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Enabling poor rural people
to overcome poverty

President's report

Proposed loan to the Republic of Ghana for the

Rural and Agricultural Finance Programme

Executive Board — Ninety-Fifth Session
Rome, 15 – 17 December 2008

For: **Approval**

Note to Executive Board Directors

This document is submitted for approval by the Executive Board.

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Contents

Abbreviations and acronyms	ii
Recommendation for approval	iii
Map of the programme area	iv
Loan summary	v
I. The programme	1
A. Main development opportunity addressed by the programme	1
B. Proposed financing	1
C. Target group and participation	2
D. Development objectives	2
E. Harmonization and alignment	3
F. Components and expenditure categories	3
G. Management, implementation responsibilities and partnerships	3
H. Benefits and economic and financial justification	4
I. Knowledge management, innovation and scaling up	4
J. Main risks	5
K. Sustainability	5
II. Legal instruments and authority	5
III. Recommendation	6
Annex	
Important assurances included in the negotiated programme loan agreement	7
Appendices	
I. Key reference documents	
II. Logical framework	

Abbreviations and acronyms

CPMT	Country Programme Management Team
MoFEP	Ministry of Finance and Economic Planning
RCB	rural and community banks
RMFI	rural microfinance institution

Recommendation for approval

The Executive Board is invited to approve the recommendation for the proposed loan to the Republic of Ghana for the Rural and Agricultural Finance Programme, as contained in paragraph 37.

Map of the programme area

Ghana

Rural and Agricultural Finance Programme



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

Map compiled by IFAD

Republic of Ghana

Rural and Agricultural Finance Programme

Loan summary

Initiating institution:	IFAD
Borrower:	Republic of Ghana
Executing agency:	Ministry of Finance and Economic Planning
Total programme cost:	US\$41.87 million
Amount of IFAD loan:	SDR 4.05 million (equivalent to approximately US\$6.00 million)
Terms of IFAD loan:	40 years, including a grace period of 10 years, with a service charge of three fourths of one per cent (0.75 per cent) per annum
Cofinanciers:	African Development Bank World Bank Italy Financial institutions
Amount of cofinancing:	African Development Bank: US\$4.94 million World Bank: US\$7.14 million Italy: US\$1.51 million Financial institutions: US\$2.34 million
Terms of cofinancing:	Parallel financing - African Development Bank: loan Parallel financing - World Bank: loan Parallel financing - Italy: grant through supplementary funds to IFAD
Additional funding to be sought:	US\$9.00 million
Contribution of borrower:	US\$3.41 million
Contribution of beneficiaries:	US\$7.53 million
Appraising institution:	IFAD
Cooperating institution:	Directly supervised by IFAD

Proposed loan to the Republic of Ghana for the Rural and Agricultural Finance Programme

I. The programme

A. Main development opportunity addressed by the programme

1. The programme will strengthen institutional performance, outreach and client orientation in all segments of the rural financial system, with a particular focus on agricultural finance. It will thus contribute to unleashing the productive potential of smallholder farmers in the context of higher food and agricultural prices, and strengthen their access to technical assistance and risk management instruments within the agricultural value chains.

B. Proposed financing

Terms and conditions

2. It is proposed that IFAD provide a loan to the Republic of Ghana in the amount of SDR 4.05 million (equivalent to approximately US\$6.00 million) on highly concessional terms to help finance the Rural and Agricultural Finance Programme. The loan will have a term of 40 years, including a grace period of ten years, with a service charge of three fourths of one per cent (0.75 per cent) per annum.

Relationship to the IFAD performance-based allocation system (PBAS)

3. IFAD's total financing for this programme is estimated at US\$15 million. This loan is the second for Ghana under the 2007-2009 PBAS allocation period and will absorb the funds available under this allocation (US\$6.00 million). The remaining funding (US\$9.00 million) will be sought and, if available, will be provided under the revised 2007-2009 PBAS allocation¹ and under the next PBAS cycle 2010-12, subject to Board approval.

Relationship to national medium-term expenditure framework criteria

4. The activities to be financed under the proposed programme are fully in line with Ghana's medium-term expenditure framework.

Relationship to national sector-wide approaches or other joint funding instruments

5. The programme is also consistent with the investment strategies of Ghana's Growth and Poverty Reduction Strategy. It is fully aligned with the Agricultural Finance Strategy and Action Plan, a coordinated effort by the Ministry of Finance and Economic Planning (MoFEP), the Ministry of Food and Agriculture, the rural finance industry and development partners to address the financial constraints of the agricultural sector within the context of the Financial Sector Strategic Plan and the Ghana Microfinance Policy. The programme also supports the orientation towards agricultural value chains of the Food and Agriculture Sector Development Policy.

Country debt burden and absorptive capacity of the State

6. Ghana's total external debt has been substantially reduced as a result of debt cancellation under the Multilateral Debt Relief Initiative. At the end of September 2007, Ghana's total external debt represented 37.7 per cent of GDP, with a moderate risk of external debt distress.

Flow of funds

7. IFAD loan proceeds will be channelled through a special account in United States dollars operated by MoFEP. Major expenditures for goods and equipment will be financed by direct payment from the loan account.

¹ The country scores of all "active" countries are updated annually to reflect changes in rural population, GNI and performance variables. They are then provided to the Executive Board at its December session for information as part of the annual report to the Board on the PBAS.

Supervision arrangements

8. The programme will be directly supervised by IFAD.

Exceptions to IFAD General Conditions for Agricultural Development Financing and operational policies

9. No exceptions are foreseen.

Governance

10. The following measures are intended to enhance the governance of the IFAD loan: (i) the submission by MoFEP of regular progress and audit reports; and (ii) the application of the IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations.

C. Target group and participation**Target group**

11. The programme focuses on extending financial services to smallholder farmers and the rural poor people nationwide. Particular attention will be paid to women and youth. Rural microfinance institutions such as the rural and community banks (RCBs) are targeted as the primary vehicle because of their demonstrated contribution to making the financial system more inclusive while enhancing their performance.

Targeting approach

12. The programme will target smallholder farmers by focusing on value chains that link them to outgrowers, and rural micro-, small and medium-sized enterprises. The programme will further develop microfinance approaches, products and services for rural poor people, including women and youth. It will draw on current efforts to apply pro-poor methodologies and assist in providing technical support to agricultural value chains.

Participation

13. The Country Programme Management Team (CPMT), established at programme design, will continue to steer programme implementation. The team includes all major partners from the Government, industry and farmer organizations, in addition to technical partners and development partners. It will be supported by a smaller executive committee representing the main government departments, financiers and main industry agencies.

D. Development objectives**Key programme objectives**

14. The goal of the programme is to support improved and sustainable livelihoods for the rural poor, particularly women and vulnerable groups. The purpose is to increase the rural population's access to sustainable financial services through enhanced outreach, sustainability and linkages, with a particular focus on smallholder farmers.

Policy and institutional objectives

15. The main institutional objective is to strengthen rural financial institutions and the linkages of smallholder farmers and other rural poor people to financial services, technical support and risk management instruments. The programme will also contribute to developing a more enabling policy, regulatory and learning framework at the macro-level through the implementation of the Ghana Microfinance Policy and the Agricultural Finance Strategy and Action Plan. It will also strengthen intermediate-level institutions, such as the Ghana MicroFinance Institutions Network and the apex bank of the rural and community banks.

IFAD policy and strategy alignment

16. The programme is in line with the IFAD Strategic Framework 2007-2010, which emphasizes empowering rural poor people to take advantage of a broad range of financial services for productive and household needs. It is consonant with IFAD's

Private-Sector Development and Partnership Strategy, and aligned with the IFAD Rural Finance Policy and the IFAD Policy on Targeting. Its focus on knowledge-sharing and learning is consistent with the IFAD Strategy for Knowledge Management. The programme is also aligned with the thrusts of the country strategic opportunities paper for Ghana.

E. Harmonization and alignment

Alignment with national priorities

17. The programme is consistent with the priorities defined in the Growth and Poverty Reduction Strategy, the Ghana Joint Assistance Strategy, the Food and Agriculture Sector Development Policy, the Agricultural Finance Strategy and Action Plan, and Financial Sector Strategic Plan.

Harmonization with development partners

18. The programme was designed with the strong involvement of development partners. This collaborative approach will be pursued at implementation through the CPMT and through the Government-development partners' sector groups for finance and agriculture, which are instrumental in engaging in policy dialogue and in harmonizing sector interventions. Joint review missions with the Government and financiers will be fielded.

F. Components and expenditure categories

Main components

19. The programme has three components: (i) strengthening of rural financial systems; (ii) strengthening of financial and agricultural linkages and support systems; and (iii) programme administration.

Expenditure categories

20. There are four expenditure categories: (i) vehicles, goods and equipment; (ii) technical assistance, studies, training and workshops; (iii) performance-based support; and (iv) recurrent costs.

G. Management, implementation responsibilities and partnerships

Key implementing partners

21. MoFEP is the lead executing agency. Implementation will be mainstreamed through its Microfinance Unit in the financial services department. This support will be supplemented by specialized agencies as needed.

Implementation responsibilities

22. MoFEP will work in cooperation with the CPMT through the roles defined in the Agricultural Finance Strategy and Action Plan. A programme oversight committee composed of partners from the Government, the financial industry, farmer organizations and development partners will oversee the implementation of the programme.

Role of technical assistance

23. Technical assistance is foreseen to facilitate product development and other capacity-building support both to the targeted client groups and to the financial institutions and their apex bodies in order to enhance their efficiency and sustainability, as well as breadth and depth of outreach.

Status of key implementation agreements

24. The Microfinance Unit will manage the programme, and fulfil policy and coordination functions. MOFEP will need technical assistance in financial management, accounting, procurement and monitoring and evaluation.

Key financing partners and amounts committed

25. The total programme cost is US\$41.87 million over six years. The sources of financing are: (i) IFAD with a loan of US\$6.00 million (14 per cent) and a

supplementary loan at a later stage of US\$9.00 million (21 per cent); (ii) the African Development Bank with a loan of US\$4.94 million (12 per cent); (iii) Italy, with supplementary grant funding of US\$1.51 million (4 per cent); (iv) the World Bank with a contribution of US\$7.14 million (17 per cent), (v) the Government, US\$3.41 million (8 per cent); (vi) financial institutions, US\$2.34 million (6 per cent); and (vii) other beneficiaries, US\$7.53 million (18 per cent).

H. Benefits and economic and financial justification

Main categories of benefits generated

26. The programme will yield three major categories of benefits: (i) enhanced sustainability, profitability and outreach to rural clientele – financial institutions including the 125 RCBs and their apex body – through adoption of best practices and the provision of better financial products for agricultural value chains; (ii) improved food security, productivity and incomes for smallholder farmers through better access to capital, technical support and financial products customized to their needs; and (iii) higher incomes for downstream stakeholders in the food and agricultural value chains as a result of increased trade volume, quality and value-adding opportunities. The total rural microfinance institution clientele is expected to double from an estimated 5 million at the beginning of 2009 to at least 10 million by the end of 2015, with the proportion of women rising from 45 per cent to 50 per cent and the share of clients receiving loans or participating in microfinance (savings and credit) programmes rising from 18 per cent to 24 per cent.

Economic and financial viability

27. By the end of the programme, the bulk of RCBs and other rural microfinance institutions (RMFIs) will reach sufficient levels of sustainability both operationally and financially, while achieving their objectives in terms of outreach to smallholder farmers, rural entrepreneurs and rural poor people. The programme will also work closely with other investment programmes aimed at smallholder-based agricultural value chain development to unleash the productive potential of smallholder farmers and rural entrepreneurs. This will be realized through better access to markets, financial services and technical support.

I. Knowledge management, innovation and scaling up

Knowledge management arrangements

28. The design has scaled up some microfinance approaches based on lessons learned, particularly from the Rural Financial Services Project. Within the context of the CPMT, there has been extensive cooperation and dialogue (workshops, consultations) with financial institutions, farmers' organizations, the private sector, NGOs, development partners and government agencies. The programme's well-defined thematic focus on sustainable rural and agricultural finance and its flexible approach will provide opportunities for learning while concentrating on results. Learning processes include direct supervision; monitoring and evaluation, entailing analysis by the MIX (Microfinance Information eXchange); stakeholder consultation; and thematic studies. FIDAFrique (the Internet-based regional network of IFAD operations), the Rural Poverty Portal, and thematic networks will also be used to facilitate knowledge management under the programme.

Development innovations that the programme will promote

29. Innovations include product development initiatives such as risk management mechanisms (insurance, contract farming) and a range of financial products (term loans, warehouse receipting, remittances, micro-leasing and insurance); piloting IT-based products to improve efficiency and lower costs (e.g. smart cards, mobile phone banking, handheld devices for loan officers); contracting linkage agencies to connect financial institutions with agricultural value chains; and scaling-up microfinance methodologies of proven success to improve RMFI outreach and profitability.

Scaling-up approach

30. Scaling up approaches include: (i) mainstreaming microfinance and agricultural finance methodologies developed under other programmes into the current RMFI industry; (ii) disseminating good practice and innovations through stakeholder forums (i.e. microfinance forums, the CPMT and value chain stakeholders' forums); and (iii) mainstreaming good practice and innovation into microfinance and agricultural finance policies (the Ghana Microfinance Policy, the Agricultural Finance Strategy and Action Plan and the Food and Agriculture Sector Development Policy) through the five microfinance apex bodies and the Ghana MicroFinance Institutions Network.

J. Main risks**Main risks and mitigation measures**

31. The programme faces three major risks: the sustainability of the rural banking network and its apex; agriculture-related systemic risks (e.g. weather conditions, price fluctuations); and interventionist policies in pursuit of shorter-term objectives (e.g. directed and subsidized credit). The mitigation measures include: (i) support to ARB Apex Bank management in implementing its strategic plan aimed at reaching full sustainability, which is backed by MoFEP and the Bank of Ghana; (ii) financial risk mitigation products for agriculture, and better coordinated financial and technical support to agricultural value chains, such as risk-sharing arrangements between financial institutions along the chains; and (iii) enabling policies and regulations to enhance sustainability, information flows and robustness of the financial system.

Environmental classification

32. Pursuant to IFAD's environmental assessment procedures, the programme has been classified as a Category C operation in that it is unlikely to have any environmental impact.

K. Sustainability

33. The programme will support RCBs and other financial institutions to become sufficiently sustainable to stand on their own while achieving their objectives in terms of outreach and serving their clientele of smallholder farmers and rural poor people. To this end, the programme emphasizes institutional strengthening such as performance monitoring and benchmarking for the majority of RMFIs to enable them to become financially or operationally sustainable by the end of the programme. Moreover, the programme will support apex organizations and other intermediate-level institutions to allow them to develop and maintain the financial system, and to be responsive to competitive pressures, introduce innovations, and identify and address systemic bottlenecks in value chains. In the case of the ARB Apex Bank, the intended result is to achieve an integrated rural banking structure that can be financially self-sufficient. Finally, the programme will support the policy and regulatory framework to enable RMFIs and other financial institutions to become more competitive and financially viable by building a governance and ownership structure, mobilizing sufficient capital, and addressing issues of supervision and inspection.

II. Legal instruments and authority

34. A programme loan agreement between the Republic of Ghana and IFAD will constitute the legal instrument for extending the proposed loan to the borrower. Important assurances included in the negotiated agreement are attached as an annex.
35. The Republic of Ghana is empowered under its laws to borrow from IFAD.
36. I am satisfied that the proposed loan will comply with the Agreement Establishing IFAD.

III. Recommendation

37. I recommend that the Executive Board approve the proposed loan in terms of the following resolution:

RESOLVED: that the Fund shall make a loan to the Republic of Ghana in various currencies in an amount equivalent to four million and fifty thousand special drawing rights (SDR 4,050,000) to mature on or prior to 15 July 2048 and to bear a service charge of three fourths of one per cent (0.75 per cent) per annum, and to be upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board herein.

Lennart Båge
President

Important assurances included in the negotiated programme loan agreement

(Negotiations concluded on 21 November 2008)

Gender

1. The Government will ensure that women are represented in the organization and management of the programme. The Government will also ensure that women beneficiaries will be represented in all programme activities and that they receive appropriate benefit from the programme outputs.

Insurance of programme personnel

2. The Government will insure programme personnel against health and accident risks to the extent consistent with its national law and customary practice.

Use of programme vehicles and other equipment

3. The lead programme agency will ensure that:
 - (a) All vehicles and other equipment procured under the programme are allocated to the programme staff and other implementing agencies for programme implementation;
 - (b) The types of vehicles and other equipment procured under the programme are appropriate to the needs of the programme; and
 - (c) All vehicles and other equipment transferred to or procured under the Programme are dedicated solely to programme use.

Fraud and corruption

4. The Government will promptly bring to the attention of IFAD any allegations or concerns of fraud and/or corruption in relation to the implementation of the programme of which it has knowledge or become aware.

Suspension

5. IFAD may suspend, in whole or in part, the right of the Government to request withdrawals from the loan account, upon the occurrence and any of the events set forth below provided, however, that if the audit has not been satisfactorily concluded within 12 months of the financial reporting period date, IFAD will suspend the right of the Government to request withdrawals from the loan account, or if:
 - (i) The programme coordinator has been removed from the programme without the prior concurrence of IFAD;
 - (ii) IFAD, after consultation with the Government, has determined that the material benefits of the programme are not adequately reaching the target group, or are benefiting persons outside the target group;
 - (iii) The programme implementation manual, or any provision thereof, has been waived, suspended, terminated, amended or modified without the prior consent of IFAD, and IFAD has determined that such waiver, suspension, termination, amendment or modification has had, or is likely to have, a material adverse effect on the programme;
 - (iv) The Government has defaulted in the performance of any covenant set forth in the agreement, and such default will continue unremedied for a period of 30 days, and IFAD has determined that such default has had, or is likely to have, a material adverse effect on the programme; and
 - (v) IFAD has given notice to the Government that credible allegations of corrupt or fraudulent practices in connection with the programme have

come to the attention of IFAD, and the Government has failed to take timely and appropriate action to address the matters to the satisfaction of IFAD.

- (vi) Procurement has not been or is not being carried out in accordance with the agreement.

Conditions precedent to withdrawal

- 6. No withdrawal will be made under the loan until:
 - (i) The programme implementation manual will have been approved in draft by IFAD; and
 - (ii) The draft first annual work plan and budget (AWPB) including a first procurement plan will have been submitted to IFAD.

Conditions precedent to effectiveness

- 7. The programme loan agreement will become effective subject to the fulfilment of the following conditions:
 - (a) The programme coordinator, the programme financial controller and the monitoring and evaluation (M&E) officer will have been duly designated/hired by the lead programme agency and approved by IFAD in accordance with the agreement;
 - (b) The programme oversight committee (POC) has been duly established in accordance with the agreement;
 - (c) The Government will have duly opened the programme account and the special account, and made the initial deposit of counterpart funds into the programme account in accordance with the agreement;
 - (d) This agreement has been duly signed, and the signature and performance thereof by the Government has been duly authorised and ratified by all necessary administrative and governmental action; and
 - (e) The Government has delivered to IFAD a legal opinion issued by the Government's Ministry of Justice and Attorney General's Department or other legal counsel authorized by the Government to issue such opinion in respect of the matters set forth in the agreement and in form and substance acceptable to IFAD.

Key reference documents

Country reference documents

Ghana Poverty Reduction Strategy (GPRS I)

Ghana Growth and Poverty Reduction Strategy (GPRS II)

Ghana Joint Assistance Strategy (G-JAS)

Government of Ghana's strategic framework for the financial and agricultural sector including:

- ◆ Financial Sector Strategic Plan (FINSSP);
- ◆ Financial Strategic Reform (FSR);
- ◆ Food and Agricultural Sector Development Policy (FASDEP);
- ◆ Draft Agricultural Finance Strategic Action Plan (AFSAP).

IFAD reference documents

Project design document (PDD) and key files

Country Strategic Opportunities Paper (COSOP) 2006-2011

IFAD SF 2007-2010

IFAD KM Strategy

IFAD Innovation Strategy

IFAD Targeting Policy – Reaching the Rural Poor

IFAD Anti Corruption Policy

IFAD's Regional Strategy for Western and Central Africa

IFAD learning notes (rural finance)

IFAD Policy on Rural Finance 2000 and revised draft version

Administrative Procedures on Environment Assessment

Prerequisites of Gender Sensitive Design

Interim Evaluation of the Upper West Agricultural Development Project (UWADP)

Interim Evaluation of the Upper East Region Land Conservation and Smallholder Rehabilitation Project (LACOSREP) – Phase II

Interim Evaluation of the Root and Tuber Improvement Programme (RTIP)

Interim Evaluation of the Rural Enterprises Project (REP)

Mid-Term Review and Supervision Reports of the Rural Financial Services Project (RFSP)

Other miscellaneous reference documents

Studies on poverty outreach and performance of Ghana's rural and microfinance institutions and performance benchmarking

Feasibility study of options for the sustainability of the ARB Apex Bank

Documents on the Support Programme for Enterprise Empowerment and Development (GTZ, DANIDA SPEED)

Document on the Trade and Investment Programme for a Competitive Export Economy (USAID TIPCEE)

AfDB/OECD African Economic Outlook 2008

Logical framework

DESCRIPTION	TARGET POPULATION AND INSTITUTIONS	OUTCOMES/OUTPUTS	VERIFIABLE INDICATORS	SOURCES OF VERIFICATION	ASSUMPTIONS AND RISKS
Goal: Improve livelihoods of the rural population including smallholder farmers and rural micro-entrepreneurs with a special focus on women and vulnerable groups	- Small farmers, rural entrepreneurs including women, vulnerable groups and youth		- % decrease in prevalence of poverty compared to pre-programme situation. - % of rural households (HHS) with improved income - % increase in HH asset ownership of poor compared to pre-programme situation.	- GLSS - GPRS and MDG Progress Reports - Human development statistics - Studies on poverty outreach using CGAP tool	- GoG and Development Partners' commitment to comply with the objective of MDG
Purpose: Access of the rural and agricultural population to sustainable financial services is increased through enhanced outreach, sustainability and linkages	- Small farmers, rural entrepreneurs including women, vulnerable groups and youth - farmer, rural entrepreneur, value chain organizations - RMFIs including RCBs and FNGOs, Commercial banks, Linkage institutions	- Enhanced sustainability for major RMFIs with 80% of them reaching 100% OSS and 80% FSS - 10 million people access RMF services by 2015 (double 2009); - % of women rise from 45% to 50% - % clients receive loans or participate in MF services rise from 18% to 24% - outreach to smallholders increased	- % rural population with access to financial services (savings, credit); (by gender) [from GLSS data as overall indicator of overall impact] - Improved outreach of RMFIs both in breadth (total No. clients, savings and loan portfolios) and depth (poor clients, women, agricultural lending) - RMFIs sustainability - Partnership ventures developed between FIs and Value Chain actors including PPPs - % increase of agriculture-related lending by sustainable FIs	- GHAMFIN annual reports (MIX benchmarks) - GLSS - Studies on poverty outreach; - RMFI performance studies - Program progress reports (e.g. supervision, MTR) - Agricultural sector joint Review	- Government continued support to financial and agricultural sectors and to sound dialogue between sectors; - Political commitment to anchor rural and agricultural finance into the commercial financial sector; - Commitment of industry to building a strong rural and agricultural financial sector
Capacity of RMFIs and apexes' retail services strengthened to provide for better performance (Sub-component 1.1)	- RCBs, other RMFIs, Development & Commercial Banks; - rural clients including smallholder farmers, rural entrepreneurs and their organizations; - ARB Apex Bank, GHAMFIN, Apex bodies	- improved RMFIs performance and sustainability - improved capacity and outreach to target group - improved performance and integration of rural banking network through restructuring for long-term sustainability and outreach - Apex Bank becomes financially self-sustainable for its service model and commercial banking activities	- % RMFIs reporting to GHAMFIN/MIX with OSS > 100% and with FSS > 80% - Portfolio at risk (PAR) > 30days lowers from [baseline] to [minimum performance relative to baseline] - Number of new smallholders accessing financial services (by gender) - % increase of women and poor beneficiaries - Increase in % of share of loan portfolio to agricultural value chains - Capacity building fund established and operational - No RMFIs with improved MIS and strategic planning capabilities - No. RMFIs that have received training in microfinance and agricultural finance - % of RCBs rated "satisfactory" - No. of RCBs with women in senior management positions - Strategic plan for transformation completed by PY1 and approved by Apex Bank Board and Bank of Ghana, and by PY3, transformation of ARB Apex Bank into a one-tier bank [specific targets to be determined] - Services to RCBs by Apex Bank (apart from inspection) reach full cost recovery - Apex Bank approved by Bank of Ghana to undertake commercial activities	- Bank of Ghana annual reports - GHAMFIN annual Monitoring & Benchmarking reports - Baseline. MTR and evaluation studies - Capacity-building Fund Quarterly reports - Training completion reports - MIX market - Apex Bank reports and Board meeting minutes	- Enabling incentives and investment climate for increased investments in agriculture - Commitment of GoG and BoG to undertake changes in governance and ownership structures of the RCBs - Adequate capitalization of Apex
Innovations and new products are developed to respond to the needs of smallholders and rural poor (Sub-component 1.2)	- RCBs, other RMFIs, Commercial Banks - smallholder farmers, rural entrepreneurs and their organizations	- Increased value of output in the selected agricultural value chains	- No smallholders participating in selected value chains - No. clients trained in value chains - No. financial products developed and piloted - No. risk management products developed and piloted - No. FIs engaged in rolling out new products - No. FIs trained in product development	- Beneficiary assessment - Training reports - Program progress reports (e.g. supervision, MTR)	- RFI's willingness to participate in testing, piloting and replicating innovative financial and technical products in the agricultural value chains
Financial and agricultural linkages and technical support are strengthened (Sub-component 2.1)	- RMFIs, Commercial Banks - smallholder farmers, rural entrepreneurs and their organizations - Technical service providers	Improved linkages between clients and technical service providers	- Technical service providers to agricultural value chains are strengthened - Improved access of value chain stakeholders to quality technical services - Improved linkages between smallholders, RFI's and private sector in selected value chains	- Training reports - Program progress reports (e.g. supervision, MTR)	-
Enabling policies and regulations are implemented together with supervisory and benchmarking systems	- MoFEP, Bank of Ghana, MoFA and other MDAs - ARB Apex Bank	- GHAMP and AFSAP implemented - Rural banking network fully regulated and supervised by the Apex - Performance benchmarking system is developed and published for the industry on a sustainable basis	- Annual AFSAP implementation workshops of AFSAP (at least one) - No. staff trained in inspection in ARB Apex Bank - 100% RCBs inspected by Apex by programme end - New Credit Union Law implemented and disseminated - Non-Bank financial Institutions Act revised - Comprehensive Annual report by GHAMFIN and Apexes including performance indicators/benchmarks - Internal revenues and cost coverage of GHAMFIN improved - Apex organizations to move to full cost coverage by end of programme	-	- MOFEP and BoG maintain supportive policy and regulatory framework
Knowledge sharing and learning are improved	- MoFEP, MoFA - GHAMFIN, ARB Apex Bank - Clients & their organizations	- improved capacities of Apexes in knowledge analysis and dissemination	- One event (workshops/publications) a year - Increased involvement of universities and research institutions - At least 50 institutions reporting to GHAMFIN and the Mix	-	-
The programme is managed professionally and effectively	- MOFEP - All stakeholders	- Key officers equipped to manage rural and agricultural finance - Timely contracting, disbursement, accountability, M&E and reporting	- All key officers trained in microfinance and agricultural finance - M&E reports produced - By end PY1, MoFEP Microfinance Unit reinforced by additional technical staff - By end PY1, M&E/MIS system is fully operational - Baseline carried out - Implementing agencies maintain database and report on RMFI performance - Regular survey is carried out on critical outputs and outcome - Programme Implementation Status Reports receive good ratings - Audit reports are prepared and delivered in time - An exit strategy is designed at MTR and implemented by end of programme - Programme is supervised at least twice a year, with one joint mission a year - Timely disbursement to and contracting of programme partners	- M&E reports and data - Annual work plan and budgets - Program progress reports (e.g. supervision, MTR) - Audit reports	- Management unit is empowered by GoG to operate in line with national policies and rules

