and Agriculture (MOFA).

2. The following are designated as additional Programme Parties: the Programme Coordination Unit (PCU), the Zonal Programme Office North (ZPON), the Zonal Programme Office South (ZPOS), Zonal Programme Office Central (ZPOC), Value Chain Facilitators, Environmental Protection Agency (EPA) and relevant Ministries, Departments and Agencies (MDAs).

3. The Programme Completion Date shall be the sixth anniversary of the date of entry into force of this Agreement.

Section D

The Financing shall be administered and the Programme supervised by the Fund, in collaboration with the Borrower.

Section E

1. The following are designated as additional grounds for suspension of this Agreement, in addition to the ones specified in Section 12.01 of the General Conditions:

- (a) The National Programme Coordinator or the Financial Manager has been removed from the Programme without the prior concurrence of the Fund.
- (b) Non-compliance with the provisions of the Programme Implementation Manual.

2. The following are designated as additional general conditions precedent to withdrawal:

- (a) The Designated Accounts shall have been duly opened by the Borrower.
- (b) Counterpart funds covering the non-exempted tax requirements identified in the first Annual Work Plan and Budget, estimated at one hundred thousand United States Dollars (USD 100 000) have been deposited by the Borrower in the counterpart fund account.
- (c) The appointment of the National Programme Coordinator and the Financial Manager has received no-objection by IFAD.
- (d) The Programme Implementation Manual has received no-objection by IFAD.

3. This Agreement is subject to ratification by the Borrower.

4. The following are the designated representatives and addresses to be used for any communication related to this Agreement:

For the Fund:

President
International Fund for Agricultural Development
Via Paolo di Dono 44
00142 Rome, Italy

For the Borrower:

Ministry of Finance
of the Republic of Ghana
P.O. Box MB40
Accra, Ghana

This Agreement, dated _____, has been prepared in the English language in six (6) original copies, three (3) for the Fund and three (3) for the Borrower.

THE REPUBLIC OF GHANA

Insert name and title

INTERNATIONAL FUND FOR
AGRICULTURAL DEVELOPMENT

Kanayo F. Nwanze
President

Schedule 1

Programme Description and Implementation Arrangements

I. Programme Description

1. *Target Population.* The Programme shall target smallholder farmers and resource-poor rural people, in particular women, youth (15-24 years old) and young adults (25-34 years old). Additionally, the ASAP Grant shall specifically target (sub-target) those who are vulnerable to climate change induced shock, in particular those practicing rain-fed cereal cropping and small-scale irrigation. The Programme shall have national coverage.
2. *Goal.* The overall goal of the Programme is to contribute to sustainable poverty reduction in rural Ghana.
3. *Objective.* The objective of the Programme is to enhance the profitability and climate change resilience of the agribusinesses of the targeted population.
4. *Components.* The Programme shall consist of the following Components:

Component 1: Value Chain Development

Subcomponent 1.1: Agribusiness Linkages Development. The aim of this subcomponent is to build and formalize commercial relationships between agribusinesses and smallholders, allowing stakeholders to develop the economic activities along the chain. Normally, these linkages shall be formalized through an agreement or other form or written arrangement between agribusinesses, smallholders, public and private service providers, Participating Financial Institutions (PFIs), input suppliers and Value Chain Committees (VCCs). The subcomponent aims to ensure the emergence and inclusive character of these agreements/arrangements; that proper standards of engagement are used between the large commercial entities and smallholders; and the adoption of sustainable technologies and undertaking of environmental impact mitigation measures.

Through this subcomponent, the Programme shall support the selection process of value chains in accordance with the specific terms defined in the Programme Implementation Manual. The minimum requirements for a value chain to be considered eligible include: economic/financial viability, private sector interest/demand, and profitability/prosperity, increased resilience for smallholders. Once the value chains are selected, smallholders' participation in the agribusiness linkages shall be assisted by Value Chain Facilitators (VCFs), who shall work in close collaboration with district-level MOFA staff, Business Advisory Centres (BACs) and private service providers to provide training and services for VCCs, Farmer Based Organizations (FBOs) and smallholders for the selected value chains. The Programme shall fund the support to the VCCs, FBOs and smallholders, investments in public services and institutional capacity required and innovations and pilots in value chain development.

Subcomponent 1.2: Rural Financial Services. The aim of this subcomponent is to ensure increased and systematic access to and use of short and long-term financing for value chain businesses. The subcomponent shall support research on value chain financing opportunities related to candidate value chains; support capacity building to Rural and Community Banks (RCBs); support universal banks in strategic and operational development for structured trade finance; promote equity investments in value chain enterprises and in RCBs (direct investment and linkage with larger banks)

and aim to strengthen weakly capitalized value chain actors' equity for investments in equipment and infrastructure and critical innovations (matching grants). The criteria for the eligibility of matching grants and the selection criteria of the investment proposals shall be detailed in the Programme Implementation Manual.

The support to RCBs shall include training, mentoring and product development; documenting value chain finance opportunities and equity investment opportunities; developing industry standard documentation for buyer-seller contracts, assignable invoices, inventory receipts, finance leases; strategic consulting with universal banks for structured trade financing; and training FBOs in saving.

Subcomponent 1.3: Climate Change Resilience. The aim of this subcomponent is to mainstream climate change adaptation across the selected value chains of the Programme. The subcomponent shall focus on three main areas (a) demonstrations and promotion of uptake of commercial conservation agriculture; (b) efficient use of water in irrigation; and (c) institutional support for climate change resilience. These activities supported under this subcomponent shall be financed by ASAP Grant until the funds are exhausted. From there, the activities shall be financed from other sources, including financing from IFAD.

Using the value chain approach, the Programme shall support commercially valid adaptive trials and demonstrations of modern conservation agriculture techniques under rain-fed conditions aiming to address the increasing dry spells, drought occurrence and the issues of land degradation. A crop rotation based on maize, sorghum, cowpea/soybean shall be piloted and promoted at a larger scale. These interventions shall be hosted by leading nucleus farmers, stronger FBOs and specialist farm services providers. During the first Programme cycle, it is expected to establish a total of 25 host sites. Support, including technical assistance and equipment, shall be provided to the hosts of sites.

The Programme shall also support training, technical assistance, trials and demonstrations of improved water-use efficiency techniques within existing irrigation systems and from available water sources, as well as training of Water Users Associations (WUA), and environmental mitigation measures. The Programme shall provide support for institutional capacity building and enhanced public awareness in the field of climate change resilience. Specific capacity building shall include support to MOFA, District Departments of Agriculture, FBOs, WUAs and other members of the VCCs.

Component 2: Rural Value Chain Infrastructure

Subcomponent 2.1: Productive Infrastructure and Facilities. The aim of this subcomponent is to leverage investments in productive infrastructure and facilities for the selected value chains. These facilities, which will either be owned by the District Assembly (DA) or by a FBO, are planned to be operated by a private sector entity. Targeting of these facilities shall be governed by an Objective Ranking System established in the Programme Implementation Manual which shall quantify the magnitude of both local community and private sector benefit. Examples of the productive infrastructure that may be funded by the Programme include warehouses, pack-houses, processing facilities, irrigation facilities, etc. To be eligible, the proposals will need to demonstrate a viable management and business plan and an observable benefit for smallholders. If the proposed recipients are private operators, the Programme may fund up to 70% of the cost of the facilities, matching a financial commitment from the proposed beneficiary of at least 30% of the value of the facilities. If the proposed recipients are District Assemblies, the Programme may fund up to 90% of the cost. The selection criteria and modalities of the implementation of investment proposals and

related grants shall be detailed in the Programme Implementation Manual. The indicated ceilings for grant financing may be modified to align these to emerging policies of the Parties.

Subcomponent 2.2: Enabling Public Infrastructure. The aim of this subcomponent is to finance essential public infrastructure for the growth and viability of associated value chains. These are facilities completely operated by the public sector. Examples of the infrastructure that may be financed by the Programme are access roads, rural electrification (to enable low-cost pump irrigation and processing) and water harvesting and management systems (e.g. livestock watering, flood recession schemes, small dams). Investment made in water harvesting and control infrastructure shall be financed initially by the ASAP Grant and then financed by the IFAD loan and other development assistance funding. Livestock watering points shall be constructed along rural roads at locations with high risk of flooding. The Programme shall provide 100% financing, but the public entity must provide evidence that it will provide necessary operation and maintenance.

Component 3: Knowledge Management, Policy Support and Coordination

Subcomponent 3.1: Knowledge Management, Harmonization and Policy Support. This subcomponent aims at creating an enabling environment for smallholders to participate in profitable and climate change resilient value chains. In order to achieve this, the Programme proposes to strengthen the capacity of the Borrower –especially MOFA- for data collection and database development, policy analysis and development, and harmonization of value chain tools; provide institutional support to relevant private sector organizations and strengthen multi-stakeholder processes for advocacy.

In the knowledge management and innovation mainstreaming areas, support shall be provided for the preparation of document progress and sharing and dissemination of information. ASAP funding shall target policy issues related to climate change adaptation and natural resource management.

Subcomponent 3.2: Coordination, Monitoring and Evaluation. This subcomponent will comprise the funding of coordination, financial and administrative management, and monitoring and evaluation (M&E) of the Programme. A detailed description is presented in Section II, below.

II. Implementation Arrangements

1. Lead Programme Agency

1.1 *Designation.* The Ministry of Food and Agriculture (MOFA) is designated as the Lead Programme Agency.

1.2 *Responsibilities.* The MOFA shall have the overall responsibility for the implementation of the Programme and shall ensure linkages to other relevant Ministries, Departments and Agencies.

2. National Programme Steering Committee

2.1. *Establishment.* The Lead Programme Agency shall establish a National Programme Steering Committee (NPSC) which shall orient the strategy of the Programme, oversee planning, review progress and impact and ensure linkages with related projects, government services and relevant value chain stakeholders.

2.2. *Composition.* The NPSC shall be chaired by the MOFA and shall meet at least twice a year. Its membership and specific responsibilities shall be detailed in the Programme Implementation Manual.

3. The Programme Coordination Unit

3.1 *Establishment.* A Programme Coordination Unit (PCU) shall be established by the MOFA and shall be based in Accra.

3.2 *Responsibilities.* The responsibilities of the PCU shall include the overall coordination of the activities implemented under the Programme; direct implementation of subcomponent 3.1 (Knowledge Management, Harmonization and Policy Support); and subcomponent 3.2 (Coordination, Monitoring and Evaluation). The PCU shall have overall fiduciary responsibility for Programme implementation, including consolidation of Programme accounts, preparation of annual financial statements, disbursements, consolidation of Annual Work Programme and Budget (AWPB) and procurement plans; quarterly financial reports; consolidation of progress reports; organization of annual audits in line with IFAD's guidelines; assistance for supervisions, support mission and other missions including inter-cycle; promotion of transversal themes such as gender and youth; and preparation and updating of Programme Implementation and other required Manuals.

3.3 *Composition.* The PCU shall be composed of a National Programme Coordinator, a Senior Policy and M&E Manager, a Financial Manager, a Procurement and Contract Manager, a Climate Change Adaptation Manager, an Infrastructure Manager, a Value Chain and Agri-Business Manager and other professional and support staff identified in the design phase of the Programme required for the implementation of the Programme. The PCU staff hired through competitive procedures under the Small Grant Agreement for the Implementation Readiness of GASIP, shall serve under the hired capacity for the implementation of this Programme, subject to satisfactory performance. The Lead Programme Agency shall ensure that procedures for the incorporation of such staff to the Programme are readily in place.

4. Zonal Programme Offices

4.1 *Establishment.* The MOFA shall establish three Zonal Programme Offices (ZPO), to provide day to day coordination of Programme activities. The ZPO shall work in close collaboration with the Regional Agriculture Development Units (RADUs).

The existing Programme Management Unit of the IFAD co-financed Northern Rural Growth Programme (NRGP) located in Tamale shall be strengthened to coordinate the activities of the Programme in Northern Ghana until the completion of the NRGP. At that time it shall become the Northern ZPO (ZPON) of the Programme. A ZPO Central (ZPOC) shall be established in Kumasi, and a ZPO South (ZPOS) shall be established in Koforidua.

4.2 *Responsibilities.* Under the general coordination of the PCU, the responsibilities of each ZPO in their respective area of intervention shall include the preparation of the zonal AWPB and submission to the PCU for consolidation; the coordination of implementation of activities under the respective zonal AWPB; monitoring of Programme activities and elaboration of progress and financial reports; and provision of technical support to RADUs and other decentralized Programme Parties to strengthen coordination and M&E capacities. Additionally, the ZPON will have a key role in the implementation of activities financed by the ASAP Grant.

4.3 *Composition.* Each ZPO shall be composed of a Zonal Programme Coordinator, a Zonal M&E Officer, a Zonal Value Chain and Agribusiness Officer, a Zonal Accountant, and the professional and support staff required for the implementation of the Programme. Additionally the ZPON shall also have a Climate Change Adaptation Officer. The responsibilities of each position shall be detailed in the Programme Implementation Manual.

5. Value Chain Facilitators

5.1 Value Chain Facilitators (VCFs) shall be contracted for the implementation of subcomponent 1.1 (Agribusiness Linkages Development) on the basis of the AWPB. The contracting shall be done on the basis of performance based contracts and renewed subject to satisfactory performance. The VCFs shall identify and work in collaboration with a broad platform of private sector end-users, entrepreneurs, suppliers of raw material. Other service providers may also be recruited together with the VCFs.

5.2 The PCU shall enter into a Memorandum of Understanding (MoU) with the prior no objection of the Fund, a performance based contract or other similar performance based arrangement with the selected VCF, which shall establish the framework of collaboration between the PCU and the VCF and shall outline the performance criteria required and the deliverables for each VCF. The renewal of the MoU shall be subject to IFAD no objection

6. Inter-Cycle Review and Evaluation

6.1 GASIP has been designed as a long-term Programme which is expected to be implemented in cycles of three years each. Prior to the end of each cycle, an Inter-cycle Review Mission (IRM) shall be organized to assess progress, prepare the next cycle and justify new funding, if applicable.

6.2 The IRM shall take place six to nine months before the end of each cycle. The Lead Programme Agency, the Fund and other co-financers shall carry out the IRM, supported by the PCU and the ZPO. Value chain analyses and ad-hoc surveys shall be completed and assessed by the IRM.

7. Programme Implementation Manual

7.1 Programme implementation arrangements will be detailed in a Programme Implementation Manual, comprised of (i) an operational manual; (ii) an M&E manual; and (iii) a Finance and Administration Manual.

7.2 The operational manual shall include inter alia membership and specific responsibilities of the NPSC; criteria for the selection process of value chains; criteria for the eligibility of matching grants and investment proposals, as well as modalities of implementation. The M&E manual shall detail the M&E system and procedures including RIMS. The finance and administration manual shall include inter alia financial control and procurement procedures, financial reporting templates, terms of reference of Programme staff and template MOUs with Programme Parties and service providers.

7.3 Any revisions to the Programme Implementation Manual shall be subject to the Fund's no-objection.

Schedule 2

Allocation Table

1. *Allocation of Loan and ASAP Grant Proceeds.* (a) The Table below sets forth the Categories of Eligible Expenditures to be financed by the Loan and the ASAP Grant and the allocation of the amounts of the Loan and ASAP Grant to each Category and the percentages of expenditures for items to be financed in each Category:

Category	Loan amount allocated (expressed in SDR)	ASAP Grant amount allocated (expressed in SDR)	Percentage (net of tax and beneficiary contributions)
1. Works	7 590 000	900 000	100%
2. Equipment	770 000	1 590 000	100%
3. Goods & inputs	-	880 000	100%
4. Consultancies	4 350 000	510 000	100%
5. Training	3 900 000	1 970 000	100%
6. Grants	2 090 000	-	100%
7. Operating costs	400 000	-	100%
8. Salaries and allowances	2 230 000	-	100%
Unallocated	2 370 000	650 000	
TOTAL	23 700 000	6 500 000	

(b) The terms used in the Table above are defined as follows:

Equipment includes vehicles and motorbikes. Training includes workshops.

(c) For purposes of financing under the ASAP Grant, the terms used in the Table above are defined as follows:

Works refers to water management facilities and water harvesting infrastructure. These will be financed under the ASAP grant until exhaustion of funds under this category.

Equipment relating to conservation farming demonstrations, small scale irrigation development, awareness raising initiatives on climate change, EPA strengthening, Geo-referenced Information System (GIS) & data processing equipment and weather forecasters & rain gauges for MOFA. These will be financed under the ASAP grant until exhaustion of funds.

Goods & inputs includes inputs for demonstrations of climate change adaptation technologies.

Consultancies includes demonstrations of conservation farming, small scale irrigation development, awareness raising initiatives on climate change,

strengthening of MOFA environment unit and Environmental and Natural Resource Management (ENRM)/ climate change management system for Savannah region. These will be financed under the ASAP grant until exhaustion of funds.

Training relating to demonstrations of conservation farming, small scale irrigation development and all climate change awareness raising initiatives and training will be financed under the ASAP grant until exhaustion of funds.

Schedule 3

Special Covenants

In accordance with Section 12.01(a)(xxiii) of the General Conditions, the Fund may suspend, in whole or in part, the right of the Borrower to request withdrawals from the Loan Account and the Grant Account if the Borrower has defaulted in the performance of the covenant set forth below, and the Fund has determined that such default has had, or is likely to have, a material adverse effect on the Programme.

1. The Lead Programme Agency, in consultation with the Ministry of Finance, shall ensure that the recruitment of the Programme professional personnel is done through a competitive process and in accordance with criteria and procedures to be developed in agreement with the Fund. The appointment of such personnel shall have IFAD's prior no objection.

Schedule 4

GENERAL CONDITIONS FOR AGRICULTURAL DEVELOPMENT FINANCING (as amended September 2010²)

ARTICLE I - APPLICATION

SECTION 1.01. Application of General Conditions.

- (a) These General Conditions apply to all Financing Agreements (as such term is defined in Section 2.01). They apply to other agreements only if an agreement expressly so provides.
- (b) If a particular provision of these General Conditions does not apply to an Agreement, the Agreement must provide explicitly that it does not apply.

ARTICLE II - DEFINITIONS

SECTION 2.01. General Definitions.

The following terms have the following meanings wherever used in these General Conditions:

“Agreement” means a Financing Agreement or other agreement subject to these General Conditions.

“Annual Workplan and Budget” or “AWPB” means the annual workplan and budget for carrying out a Project during a particular Project Year, which includes the Procurement Plan.

“Borrower” means the party designated as such in an Agreement.

“Coercive practice” means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.

“Collusive practice” means an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party.

“Cooperating Institution” means an institution designated as such in a Financing Agreement as responsible for the administration of the Financing and/or the supervision of the implementation of the Project.

“Cooperation Agreement” means an agreement or agreements between the Fund and a Cooperating Institution by which a Cooperating Institution agrees to act as such.

² These General Conditions for Agricultural Development Financing were adopted by IFAD's Executive Board on 29 April 2009. Sections 2.01, 4.08(a) and 5.01 were amended by decision of the Executive Board on 17 September 2010. These General Conditions, as amended, apply to all Financing Agreements for projects and programmes approved by the Executive Board during and subsequent to its ninety-seventh session in September 2009.

"Corrupt practice" means offering, giving, receiving or soliciting, directly or indirectly, anything of value to improperly influence the actions of another party.

"Currency" of a State or a territory means the currency that is legal tender for the payment of public and private debts in such State or territory.

"Eligible Expenditure" means an expenditure that complies with Section 4.08.

"Euro" or "EUR" mean the currency of the European Monetary Union.

"Financing" means a Loan, a Grant, or a combination thereof.

"Financing Agreement" means a Project Financing Agreement or Programme Financing Agreement, pursuant to which the Fund agrees to extend Financing to the Borrower/Recipient.

"Financing Closing Date" means the date on which the right of the Borrower/Recipient to request withdrawals from the Loan Account and/or Grant Account ends, which is six (6) months after the Project Completion Date or such later date as the Fund may designate by notice to the Borrower/Recipient.

"Fiscal Year" means the twelve-month period designated as such in an Agreement.

"Fraudulent practice" means any action or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.

"Freely convertible currency" means any currency so designated by the Fund at any time.

"Fund" means the International Fund for Agricultural Development.

"Grant" means a grant extended to a Recipient pursuant to a Financing Agreement or other Agreement.

"Grant Account" means the account in the books of the Fund opened in the name of the Recipient to which the amount of the Grant is credited.

"Guarantee Agreement" means an agreement between a Member State and the Fund by which such Member State guarantees the performance of another Agreement.

"Guarantor" means any Member State designated as such in a Guarantee Agreement.

"IFAD Procurement Guidelines" means the Procurement Guidelines approved by the Fund's Executive Board in December 2004 (for Financing approved by the Fund's Executive Board prior to September 2010) or the Project Procurement Guidelines approved by the Fund's Executive Board in September 2010 (for Financing approved by the Fund's Executive Board after September 2010) as such guidelines may be amended by the Fund.³

"IFAD Reference Interest Rate" means the rate determined periodically by the Fund as its reference rate for the computation of interest on its Loans.

"Lead Project Agency" means the entity designated as such in an Agreement, which has overall responsibility for the execution of a Project.

³ Amended September 2010.

“Loan” means a loan extended by the Fund to the Borrower pursuant to a Financing Agreement.

“Loan Account” means the account in the books of the Fund opened in the name of the Borrower to which the amount of a Loan is credited.

“Loan Service Payment” means any payment required or permitted to be made by the Borrower or the Guarantor to the Fund under a Financing Agreement, including (but not limited to) any payment of the principal of, or interest or service charge on any Loan.

“Loan Service Payment Currency” means the freely convertible currency defined as such in a Financing Agreement.

“Member State” means any Member State of the Fund.

“Pound sterling” or “GBP” means the currency of the United Kingdom of Great Britain and Northern Ireland.

“Procurement Plan” means the Borrower/Recipient’s Procurement Plan covering the initial eighteen (18) month period of Project implementation, as the same shall be updated to cover succeeding twelve (12) month periods.

“Project” means the agricultural development project or programme described in an Agreement and financed, in whole or in part, by the Financing.

“Project Account” means an account for Project operations as described in Section 7.02(b).

“Project Agreement” means any agreement between the Fund and any Project Party relating to the implementation of all or any part of a Project.

“Project Completion Date” means the date specified in an Agreement on which the implementation of the Project is to be completed, or such later date as the Fund may designate by notice to the Borrower/Recipient.

“Project Implementation Period” means the period during which the Project is to be carried out, beginning on the date of entry into force of the Agreement and ending on the Project Completion Date.

“Project Member State” means the Member State in which the Project is carried out.

“Project Party” means each entity responsible for the implementation of the Project or any part thereof. The term “Project Party” includes (but is not limited to) the Lead Project Agency and any entity designated as a Project Party in an Agreement.

“Project Year” means (i) the period beginning on the date of entry into force of an Agreement and ending on the last day of the then-current Fiscal Year, and (ii) each period thereafter beginning on the first day of the Fiscal Year and ending on the last day thereof, provided, however, that if the date of entry into force of the Agreement falls after the midpoint of the Fiscal Year, Project Year 1 shall continue through the following Fiscal Year.

“Recipient” means the party designated as such in an Agreement.

“SDR Equivalent” means, with respect to any amount expressed in any currency at the time of determination, the equivalent of such amount in SDR, as determined by the Fund in accordance with Article 5.2(b) of the *Agreement Establishing IFAD*.

“Special Drawing Rights” or “SDR” mean special drawing rights as valued from time to time by the International Monetary Fund in accordance with its Articles of Agreement.

“Subsidiary Agreement” means any agreement or arrangement by which (i) the whole or part of the proceeds of the Financing are made available to a Project Party and/or (ii) a Project Party undertakes to carry out the Project, in whole or in part.

“Target Population” means the group of people intended to benefit from a Project.

“Taxes” means all imposts, levies, fees, tariffs and duties of any kind imposed, levied, collected, withheld or assessed by or in the territory of the Project Member State at any time.

“US dollar” or “USD” means the currency of the United States of America.

“Value Date” means, in respect of any withdrawal from the Loan Account, the date on which such withdrawal is deemed made in accordance with Section 4.06 and, in respect of any Loan Service Payment, the date on which such Loan Service Payment is deemed made in accordance with Section 5.04.

“Yen” or “JPY” means the currency of Japan.

SECTION 2.02. Use of Terms.

As used in these General Conditions and any Agreement, except as the context otherwise requires, terms in the singular include the plural, terms in the plural include the singular, and masculine pronouns include the feminine.

SECTION 2.03. References and Headings.

Unless otherwise indicated, references in these General Conditions to Articles or Sections refer to Articles or Sections of these General Conditions. The headings of the Articles and Sections and in the Table of Contents of these General Conditions are given for convenience of reference only and do not form an integral part of these General Conditions.

ARTICLE III - THE COOPERATING INSTITUTION

SECTION 3.01. Appointment of the Cooperating Institution.

A Financing Agreement may provide that a Cooperating Institution will be appointed to administer the Financing and supervise the Project.

SECTION 3.02. Responsibilities of the Cooperating Institution.

If appointed, the Cooperating Institution shall be responsible for:

- (a) facilitating Project implementation by assisting the Borrower/Recipient and the Project Parties in interpreting and complying with the Financing Agreement;
- (b) reviewing the Borrower/Recipient’s withdrawal applications to determine the amounts which the Borrower/Recipient is entitled to withdraw from the Loan and/or Grant Account;

- (c) reviewing and approving on a no-objection basis the procurement of goods, civil works and services for the Project financed by the Financing;
- (d) monitoring compliance with the Financing Agreement, bringing any substantial non-compliance to the attention of the Fund and recommending remedies therefor; and
- (e) carrying out such other functions to administer the Financing and supervise the Project as may be set forth in the Cooperation Agreement.

SECTION 3.03. Cooperation Agreement.

If a Cooperating Institution is appointed, the Fund shall enter into a Cooperation Agreement with the Cooperating Institution setting forth the terms and conditions of its appointment.

SECTION 3.04. Actions by the Cooperating Institution.

Any action by the Cooperating Institution in accordance with a Cooperation Agreement shall be regarded and treated by the Borrower/Recipient, the Guarantor and the Project Parties as an action taken by the Fund.

SECTION 3.05. Cooperation by the Borrower/Recipient and the Project Parties.

The Borrower/Recipient, the Guarantor and the Project Parties shall take all necessary or appropriate steps to enable the Cooperating Institution to carry out its responsibilities smoothly and effectively.

ARTICLE IV - LOAN ACCOUNT AND WITHDRAWALS

SECTION 4.01. Loan and Grant Accounts.

Upon the entry into force of a Financing Agreement, the Fund shall open a Loan Account and/or a Grant Account in the name of the Borrower/Recipient and credit the principal amounts of the Loan and the Grant respectively thereto.

SECTION 4.02. Withdrawals from the Loan and Grant Accounts.

(a) Between the date of entry into force of the Agreement and the Financing Closing Date, the Borrower/Recipient may request withdrawals from the Loan Account and/or Grant Account of amounts paid or to be paid for Eligible Expenditures. The Fund shall notify the Borrower/Recipient of the minimum amount for withdrawals.

(b) No withdrawal shall be made from the Loan and/or Grant Accounts until the first AWPB has been approved by the Fund and the Fund has determined that all other conditions specified in the Financing Agreement as additional general conditions precedent to withdrawal have been fulfilled. The Financing Agreement may also establish additional specific conditions precedent to withdrawal applicable to particular categories or activities. Withdrawals to meet the costs of starting up the Project may be made from the date of entry into force of the Agreement, subject to any limits established in the Financing Agreement.

SECTION 4.03. Special Commitments.

Upon the Borrower/Recipient's request, the Fund may agree to make an irrevocable commitment to pay amounts necessary to guarantee a Letter of Credit used to finance Eligible Expenditures (a "Special Commitment") on such terms and conditions as the Borrower/Recipient and the Fund may agree.

SECTION 4.04. Applications for Withdrawal, or Special Commitment.

(a) When the Borrower/Recipient wishes to request a withdrawal from the Loan and/or Grant Accounts or a Special Commitment, the Borrower/Recipient shall deliver to the Fund an application in the form specified therefor by the Fund, together with such documents and other evidence in support of such application as the Fund shall reasonably request.

(b) The Borrower/Recipient shall furnish to the Fund satisfactory evidence of the authority of the person or persons authorized to sign such applications and the authenticated specimen signature of each such person.

(c) Each such application, and the accompanying documents and other evidence, must be sufficient to satisfy the Fund that the Borrower/Recipient is entitled to such withdrawal or Special Commitment.

(d) If the Borrower/Recipient requests a withdrawal from the Loan and/or Grant Accounts for amounts to be paid thereafter for Eligible Expenditures, the Fund may, before transferring such amount to the Borrower/Recipient, require that the Borrower/Recipient provide evidence satisfactory to the Fund showing that previous withdrawals have been properly spent for Eligible Expenditures. The Fund may place reasonable limits on the amount that the Borrower/Recipient may withdraw in advance or the overall balance of such advance withdrawals, and may require that such amounts be held in a freely convertible currency and/or be held in an account designated for that purpose in a bank acceptable to the Fund.

SECTION 4.05. Transfer by the Fund.

Upon receipt of an authenticated and satisfactory application for withdrawal from the Borrower/Recipient, the Fund shall transfer to the account specified by the Borrower/Recipient the amount specified therein.

SECTION 4.06. Value Dates of Withdrawals.

A withdrawal shall be deemed made as of the day on which the relevant financial institution debits the account of the Fund chosen for the purpose of disbursing such withdrawal.

SECTION 4.07. Allocations and Reallocations of Financing Proceeds.

(a) A Financing Agreement may allocate the amount of the Financing to categories of Eligible Expenditures and specify the percentages of such Eligible Expenditures to be financed by the Financing.

(b) The Fund shall monitor the uses of the Financing in order to determine when the allocation to a category has been depleted or is about to be depleted.

(c) If the Fund determines that the amount of the Financing allocated in the Financing Agreement to a category of Eligible Expenditures is or will be insufficient, the Fund may, by notice to the Borrower/Recipient:

- (i) reallocate to such category amounts of the Financing allocated to another category to the extent required to meet the estimated shortfall; and/or
- (ii) if such reallocation will not fully meet the estimated shortfall, reduce the percentage of such Eligible Expenditures to be financed by the Financing.

SECTION 4.08. Eligible Expenditures.⁴

(a) The Financing shall be used exclusively to finance expenditures meeting each of the following eligibility requirements:

- (i) The expenditure shall meet the reasonable cost of goods, works and services required for the Project and covered by the relevant AWPB and procured in conformity with the Fund's Procurement Guidelines.
- (ii) The expenditure shall be incurred during the Project Implementation Period, except that expenditures to meet the costs of winding up the Project may be incurred after the Project Completion Date and before the Financing Closing Date.
- (iii) The expenditure shall be incurred by a Project Party.
- (iv) If the Agreement allocates the amount of the Financing to categories of Eligible Expenditures and specifies the percentages of such Eligible Expenditures to be financed by the Financing, the expenditure must relate to a category whose allocation has not been depleted, and shall be eligible only up to the percentage applicable to such category.
- (v) The expenditure shall be otherwise eligible in accordance with the terms of the Financing Agreement.

(b) The Fund may from time to time exclude certain types of expenditure from eligibility.

(c) Any payment prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, shall not be eligible for financing by the Financing.

(d) Any payments to a person or an entity, or for any goods, works or services, if making or receiving such payment constitutes a coercive, collusive, corrupt or fraudulent practice by any representative of the Borrower/Recipient or any Project Party, shall not be eligible for financing by the Financing.

SECTION 4.09. Refund of Withdrawals.

If the Fund determines that any amount withdrawn from the Loan and/or Grant Accounts was not used for the purposes indicated or will not be needed thereafter to finance Eligible Expenditures, the Borrower/Recipient shall promptly refund such amount to the Fund upon instruction by the Fund. Except as the Fund shall otherwise agree, such refund shall be made in the currency used by the Fund to disburse such withdrawal. The Fund shall credit the Loan and/or Grant Accounts by the SDR Equivalent of the amount so refunded.

⁴ Amended September 2010.

ARTICLE V - LOAN SERVICE PAYMENTS

SECTION 5.01. Lending Terms.⁵

Loans provided by the Fund shall be given on highly concessional, intermediate or ordinary terms, as specified in the Financing Agreement:

(a) **Highly Concessional Terms:** Loans granted on highly concessional terms shall be free of interest but bear a service charge of three fourths of one per cent (0.75%) per annum payable semi-annually in the Loan Service Payment Currency, and shall have a maturity period of forty (40) years, including a grace period of ten (10) years starting from the date of approval of the Loan by the Fund's Executive Board.

(b) **Hardened Terms:** Loans granted on hardened terms shall be free of interest but bear a service charge of three fourths of one per cent (0.75%) per annum payable semi-annually in the Loan Service Payment Currency, and shall have a maturity period of twenty (20) years, including a grace period of ten (10) years starting from the date of approval of the Loan by the Fund's Executive Board.

(c) **Intermediate Terms:** Loans granted on intermediate terms shall be subject to interest on the principal amount of the Loan outstanding at a rate of one half of the IFAD Reference Interest Rate payable semi-annually in the Loan Service Payment Currency, and shall have a maturity period of twenty (20) years, including a grace period of five (5) years starting from the date that the Fund has determined that all general conditions precedent to withdrawal have been fulfilled in accordance with section 4.02(b).

(d) **Ordinary Terms:** Loans granted on ordinary terms shall be subject to interest on the principal amount of the Loan outstanding at a rate equal to the IFAD Reference Interest Rate, payable semi-annually in the Loan Service Payment Currency, and shall have a maturity period of fifteen (15) to eighteen (18) years, including a grace period of three (3) years starting from the date that the Fund has determined that all general conditions precedent to withdrawal have been fulfilled in accordance with section 4.02(b).

(e) Interest and service charge shall accrue on the outstanding principal amount of the Loan and shall be computed on the basis of a 360-day year of twelve 30-day months. The Fund shall provide the Borrower with a statement of interest and service charge due at least four (4) weeks prior to the date upon which payment is to be made.

(f) The Fund shall publish the IFAD Reference Interest Rate applicable in each interest period.

(g) During the grace period, interest and service charge shall accrue on the outstanding principal amount of the Loan and shall be payable semi-annually, but no payments of principal shall be due.

SECTION 5.02. Repayments and Prepayments of Principal.

(a) The Borrower shall repay the aggregate principal amount of the Loan withdrawn from the Loan Account in semi-annual instalments, calculated over the maturity period minus the grace period. The Fund shall inform the Borrower of the dates and amounts of the payments as soon as possible after the start of the period of maturity of the Loan.

⁵ Amended September 2010.

(b) The Borrower shall have the right to prepay all or any part of the principal amount of the Loan, provided that the Borrower pays all accrued and unpaid interest and service charges on the amount to be prepaid which are due as of the prepayment date. All prepayments shall be credited first against any outstanding interest and service charge and then against the remaining Loan instalments.

(c) Any partial cancellation of the Loan shall be applied pro rata to any remaining payment instalments of the principal amount of the Loan. The Fund shall notify the Borrower of such application, specifying the dates and amounts of the remaining instalments after giving effect thereto.

SECTION 5.03. Manner and Place of Payment.

All Loan Service Payments shall be paid to such account or accounts in such bank or other financial institution as the Fund may designate by notice to the Borrower.

SECTION 5.04. Value Dates of Loan Service Payments.

Loan Service Payments shall be deemed made as of the day on which the relevant financial institution credits the account of the Fund designated therefor.

ARTICLE VI - CURRENCY PROVISIONS

SECTION 6.01. Currencies for Withdrawals.

(a) Withdrawals from the Loan and/or Grant Accounts shall be made in the respective currencies in which expenditures to be financed out of the proceeds of the Financing have been paid or are payable, or in such currency or currencies as the Fund may select.

(b) The Loan and/or Grant Accounts shall be debited by the SDR Equivalent of the amount withdrawn determined as of the value date of withdrawal. If the currency of withdrawal has been purchased by the Fund with another currency, the Loan and/or Grant Accounts shall be debited by the SDR Equivalent of the amount of such other currency.

SECTION 6.02. Loan Service Payment Currency.

All Loan Service Payments shall be made in the Loan Service Payment Currency specified in the Financing Agreement. The amount of any Loan Service Payment shall be the equivalent in Loan Service Payment Currency, as of the due date, of the SDR amount of such Loan Service Payment, as determined by the Fund in accordance with Article 5, Section 2(b) of the *Agreement Establishing IFAD*.

SECTION 6.03. Valuation of Currencies.

Whenever it is necessary to determine the value of one currency in terms of another, the Fund shall determine such value in accordance with Article 5, Section 2(b) of the *Agreement Establishing IFAD*.

ARTICLE VII - IMPLEMENTATION OF THE PROJECT

SECTION 7.01. Project Implementation.

- (a) The Borrower and each of the Project Parties shall carry out the Project:
- (i) with due diligence and efficiency;
 - (ii) in conformity with appropriate administrative, engineering, financial, economic, operational, environmental and agricultural development practices (including rural development practices) and good governance;
 - (iii) in accordance with plans, design standards, specifications, procurement and work schedules and construction methods agreed by the Borrower/Recipient and the Fund;
 - (iv) in accordance with the provisions of the relevant Agreement, the AWPBs, and the Procurement Plan;
 - (v) in accordance with the policies, criteria and regulations relating to agricultural development financing laid down from time to time by the Governing Council and Executive Board of the Fund; and
 - (vi) so as to ensure the sustainability of its achievements over time.
- (b) (i) Projects shall be implemented on the basis of an Annual Workplan and Budget (AWPB). The Lead Project Agency shall prepare a draft Project AWPB for each Project based, to the extent appropriate, on the draft AWPBs prepared by the various Project Parties. Each draft Project AWPB shall include, among other things, a detailed description of planned Project activities during the coming Project Year, a Procurement Plan, and the sources and uses of funds.
- (ii) Before each Project Year, the Lead Project Agency shall, if required, submit the draft Project AWPB to the oversight body designated by the Borrower/Recipient for its review. When so reviewed, the Lead Project Agency shall submit the draft Project AWPB to the Fund for comments no later than sixty (60) days before the beginning of the relevant Project Year. If the Fund does not comment on the draft Project AWPB within thirty (30) days of receipt, the AWPB shall be deemed acceptable to the Fund.
- (iii) The Lead Project Agency shall adopt the Project AWPB in the form accepted by the Fund.
- (iv) The Lead Project Agency may propose adjustments in the Project AWPB during the relevant Project Year, which shall become effective after acceptance by the Fund.

SECTION 7.02. Availability of Financing Proceeds.

- (a) The Borrower/Recipient shall make the proceeds of the Financing available to the Project Parties upon terms and conditions specified in the Financing Agreement or otherwise approved by the Fund for the purpose of carrying out the Project.
- (b) The Financing Agreement may provide that the Borrower/Recipient open and maintain one or more Project Accounts for Project operations in a bank acceptable to the Fund, and shall identify the Project Party responsible for operating such account or

accounts. The operation of such accounts, unless otherwise specified in the Financing Agreement, shall be performed in accordance with the applicable rules and regulations of the Project Party responsible therefor.

SECTION 7.03. Availability of Additional Resources.

(a) In addition to the proceeds of the Financing, the Borrower/Recipient shall make available to the Project Parties such funds, facilities, services and other resources as may be required to carry out the Project in accordance with Section 7.01.

(b) In addition to the proceeds of the Financing, the Financing Agreement may provide that the Borrower/Recipient shall make available to the Project Parties during the Project Implementation Period counterpart funds from its own resources in accordance with its customary national procedures for development assistance.

SECTION 7.04. Coordination of Activities.

In order to ensure that the Project is carried out in accordance with Section 7.01, the Borrower/Recipient shall ensure that the relevant activities of its ministries, departments and agencies, and those of each Project Party, are conducted and coordinated in accordance with sound administrative policies and procedures.

SECTION 7.05. Procurement.

(a) Procurement of goods, works and services financed by the Financing shall be carried out in accordance with the provisions of the Borrower/Recipient's procurement regulations, to the extent such are consistent with the IFAD Procurement Guidelines. Each Procurement Plan shall identify procedures which must be implemented by the Borrower/Recipient in order to ensure consistency with the IFAD Procurement Guidelines.

(b) By notice to the Borrower/Recipient, the Fund may require that all bidding documents and contracts for procurement of goods, works and services financed by the Financing include provisions requiring bidders, suppliers, contractors, sub-contractors and consultants to:

- (i) allow full inspection by the Fund of all bid documentation and related records;
- (ii) maintain all documents and records related to the bid or contract for three years after completion of the bid or contract; and
- (iii) cooperate with agents or representatives of the Fund carrying out an audit or investigation.

SECTION 7.06. Use of Goods and Services.

All goods, services and buildings financed by the Financing shall be used exclusively for the purposes of the Project.

SECTION 7.07. Maintenance.

The Borrower/Recipient shall ensure that all facilities and civil works used in connection with the Project shall at all times be properly operated and maintained and that all necessary repairs of such facilities shall be made promptly as needed.

SECTION 7.08. Insurance.

(a) The Borrower/Recipient or the Lead Project Agency shall insure all goods and buildings used in the Project against such risks and in such amounts as shall be consistent with sound commercial practice.

(b) The Borrower/Recipient or the Lead Project Agency shall insure the goods imported for the Project which are financed by the Financing against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation in accordance with sound commercial practice.

SECTION 7.09. Subsidiary Agreements.

(a) The Borrower/Recipient shall ensure that no Project Party shall enter into any Subsidiary Agreement, or consent to any modification thereof, inconsistent with the Financing Agreement or the Project Agreement.

(b) The Borrower/Recipient and each Project Party shall exercise its rights under any Subsidiary Agreement to which it is party to ensure that the interests of the Borrower/Recipient and the Fund are fully protected and the Project is carried out in accordance with Section 7.01.

(c) No provision of any Subsidiary Agreement to which the Borrower/Recipient is a party shall be assigned, waived, suspended, abrogated, amended or otherwise modified without the prior consent of the Fund.

(d) The Borrower/Recipient shall bear any foreign exchange risk under any Subsidiary Agreement to which it is party, unless otherwise agreed by the Fund.

SECTION 7.10. Performance of the Agreements.

(a) The Borrower/Recipient shall be fully responsible to the Fund for the due and timely performance of all obligations ascribed to it, the Lead Project Agency and all other Project Parties under any Agreement. To the extent any Project Party enjoys legal personality separate from the Borrower/Recipient, any reference to an obligation of such Project Party in an Agreement shall be deemed an obligation of the Borrower/Recipient to ensure that such Project Party performs such obligation. The acceptance by any Project Party of any obligation ascribed to it in an Agreement shall not affect the responsibilities and obligations of the Borrower/Recipient.

(b) The Borrower/Recipient shall take all necessary or appropriate action within its powers to enable and assist the Lead Project Agency and any other Project Party to perform its obligations under an Agreement. The Borrower/Recipient shall not take, and shall not permit any third party to take, any action that would interfere with such performance.

SECTION 7.11. Key Project Personnel.

The Borrower/Recipient or the Lead Project Agency shall appoint the Project Director and all other key Project personnel in the manner specified in the Agreement or otherwise approved by the Fund. All key Project personnel shall have qualifications and experience specified in the Agreement or otherwise approved by the Fund. The Borrower/Recipient shall exercise best efforts to ensure continuity in key Project personnel throughout the Project Implementation Period. The Borrower/Recipient or the Lead Project Agency shall insure key Project personnel against health and accident risks to the extent consistent with sound commercial practice or its customary practice in respect of its national civil service, whichever is appropriate.

SECTION 7.12. Project Parties.

Each Project Party shall, as required to carry out the Project in accordance with Section 7.01:

- (a) promptly take all necessary or appropriate action to maintain its corporate existence and to acquire, maintain and renew its rights, properties, powers, privileges and franchises;
- (b) employ competent and experienced management and personnel;
- (c) operate, maintain and replace its plant, equipment and other properties; and
- (d) not sell, lease or otherwise dispose of any of the Project's assets, except in the normal course of business or as agreed by the Fund.

SECTION 7.13. Allocation of Project Resources.

The Borrower/Recipient and the Project Parties shall ensure that the resources and benefits of the Project, to the fullest extent practicable, are allocated among the Target Population using gender disaggregated methods.

SECTION 7.14. Environmental Factors.

The Borrower/Recipient and the Project Parties shall take all reasonable measures to ensure that the Project is carried out with due diligence in regard to environmental factors and in conformity with national environmental laws and any international treaties to which the Project Member State may be party. In particular, the Project Parties shall maintain appropriate pest management practices under the Project and, to that end, shall comply with the principles of the International Code of Conduct on the Distribution and Use of Pesticides of the Food and Agriculture Organisation of the United Nations (FAO), as amended, and ensure that pesticides procured under the Project do not include any pesticide formulation which would be classified as Extremely Hazardous (Class Ia) or Highly Hazardous (Class Ib) according to *The WHO Recommended Classification of Pesticides by Hazard*, as amended.

SECTION 7.15. Relending Rates.

During the Project Implementation Period, the Borrower/Recipient and the Fund shall periodically review the interest rates applicable to any credits extended to members of the Target Population which are financed (directly or indirectly) by the Financing. These reviews shall be conducted jointly with the objective of reaching or maintaining positive interest rates over time. The Borrower/Recipient shall take any appropriate measures, consistent with its policies and the Fund's policies, to achieve that objective. Among such measures, the Borrower/Recipient and each Project Party extending such credits shall endeavour to minimise its costs. For purposes of this Section, the term "positive interest rate" means, in respect of any credit extended by any Project Party, an interest rate which, after giving effect to inflation, permits such Project Party to recover its costs and achieve sustainability.

SECTION 7.16. Project Completion.

The Borrower/Recipient shall ensure that the Project Parties complete the implementation of the Project by the Project Completion Date. The Fund and the Borrower/Recipient shall agree on the disposition of the assets of the Project upon its completion.

ARTICLE VIII - IMPLEMENTATION REPORTING AND INFORMATION

SECTION 8.01. Implementation Records.

The Borrower/Recipient shall ensure that the Project Parties maintain records and documents adequate to reflect their operations in implementing the Project (including, but not limited to, copies or originals of all correspondence, minutes of meetings and all documents relating to procurement) until the Project Completion Date, and shall retain such records and documents for at least ten (10) years thereafter.

SECTION 8.02. Monitoring of Project Implementation.

The Lead Project Agency shall:

- (a) establish and thereafter maintain an appropriate information management system in accordance with the Fund's *Guide for Project Monitoring and Evaluation* with which it shall continuously monitor the Project;
- (b) during the Project Implementation Period, gather all data and other relevant information (including any and all information requested by the Fund) necessary to monitor the progress of the implementation of the Project and the achievement of its objectives; and
- (c) during the Project Implementation Period and for at least ten (10) years thereafter, adequately store such information, and, promptly upon request, make such information available to the Fund and its representatives and agents.

SECTION 8.03. Progress Report and Mid-Term Reviews.

(a) The Lead Project Agency, or other party so designated in the relevant Agreement, shall furnish to the Fund periodic progress reports on the Project, in such form and substance as the Fund shall reasonably request. At a minimum, such reports shall address (i) quantitative and qualitative progress made in implementing the Project and achieving its objectives, (ii) problems encountered during the reporting period, (iii) steps taken or proposed to be taken to remedy these problems, and (iv) the proposed programme of activities and the progress expected during the following reporting period.

(b) If specified in an Agreement, the Lead Project Agency and the Fund shall jointly carry out a review of Project implementation no later than the midpoint of the Project Implementation Period (the "Mid-Term Review") based on terms of reference prepared by the Lead Project Agency and approved by the Fund. Among other things, the Mid-Term Review shall consider the achievement of Project objectives and the constraints thereon, and recommend such reorientation as may be required to achieve such objectives and remove such constraints.

(c) The Borrower/Recipient shall ensure that the recommendations resulting from the Mid-Term Review are implemented within the specified time therefor and to the satisfaction of the Fund. Such recommendations may result in modifications to the Agreement or cancellation of the Financing.

SECTION 8.04. Completion Report.

As promptly as possible after the Project Completion Date but in any event no later than the Financing Closing Date, the Borrower/Recipient shall furnish to the Fund a report on the overall implementation of the Project, in such form and substance as may be

specified in the Financing Agreement or as the Fund shall reasonably request. At a minimum, such report shall address (i) the costs and benefits of the Project, (ii) the achievement of its objectives, (iii) the performance by the Borrower/Recipient, the Project Parties, the Fund of their respective obligations under the Agreement and (iv) lessons learned from the foregoing.

SECTION 8.05. Plans and Schedules.

The Project Parties shall furnish to the Fund promptly upon their preparation, such plans, design standards, reports, contract documents, specifications and schedules relating to the Project, and any material modifications subsequently made therein.

SECTION 8.06. Other Implementation Reports and Information.

In addition to the reports and information required by the foregoing provisions of this Article:

- (a) The Borrower/Recipient and the Project Parties shall promptly furnish to the Fund such other reports and information as the Fund shall reasonably request on any matter relating to the Project or any Project Party.
- (b) The Borrower/Recipient and the Project Parties shall promptly inform the Fund of any condition that interferes with, or threatens to interfere with, the implementation of the Project or the achievement of its objectives. In particular, the Borrower/Recipient and the Project Parties shall promptly notify the Fund of any allegations of fraud and/or corruption that are received in relation to any of the Project activities.

ARTICLE IX - FINANCIAL REPORTING AND INFORMATION

SECTION 9.01. Financial Records.

The Project Parties shall maintain separate accounts and records in accordance with consistently maintained appropriate accounting practices adequate to reflect the operations, resources and expenditures related to the Project until the Financing Closing Date, and shall retain such accounts and records for at least ten (10) years thereafter.

SECTION 9.02. Financial Statements.

The Borrower/Recipient shall deliver to the Fund detailed financial statements of the operations, resources and expenditures related to the Project for each Fiscal Year prepared in accordance with standards and procedures acceptable to the Fund and deliver such financial statements to the Fund within four (4) months of the end of each Fiscal Year.

SECTION 9.03. Audit of Accounts.

The Borrower/Recipient shall:

- (a) each Fiscal Year, have the accounts relating to the Project audited in accordance with auditing standards acceptable to the Fund and the Fund's *Guidelines on Project Audits (for Borrowers' Use)* by independent auditors acceptable to the Fund;
- (b) within six (6) months of the end of each Fiscal Year, furnish to the Fund a certified copy of the audit report. The Borrower/Recipient shall submit to the

Fund the reply to the management letter of the auditors within one month of receipt thereof;

- (c) if the Borrower/Recipient does not timely furnish any required audit report in satisfactory form and the Fund determines that the Borrower/Recipient is unlikely to do so within a reasonable period, the Fund may engage independent auditors of its choice to audit the accounts relating to the Project. The Fund may finance the cost of such audit by withdrawal from the Loan and/or Grant Accounts.

SECTION 9.04. Other Financial Reports and Information.

In addition to the reports and information required by the foregoing provisions of this Article:

- (a) The Borrower/Recipient and the Project Parties shall promptly furnish to the Fund such other reports and information as the Fund shall reasonably request on any financial matter relating to the Financing or the Project or any Project Party.
- (b) The Borrower/Recipient and the Guarantor shall promptly inform the Fund of any condition that interferes with, or threatens to interfere with, the maintenance of Loan Service Payments.
- (c) The Project Member State shall promptly furnish to the Fund all information that the Fund may reasonably request with respect to financial and economic conditions in its territory, including its balance of payments and its external debt.

ARTICLE X - COOPERATION

SECTION 10.01. Cooperation, Generally.

The Fund, the Cooperating Institution and each Project Party shall cooperate fully to ensure that the objectives of the Project are achieved.

SECTION 10.02. Exchange of Views.

The Fund, the Borrower/Recipient and the Lead Project Agency shall, from time to time at the request of any one of them, exchange views on the Project, the Financing, or any Project Party.

SECTION 10.03. Visits, Inspections and Enquiries.

The Borrower/Recipient and the Project Parties shall enable agents and representatives of the Fund from time to time to:

- (a) visit and inspect the Project, including any and all sites, works, equipment and other goods used for Project-related purposes;
- (b) examine the originals and take copies of any data, accounts, records and documents relevant to the Financing, the Project, or any Project Party; and
- (c) visit, communicate with and make enquiries of all Project personnel and any staff member of any Project Party.

SECTION 10.04. Audits Initiated by the Fund.

The Borrower/Recipient and the Project Parties shall permit auditors designated by the Fund to audit the records and accounts relating to the Project. The Borrower/Recipient and the Project Parties shall cooperate fully with any such audit and accord the auditors the full rights and privileges of agents or representatives of the Fund under Section 10.03. With the exception of audits carried out in accordance with Section 9.03(c), the Fund shall bear the cost of such audits.

SECTION 10.05. Evaluations of the Project.

(a) The Borrower/Recipient and each Project Party shall facilitate all evaluations and reviews of the Project that the Fund may carry out during the Project Implementation Period and for ten (10) years thereafter.

(b) As used in this Section, the term "facilitate", in addition to full compliance with Articles VIII, IX and this Article X in respect of such evaluations and reviews, includes providing timely logistical support by making available Project personnel and equipment and promptly taking such other action as the Fund may request in connection with such evaluations and reviews, but does not include incurring out-of-pocket expenses.

SECTION 10.06. Country Portfolio Reviews.

The Project Member State shall permit the agents and representatives of the Fund, in consultation with the Project Member State, to enter its territory from time to time to exchange views with such persons, visit such sites, and examine such data, records and documents as the Fund may reasonably request in order to carry out a general review of all projects and programmes financed, in whole or in part, by the Fund in its territory and all financing extended by the Fund to the Project Member State. The Project Member State shall ensure that all concerned parties cooperate fully in such review.

ARTICLE XI - TAXATION**SECTION 11.01. Taxation.**

(a) The Financing and all Loan Service Payments shall be exempt from all Taxes, and all Loan Service Payments shall be made free and clear of Taxes.

(b) The Agreement shall be exempt from any Taxes on signature, delivery or registration.

(c) The use of any proceeds of the Financing to pay for Taxes is subject to the Fund's policy of requiring economy and efficiency in the use of its Financing. Therefore, if the Fund at any time determines that the amount of any such Tax is excessive, discriminatory or otherwise unreasonable, the Fund may, by notice to the Borrower/Recipient, reduce the percentages of Eligible Expenditures to be financed by the Financing which are specified in the Financing Agreement.

SECTION 11.02. Tax Refunds.

If the Fund determines at any time that any amount of Financing proceeds have been used to pay Taxes that it has determined to be excessive, discriminatory or otherwise unreasonable, it may require the Borrower/Recipient, by written notice, to refund such amount promptly to the Fund. Upon receipt thereof, the Fund shall credit the Loan and/or Grant Accounts in the amount of such refund.

ARTICLE XII - REMEDIES OF THE FUND**SECTION 12.01. Suspension by the Fund.**

(a) Whenever any of the following events has occurred and is continuing, the Fund may suspend, in whole or in part, the right of the Borrower/Recipient to request withdrawals from the Loan and/or Grant Accounts:

- (i) The Borrower has failed to make any Loan Service Payment when due, whether or not the Guarantor or any other third party has made such Loan Service Payment.
- (ii) The Borrower/Recipient has failed to make any payment due under any other Financing Agreement, Guarantee Agreement, or other financial obligation of any kind of the Borrower/Recipient to the Fund, whether or not any third party has made such payment.
- (iii) The Guarantor has failed to make any Loan Service Payment when due.
- (iv) The Guarantor has failed to make any payment due under any other Financing or Guarantee Agreement between the Guarantor and the Fund, or other financial obligation of any kind of the Guarantor to the Fund.
- (v) The Fund has determined that the Project has failed to fulfil, or is unlikely to fulfil in a timely manner, its purposes as stated in the Agreement.
- (vi) The Fund has determined that a situation has arisen which may make it improbable that the Project can be successfully carried out or that any Project Party will be able to perform any of its obligations under any Agreement.
- (vii) The Project Member State has been suspended from membership in the Fund or ceased to be a Member State; or the Project Member State has delivered a notice of its intention to withdraw from the Fund.
- (viii) Any representation made by the Borrower/Recipient, the Guarantor, or any Project Party in any Agreement, or any statement furnished in connection therewith and relied upon by the Fund in making the Financing, is incorrect or misleading in any material respect.
- (ix) If the Borrower/Recipient is not a Member State, the Fund has determined that any material adverse change in the condition of the Borrower/Recipient has occurred.
- (x) Either the Borrower/Recipient or the Guarantor has been unable to pay its debts generally as they come due.
- (xi) Any competent authority has taken action for the dissolution of the Lead Project Agency or suspension of its operations.
- (xii) Any competent authority has taken action for the dissolution of any Project Party (other than the Lead Project Agency) or suspension of its operations, and the Fund has determined that such dissolution or suspension is likely to have a material adverse effect on the Project.

- (xiii) The Borrower/Recipient has failed to make any funds, facilities, services and other resources available to the Project Parties in accordance with Sections 7.02 or 7.03.
- (xiv) The Fund has not received any audit report or other document referred to in Article VIII (Implementation Reporting and Information) or Article IX (Financial Reporting and Information) within the time prescribed therefor in the Agreements, or the audit report is not fully satisfactory to the Fund, or the Borrower/Recipient or any other Project Party has otherwise failed to perform its obligations under Article VIII or IX.
- (xv) The Lead Project Agency or any other Project Party has failed to perform any of its obligations under a Project Agreement.
- (xvi) The Borrower/Recipient or the Lead Project Agency has failed to perform any of its obligations under any Subsidiary Agreement.
- (xvii) Any Project Party (other than the Lead Project Agency) has failed to perform any of its obligations under any Subsidiary Agreement, and the Fund has determined that such failure has had, or is likely to have, a material adverse effect on the Project.
- (xviii) Any Subsidiary Agreement or any provision thereof has been assigned, waived, suspended, terminated, amended or otherwise modified without the prior consent of the Fund, and the Fund has determined that such assignment, waiver, suspension, termination, amendment or modification has had, or is likely to have, a material adverse effect on the Project.
- (xix) The Fund has suspended, in whole or in part, the right of the Borrower/Recipient or the Guarantor to request or make withdrawals under any other Agreement with the Fund.
- (xx) The Borrower/Recipient or any Project Party has failed to perform any other obligation under the Financing Agreement or any other Agreement.
- (xxi) The Fund determines that any amount of the Financing has been used to finance an expenditure other than an Eligible Expenditure.
- (xxii) The Fund, after consultation with the Borrower/Recipient, has determined that the material benefits of the Project are not adequately reaching the Target Population, or are benefiting persons other than the Target Population to the detriment of the Target Population.
- (xxiii) The Borrower/Recipient has defaulted in the performance of any Special Covenant set forth in the relevant Agreement, and such default has continued unremedied for a period of thirty (30) days, and the Fund has determined that such default has had, or is likely to have, a material adverse effect on the Project.
- (xxiv) The Fund has given notice to the Borrower/Recipient that credible allegations of coercive, collusive, corrupt or fraudulent practices in connection with the Project have come to the attention of the Fund, and the Borrower/Recipient has failed to take timely and appropriate action to address the matters to the satisfaction of the Fund.
- (xxv) Procurement has not been or is not being carried out in accordance with the IFAD Procurement Guidelines.

- (xxvi) Upon the occurrence or non-occurrence, as the case may be, of any event specified in the relevant Agreement as an additional ground for suspension.

Such suspension shall become effective upon dispatch of notice by the Fund to the Borrower/Recipient and the Guarantor. Such suspension shall continue until the Fund has notified the Borrower/Recipient that the Borrower/Recipient's right to request withdrawals has been restored in whole or in part.

- (b) If the audit report required by Section 9.03 has not been submitted to the Fund within six (6) months of the date on which it is due, the right of the Borrower/Recipient to request withdrawals from the Loan and/or Grant Accounts shall be suspended.

SECTION 12.02. Cancellation by the Fund.

- (a) If any of the following events has occurred, the Fund may cancel in whole or in part the remaining amounts in the Loan and/or Grant Accounts:

- (i) The right of the Borrower/Recipient to request withdrawals from the Loan and/or Grant Accounts has been suspended under Section 12.01 with respect to any amount of the Financing for a continuous period of at least thirty (30) days.
- (ii) The Fund determines after consultation with the Borrower/Recipient that any amount of the Financing will not be required to finance the Project.
- (iii) After consultation with the Borrower/Recipient, the Fund determines that coercive, collusive, corrupt or fraudulent practices were engaged in by representatives of the Borrower/Recipient or any Project Party in respect of any expenditures incurred during the procurement or the carrying out of any contract financed by the Financing, and that the Borrower/Recipient has failed to take timely and appropriate action to remedy the situation.
- (iv) The Fund has determined that any amount of the Financing has been used to finance an expenditure other than an Eligible Expenditure and the Borrower/Recipient has failed to promptly refund such amount to the Fund upon the Fund's instructions.
- (v) The Fund has received any notice from the Guarantor terminating its obligations under the Guarantee Agreement.
- (vi) The Mid-Term Review has recommended that the Project be terminated.
- (vii) Upon the occurrence or non-occurrence, as the case may be, of any event specified in the relevant Financing Agreement as an additional ground for cancellation.

Such cancellation shall be effective upon dispatch of notice to the Borrower/Recipient.

- (b) Any amounts remaining in the Loan and/or Grant Accounts shall be cancelled on the Financing Closing Date, except for any unwithdrawn balances of applications for withdrawal received by the Financing Closing Date and any amounts subject to undischarged Special Commitments, which shall be cancelled upon the full discharge of such Special Commitments.

SECTION 12.03. Cancellation by the Borrower/Recipient.

After consultation with the Fund and with the concurrence of the Guarantor, the Borrower/Recipient may by notice to the Fund cancel any unwithdrawn amount of the Financing, except for amounts subject to Special Commitment. Such cancellation shall become effective upon acknowledgement thereof by the Fund.

SECTION 12.04. Applicability of Cancellation or Suspension.

(a) No cancellation or suspension shall apply to amounts subject to any Special Commitment made by the Fund, unless such Special Commitment expressly provides otherwise.

(b) Except as expressly provided in this Article, all provisions of the Financing Agreement shall continue in full force and effect notwithstanding any cancellation or suspension.

SECTION 12.05. Acceleration of Maturity.

If at any time any of the following events has occurred, at any subsequent time during the continuance thereof, the Fund may declare the principal amount of the Loan then outstanding, together with all accrued interest and other charges thereon, to be immediately due and payable:

- (a) any event specified in paragraphs (v) through (xii), inclusive, of Section 12.01 has occurred;
- (b) the Fund has declared the principal of any other loan to the Borrower/Recipient or the Guarantor then outstanding to be immediately due and payable;
- (c) any event specified in paragraphs (i) through (iv), inclusive, of Section 12.01 has occurred and continues for a period of thirty (30) days;
- (d) any event specified in paragraphs (xiii) through (xxvi), inclusive, of Section 12.01 has occurred and continues for a period of sixty (60) days after notice thereof has been given by the Fund to the Borrower/Recipient and the Guarantor; or
- (e) any other event specified in the Financing Agreement for the purposes of this Section has occurred and has continued for the period, if any, specified in the Financing Agreement.

Such declaration shall be effective upon dispatch of notice to the Borrower/Recipient and the Guarantor, whereupon such principal, interest and other charges shall become due and payable immediately.

SECTION 12.06. Other Remedies.

The remedies of the Fund set forth in this Article shall not limit or otherwise prejudice any rights or remedies available to the Fund otherwise.

ARTICLE XIII - ENTRY INTO FORCE AND TERMINATION

SECTION 13.01. Entry into Force.

An Agreement or amendment thereto shall enter into force on the date when both the Fund and the Borrower/Recipient have signed it, unless the Agreement states that it is subject to ratification, in which case the Agreement shall enter into force on the date the Fund receives an instrument of ratification.

SECTION 13.02. Termination before Withdrawal.

The Fund may terminate the Agreement and all rights and obligations of the parties thereunder if:

- (a) before the date of first withdrawal from the Loan and/or Grant Accounts, any event of suspension specified in Section 12.01 has occurred; or
- (b) before the date of first withdrawal from the Loan and/or Grant Accounts, the Borrower/Recipient, the Guarantor or any other Project Party has taken any action inconsistent with the object and purpose of any Agreement.

SECTION 13.03. Termination upon Full Performance.

An Agreement and all obligations of the parties thereunder shall terminate when the entire principal amount of the Loan withdrawn from the Loan Account and all interest and other charges which shall have accrued on the Loan have been paid and when all other obligations of the Parties have been fully performed, or when agreed by the Parties.

ARTICLE XIV - ENFORCEABILITY AND RELATED MATTERS

SECTION 14.01. Enforceability.

The Agreement and the rights and obligations of the parties thereunder shall be valid and enforceable in accordance with their terms, regardless of any law to the contrary in the territory of the Project Member State.

SECTION 14.02. Failure to Exercise Rights.

No delay in exercising, or failure to exercise, any right, power or remedy of any party under an Agreement shall impair any such right, power or remedy, or be construed as a waiver thereof. No action or omission of any party in respect of any default under an Agreement shall impair any right, power or remedy of such party in respect of any subsequent default.

SECTION 14.03. Rights and Remedies Cumulative.

The rights and remedies of any party under an Agreement are cumulative and (except as otherwise expressly provided) not exclusive of any right or remedies that such party would otherwise have.

SECTION 14.04. Arbitration.

- (a) The parties to an Agreement shall endeavour to settle through amicable means any controversy between them in respect of such Agreement.

(b) Failing the settlement of a controversy through amicable means, the controversy shall be submitted to arbitration for settlement. The parties to the arbitration shall be the parties to the Agreement in controversy, except that the Guarantor may intervene or be interpleaded in any controversy that may affect its rights or obligations under the Guarantee Agreement.

(c) The Arbitral Tribunal shall consist of a single arbitrator appointed by agreement of the parties or, if they do not agree within three (3) months after proceedings are instituted under paragraph (d) below, by the President of the International Court of Justice or, failing appointment by him, by the Secretary-General of the United Nations. If the arbitrator shall resign, die or become unable to act, a successor arbitrator shall have all the powers and duties of such original arbitrator.

(d) An arbitration proceedings may be instituted under this Section upon notice by the party instituting such proceedings to the other party or parties. Such notice shall contain a statement setting forth the nature of the controversy or claim to be submitted to arbitration.

(e) The arbitration proceedings shall take place at such time and place as shall be fixed by the arbitrator.

(f) Subject to the provisions of this Section and except if the parties shall otherwise agree, the arbitrator shall decide all questions relating to his competence and shall determine the procedure for the arbitration proceedings.

(g) The arbitrator shall afford to all parties a fair hearing and shall render his award in writing. Such award may be rendered by default. A signed counterpart of the award shall be transmitted to each party. Any such award rendered in accordance with the provisions of this Section shall be final and binding upon the parties. Each party shall abide by and comply with any such award rendered by the arbitrator in accordance with the provisions of this Section.

(h) The parties shall fix the amount of the remuneration of the arbitrator and such other persons as shall be required for the conduct of the arbitration proceedings. If the parties shall not agree on such amount before the arbitration proceedings begin, the arbitrator shall fix such amount as shall be reasonable under the circumstances. Each party shall defray its own expenses in the arbitration proceedings. The costs of the arbitrator shall be divided between and borne equally by the Fund on the one side and the other parties on the other side. Any question concerning the division of the arbitrator's costs among the parties or the procedure for payment of such costs shall be determined by the arbitrator.

(i) The provisions for arbitration set forth in this Section shall be instead of any other procedure for the settlement of controversies between the parties, and any claim by either party against the other party arising thereunder.

(j) If the award has not been complied with within thirty (30) days after the counterparts of the award have been delivered to the parties, any party may enter judgement upon, or institute a proceeding to enforce, the award in any court of competent jurisdiction against any other party. Such party may enforce such judgement by execution or may pursue any other appropriate remedy against such other party for the enforcement of the award.

(k) Service of any notice or process in connection with any proceeding under this Section or (to the extent that such remedy shall be available) in connection with any proceeding to enforce any award rendered pursuant to this Section may be made in the manner provided in Section 15.01. The parties may waive any and all other requirements for the service of any such notice or process.

ARTICLE XV - MISCELLANEOUS PROVISIONS

SECTION 15.01. Communications.

All notices, requests and other communications given or made under an Agreement shall be in writing. Except as otherwise expressly provided in the Agreement, any such notice, request or other communication shall be deemed duly given or made when delivered by hand, mail, telegram, cable, facsimile or email to the party to which it is given or made at such party's address specified in the particular Agreement, or at such other address as such party may designate by notice to the other parties thereto.

SECTION 15.02. Language of Reporting.

The Borrower/Recipient and the Project Parties shall deliver all reports and information to the Fund in the language of the Agreement, or in any other language agreed by the Parties.

SECTION 15.03. Authority to Take Action.

The representative or agent so designated in any Agreement, or another person duly authorized in writing by such representative or agent, may take any action and sign any document in connection with such Agreement on behalf of such party.

SECTION 15.04. Evidence of Authority.

Upon request by the Fund, the Borrower/Recipient, the Guarantor and any Project Party shall furnish to the Fund sufficient evidence of the authority of the person or persons referred to in Section 15.03, and the authenticated specimen signature of each such person.

SECTION 15.05. Modifications of the Agreement.

The parties may agree from time to time to modify the terms and conditions of an Agreement (including, but not limited to, the terms and conditions of these General Conditions as applied thereto) or the application of the Agreement. Any amendment to an Agreement shall enter into force in accordance with the provisions of Section 13.01 hereof, unless the parties agree otherwise.

SECTION 15.06. Change of Entity or Representative.

If a party wishes to appoint any successor to, reassigns the responsibilities of, or changes the designation or address of any of the entities specified in an Agreement, such party shall give notice thereof to the other parties. Upon acceptance by the other parties, such new entity shall constitute the entity fully responsible for carrying out the functions assigned to its predecessor under the Agreement.

SECTION 15.07. Signature of the Agreement.

The signature of an Agreement by a party shall constitute the expression of such party's consent to be bound thereby, subject only to any ratification or authorisation required by a rule of internal law of fundamental importance and disclosed to the other party in writing before such signature.

Logical framework

Narrative Summary	Key Performance Indicators ⁶	Baseline*	Cycle 1	Cycle 2	Means of Verification	Assumptions (A) / Risks (R)
Goal:						
Contribute to a sustainable poverty reduction in rural areas of Ghana	▪ Decreased rural poverty incidence in Ghana	29% (2011)			▪ Ghana Statistical Services	
	▪ Increased agricultural GDP	16,687m GHS			▪ Ghana Statistical Services	
	▪ Decreased 0-5 year child malnutrition	14% (2011)			▪ Multiple Indicator Cluster Survey (MICS) – UNICEF	
Programme Development Objective (PDO):						
Smallholder farmers have enhanced their profitability and climate change resilience	▪ Direct clients (of which 50% women, 20% 15-24 years, 30% 25-34 years)	50,000	62,900	86,400	▪ Value Chain Facilitator	Favorable macro-economic environment (A)
	▪ Estimated number of households	44,000	55,000	75,600	▪ PCU estimation	
	▪ Total number of beneficiaries	300,000	374,000	514,200	▪ PCU estimation	
	▪ Direct clients that are more climate change resilient	0	5,000	10,000	▪ Value Chain Facilitator	
	▪ Average crop yields (MT/ha) – cassava (c), maize (m)	C:9.4 M:2.0	18.0 3.8	16.4 3.5	▪ Farmers book, tracer study	
	▪ Net farm income (GHS/ha) – cassava (C), maize (M)	C:212 M:37	425 362	875 875	▪ Farmers book, tracer study	
	▪ Additional volume of produce marketed by smallholders (MT)	C:-0 M:-0	36,000 7,000	216,000 40,000	▪ Farmers book, tracer study	
Outcome 1: Smallholders have formalized commercial linkages to factor and output markets including small agribusinesses	▪ Number of agribusinesses experiencing sustainable growth	n/a	180	270	▪ Tracer study	Inability of VCCs to formalize commercial linkages (R)
	▪ Number of farmers linked to markets by programme	45,000	55,000	80,000	▪	
	▪ Number of FBOs reaching category four (4) status (sustainability)	0	300	800	▪ Value Chain Facilitator	
	▪ Hectares under improved production techniques	0	30,000	74,300	▪ Value Chain Facilitator	
Outputs: 1. VCCs and FBOs are strengthened and value	▪ Number of functional VCCs (RIMS)	43	134	180	▪ Value Chain Facilitator	Agribusinesses are willing to work with smallholders (A)
	▪ Number of agribusinesses supported	105	200	300	▪ Value Chain Facilitator	
	▪ Number of FBOs involved (RIMS)	0	3,100	4,300	▪ Value Chain Facilitator	

⁶ All indicators are disaggregated by Gender and Age. * Baseline indicators to be verified.

Narrative Summary	Key Performance Indicators ⁶	Baseline*	Cycle 1	Cycle 2	Means of Verification	Assumptions (A) / Risks (R)
chain actors are linked 2. Commercial infrastructure is improved	▪ Number of farmers trained (RIMS)	0	30,000	60,000	▪ Value Chain Facilitator	
	▪ Number of commercial facilities constructed (by type) (RIMS)	0	50	100	▪ ZPO	
	▪ Km of rural roads rehabilitated (RIMS)	0 km	1200 km	Tbd	▪ ZPO	
	▪ Km of rural electrical connections	0 km	450 km	Tbd	▪ ZPO	
Outcome 2: Increased and systematic access to and use of short and long term financing for value chain businesses	▪ Number of clients using structured trade financing	10,000	30,000	50,000	▪ PFIs quarterly reporting	Low capacity of programme to interest PFIs in financing value chains (R) PFIs have liquidity available (internally or through credit lines) (A)
	▪ Number of clients accessing leasing, equity investments and/or mezzanine debt	0	4,000	10,000	▪ Funds and PFIs quarterly reporting	
	▪ Number of savers among clients	30,000	50,000	70,000	▪ PFIs quarterly reporting	
	▪ Value of loans facilitated by GASIP with tenure <= 1 year	n/a	1.0 mio \$	1.5 mio \$	▪ PFIs quarterly reporting	
	▪ Value of loans facilitated by GASIP with tenure > 1 year	n/a	0.5 mio \$	0.75 mio \$	▪ PFIs quarterly reporting	
	▪ Improvement in PAR among PFIs	n/a	n/a	n/a	▪ PFIs quarterly reporting	
Outputs: 1. Partnerships with PFIs built 2. Matching grant scheme operating	▪ Number of active PFIs (universal banks and RCBS)	50	100	150	▪ ZPO	
	▪ Number of PFI staff trained	0	500	...	▪ ZPO	
	▪ Value of loans leveraged by matching grants	0	7mio \$	20 mio \$	▪ ZPO	
Outcome 3: Value chain stakeholders are climate resilient	▪ Hectares under conservation agriculture practices, increase	0	7,500	10,000	▪ Value Chain Facilitator	Low capacity of Programme to mainstream commercial Climate change technologies (R)
	▪ Hectares of irrigated land using efficient technology, increase	0	200	1,000	▪ Value Chain Facilitator	
	▪ Direct clients having improved water management (ASAP)	0	1,000	4,000	▪ Value Chain Facilitator	
Outputs : 1. Stakeholders have been trained in CCR 2. CCR development has been supported	▪ Number of functional WUAs (ASAP) supported by GASIP	0	30	50	▪ Value Chain Facilitator	
	▪ Hectares with reliable access to water (ASAP), under GASIP	0	250	350	▪ Value Chain Facilitator	
	▪ Yield from conservation farming (by crop) (maize (M), soya (S))	M:1.0t/ha S:0.7t/ha	2.5t/ha 1.6/ha	3t/ha 2.0/ha	▪ Value Chain Facilitator	
	▪ Number of clients trained in CCR (ASAP)	0	10,000	15,000	▪ Value Chain Facilitator	
Outcome 4: The policy framework for smallholder farmers has improved	▪ General satisfaction with the policy framework among value chain actors (scale 1 – 6)	tbd	tbd	5	▪ Participatory outcome assessment	Inefficient data collection and analysis (R)
Outputs: Policy optimization supported	▪ Number of policy forums held	0	3	6	▪ PCU	MOFA provides leadership (A)
	▪ Number of white papers addressing key policy issues	0	3	6	▪ PCU	