



Millennium Development Authority (MiDA)

MEET-THE-PRESS

(MCA GHANA PROGRAM AT-A-GLANCE)

Tuesday, February 7, 2012

Conference Room

Ministry of Information, Accra

Honourable Minister and Deputy Ministers for Information,
The Chairman and Directors of the MiDA Board
Our colleagues from the Millennium Challenge Corporation (MCC)
Members of the Diplomatic Corps
Fellow Ghanaians Watching this Program
Our Friends in the Media
Ladies and Gentlemen

Opening

With only 8 days left to the end of the Ghana MCA Compact Program, it is my pleasure to present to you and to our fellow Ghanaians, what my Team and I at MiDA, the implementing and accountable entity have made of the US\$547,009,000 that came Ghana's way in February 2007.

We are indeed grateful to the Ministry of Information for facilitating this Meeting and our friends in the Media for their patronage.

The Millennium Challenge Account Program presents a new and innovative business model for the delivery of development assistance, with strict guidelines and emphasis on performance, results and accountability. The implementation process has generated interest nationwide, despite our concentration on 30 Districts.

Since we were to be held accountable for delivering results and to meet numerous expectations and aspirations, we started with our own set of imperatives to guide us to the successful execution of the Program.

- a. This is a pro-poor, performance based and result driven Programme. There are many poor farmers in the 30 selected Districts whose economy must be supported to grow. Therefore use the funds fully and leave nothing on the table.
- b. These are free public funds, guard every dollar and account fully for it, allowing the funds to create maximum value in the beneficiary Districts.
- c. Adopt new ways of doing things, embed the MCC Effect and work transparently to uphold the integrity of the Program.

To win the challenge and make the expected impacts, my Team and I turned no blind eye to the challenges that characterise the implementation of Projects like ours. Our work over the last 5 years has been very tough and indeed challenging, but we remained focussed and have forged ahead, determined to uphold the dignity deserving of the selected beneficiaries. I will leave Ghanaians to judge our results.

As we draw down the curtain on the 5-year Program, I will like to report that we have applied the entire US\$547m and kept the Program whole and integrated 2 major re-scoping exercises in 2008 and 2009, necessitated by input cost increases.

We have certainly gained the respect and trust of the donor, the United States of America, represented by the Millennium Challenge Corporation, as Ghana has been re-selected and now fully engaged in the

process towards a new Compact that will power and accelerate the development of our country's economy.

We see all these as the dividend Ghana has received from our commitment to implementing successfully a Program that demands results and leads to the upliftment of the lives of our less privileged relations, who as farmers, have taken up the responsibility for feeding the nation, but who by and large, live in darkness, with no clean water and sanitation facilities, no roads, no schools, no clinics, no organised markets for their crops, underserved by banks and who rely on only one rain-fed cropping season to support their livelihood. We call these potential businesspersons, peasants, but they are the people whose collective successes and contributions will add to our GDP and maximise our country's value as a middle income economy.

These smallholder farmers and their communities were the focus of the 5-year MCA Programme.

Background

Ladies and gentlemen, implementation of this Program started on Tuesday, August 1st 2006, when the Millennium Challenge Account, Ghana Compact was signed between the Government of Ghana and the Millennium Challenge Corporation (MCC), Ghana Project Team, representing the United States Government. With the signing of the Compact, MCC agreed to make available to the Government of Ghana, a grant of half a billion dollars, to enable her to implement the Program and achieve the agreed objectives within the Compact term of five years.

The Compact entered into force on 15th February 2007 and will end on 16th February 2012. There is no room for extension.

Ghana Compact Program Goal

The goal of the Compact is to reduce poverty through economic growth in Ghana, led by agricultural transformation. The two-fold objective of the Program is therefore, firstly, to increase the production and productivity of high-value cash and food staple crops and secondly, to enhance the competitiveness of Ghana's high-value cash and food crops in both local and international markets.

The process towards the execution of the Compact Program envisaged the integrated and simultaneous development of 3 key activities:-

- Agriculture Project
- Transportation Project
- Rural Development Project

Mr. Chairman, the Program's logic captures succinctly, the Project Objectives which will ensure the attainment of the Compact Goal. Let me now delve into each complementary Project, and what we have done with it. I will highlight Projects completed and the percentage of the MCC Grant funding that has gone into the related Activities.

A. Agriculture Project – (6 Key Activities)

(Total Budget: US\$ 208.8m, or.... % of the Total Compact Budget).

Owing to her ability to grow successfully a wide diversity of tropical and sub-tropical crops, Ghana has the unique potential to become the leading West African Supplier of horticultural products into markets in neighboring countries and to the European Union, where the demand for tropical fruits and vegetables is experiencing strong growth. Additionally, domestic food security will be enhanced, if we expand our use of arable lands for maize, yam, rice, cassava and other traditional crops.

Agri. Project Objective

To enhance the profitability of staple foods like rice, maize, yam and high value horticulture crops, and to improve delivery of business and technical services to support the expansion of commercial agriculture and farmer-based organizations (FBOs), which are groups of eligible farmers, input suppliers selling to such farmers or output processors buying from such farmers.

To achieve these objectives, a number of mutually reinforcing and integrated activities, six in all, were identified to address constraints to farming; MCC funding has supported the following activities:

Farmer and Enterprise Training in Commercial Agriculture - (Commercial Training Activity). All 30 Districts - **US\$62.13m**

- Free, intensive, multi-phased training for 67,090 Smallholder farmers, *an increase of 112%*. (Comprising 1335 FBOs, split as 45% female 55% /male). Training was provided by 28 private Technical Training Services Providers (TTSPs).
- Training is intended to improve their commercial and business planning skills and improve the rate of the adoption of the value-chain approach and crop productivity enhancement processes.
- Preparation of Business Plans for all FBOs after training.
- Distribution of (**1-acre**) Production Starter Packs (SPs), comprising maize, rice, groundnut or pepper Seeds, fertilizer and boots, (worth \$230) to trained farmers. It also includes money for land preparation..
- SPs for non-production FBOs, included produce they process for markets; maize, groundnuts, sheanuts and jute sacks. = US\$230..
- Formation of Crop Value Chains to improve access to markets by FBO Communities.
- Training of 120 SMEs in Business Development and Growth.
- Coaching and Certification of 62 FBOs (3100 farmers) by MOFA Staff certified as Trainers in Global Good Agricultural Practices (GAP).

Irrigation Activity - US\$24.8m

To prevent frequent crop failures and food shortages due to variations in the amount and intensity of rain; and to expand fruit and vegetable production by smallholder farmers and other farmer groups, the Program has provided irrigated water to some needy communities and Anchor Investors..

- We have rehabilitated and constructed 4 Irrigation Schemes, viz: Kpong Left Bank Irrigation Project, the Kpong Piped Water Scheme in the SHZ, and the Botanga and Golinga Schemes; (NAZ), using the abundant water resources in the Volta River.
- In all, we shall put 2,465 hectares under Irrigation to ensure a sustainable exports sector.

Land Tenure Facilitation Activity – US\$4.09m

Consistent with the policy and methodological framework of the Ghana Land Administration Project, (LAP), the Compact's Land Activity has been designed to contribute to an environment of more secure land tenure and more efficient land use, for the benefit of local farmers and investors. In this Activity, we have worked in collaboration with the Lands Commission and its Agencies.

MCC funds have been applied to the following Projects:

- Installation of Continuous Operating Receiver Systems, (CORS) and GPS Equipment to enhance the surveying and mapping out of farmland parcels in all Zones and other more efficient processing of land title registration.
- The completion of Phase1 of a Pilot Program to register 2,500 rural land parcels in the Awutu Senya District of the Southern Zone. To date 1400 titles have been issued.
- The provision of furniture and essential IT Infrastructure and automated equipment to 10 Circuit Courts selected and rehabilitated by the Judicial Service to handle land disputes and to reduce the backlog of Land Cases. The Program involved specific training in ICT, Land Law and ADR for Judges who will handle these Special Courts.
- Training of Community Leaders and selected stakeholders in the Alternative Dispute Resolution (ADR) process, also aimed at reducing land disputes.
- To ensure the continuity of our rural land titling activities by the Lands Commission, we have constructed and fully equipped 3 **new Land Title Registry Offices** in Winneba, Savelugu and Donkorkrom

Post-Harvest Infrastructure and Value Chain Services Activity – US\$

Ladies and gentlemen, the availability of post-harvest improvements infrastructure are necessary if Ghana's horticulture export industry in particular, is to become a significant supplier of fruits and vegetables to the EU and other export markets and also to reduce post-harvest losses.

MCC funding has supported the development of additional post-harvest handling capacity that will assist in maintaining the quality and enhance the value of products from the farm to markets and also reduce post-harvest losses.

- A modern 1000 tons privately managed Perishable Cargo Center, with Storage and Coldrooms , to handle fresh agriculture produce, has been constructed at the at the Kotoka Airport (Accra);

In furtherance of efficient post-harvest handling,

- We have constructed 3 Public Pack houses at Akorley, near Dodowa, and at Mariakrom and Otwekrom in the Akuapem South Municipal Assembly, to serve the needs of disadvantaged small holder farmers, growing mango, papaya and pineapple for local and export markets.
- We have constructed 10 privately-managed Agriculture Business Centres (ABCs). 5 in the NAZ, 3in ABZ and 2 in the SHB. These will serve as aggregation and buying Centres for selected crops, including maize and rice;
- A US\$2.1m revolving Grant has been provided to 7 Members of the Sea freight Pineapple Exporters Group to procure Pre-Coolers, Packing Lines and Generators to enhance the efficiency of the horticultural exports sector and the performance of the major Nucleus farmers.

- The Laboratories of 3 public organizations, namely the PPRSD, WRI and GSA, have been refurbished, furnished or upgraded to meet IPPC Standards and to enhance their capacity to support improvements to the quality of farm produce for local and export markets and to support effective service delivery to the private sector operators in the agricultural industry.
- To meet international quality standards and enhance the competitiveness of our exports, the Program has also supported the process towards the enactment of the Plants and Fertilizer Act, Act 803 of June 2010, which brings Ghana into conformity with the International Plants Protection Convention Standards. The last Act dated back to 1973.

Agricultural Credit Activity – US\$29.75m

The Program’s Agricultural Credit component is intended to provide for and meet the needs of our un-served or under-served farmers.

To remedy and improve on this MCC funding provided a revolving Credit fund to 56 financial institutions, namely 11 Commercial Banks, 34 Rural Banks, 2 Savings & Loans Companies and 9 Financial NGOs, for on-lending to some 10,506 borrowers engaged in farming and in the Agricultural Value Chain Activities. US\$16.74 million (Ghc23.97m) has been disbursed to date, challenges with repayment of loans notwithstanding.

For effective and efficient financial services delivery; funds were also provided for training and capacity building in Loan/Credit Management and related areas for 480 Managers and Staff drawn from Rural Bank and FNGOs.

Feeder Roads Activity – US\$70.63m

Agriculture development is critically dependent on a good transport networks and road linkages that provide access to inputs, markets and social service delivery points.

To improve transportation linkages, enhance efficiencies and reduce transportation costs for our farmers and output buyers and processors and to enhance the competitiveness of our agricultural produce using the roads, Feeder Roads were singled out and **US\$70.63m** of the Compact Funds have been committed to supporting the rehabilitation of 357kms of Feeder Road segments across the three Zones; namely:

Savelugu-Nanton (NAZ)	- 110.5 kms
Eastern/Central Regions (SHZ)	- 146.1 kms
Volta Region (SHZ)	- 100.8 kms

Besides the completed Roads,.....% of which have been tarred, some 330 kilometers of Feeder Roads have been fully designed and left on the shelves, to await new sources of funding.

MiDA is presently working in collaboration with USAID to construct additional **46kms** of feeder roads in the Volta Region.

Transportation Project – (3 Key Activities)

Total Budget: US\$ 218.37m

Objective

Mr. Chairman, the Transportation Project under the Program has as its objective to reduce the transportation costs affecting agricultural commerce at the sub-regional and regional levels in Ghana, in support of the Agriculture Project. 2 transportation models – road and maritime are targeted,

Besides the 356km of Feeder Roads which have been rehabilitated, MCC funds have also been applied to the upgrade of the N.1 Highway, construction of Trunk Roads and provision of Ferries, under the broader Transportation Project.

N.1 Highway Activity – US\$173.2m

Over the last 30 months, we have completed the upgrading of 14.1 km of a major Urban Highway into a 3-lane dual carriageway; (*from the Tetteh -Quarshie Interchange to Mallam Junction in Accra*). This is the main thoroughfare that brings agricultural goods to the Tema Seaport and the Kotoka International Airport.

This Project, which has been on the drawing board since 1965 included the construction of 2 Grade Separation Interchanges, at the Dimples and Mallam Junctions, 6 Footbridges, 13 Bus Bays, 23 Minor Junctions, Bicycle Lanes and 2 **Transport Terminals** at Kokroko, near Mallam and at Abeka Lapaz.

This intervention will reduce the bottleneck that delay access to the international Airport and the Port of Tema and supports the expansion of the base of our horticultural exports.

It also improves the efficiency of the greater road network in and around Accra.

All these activities bring the N.1 Project costs to US\$173.2m or% of Compact Funds and are now ready to be handed over to the GHA.

Rattan Village: To resettle the Cane and Rattan Weavers on the Corridor, a Cane and Rattan Village has been constructed at Ayi-Mensah, near Accra for Rattan Weavers.

Trunk Road Activity - US\$30.11m

To improve road access to farmers and traders to the Afram Plains and to inputs and markets and reduce vehicle operating and maintenance costs, we have constructed the 75.1km Agogo-Dome Trunk Road, with a new Bridge over River Afram at Afrisere, at a cost of **US\$30.11m**.

This major intervention, which provides an alternative route into the Afram Basin Area, has opened new economic opportunities for many agricultural households and road users in the corridor and will stimulate higher agricultural production levels in the Afram Basin Zone.

Ferry Activity – US\$16.5m

The Program did not leave out water transportation.

To improve the reliability of ferry services in the busiest crossing points on the Volta River and in the Afram Basin, **US\$16.5m** of MCC funds have been used to construct the, **(2) two RoRo Vehicle and Pedestrian Ferry Boats to augment the ferry fleet of VLTC. These are MV Millennium Challenge and MV Freedom and Justice.** These will replace the very old MV Nana Gyimah.

- As part of the ferry activity, we have also rehabilitated and modernized the 43years old **Floating Dock** at Akosombo, for use by VLTC;
- **New Landing Stages** have been constructed at both ends to increase ferry and vehicle handling capacities and the Passenger Terminals at Adawso and Ekye Amanfrom upgraded;

- We have also extracted all the dangerous Tree Stumps in the 5km Ferry Path, to allow for safe passages and prevent any accidents.

Rural Services Development Project – (3 Key Activities)

Total Budget: US\$ 77.72m

Residents in our rural areas, who are predominantly farmers, have spotty and frequently poor access to basic community services such as potable water, community sanitation, schools at all levels and domestic electricity. This has serious effect on productivity and has limited Ghana's ability to realize the full potential of its agricultural resources.

Objective of the Rural Dev. Project

For this reason, the Rural Services Development Project has been designed to address existing gaps and to strengthen the rural institutions that provide complementary services to communities in our beneficiary Districts. in a coordinated fashion.

MCC funds totaling **US\$77.72m** have been used to support the following Project activities: Procurement Capacity Building, Community Services and Financial Services.

Public Procurement Capacity Building – US\$1.4m

To support the Public Procurement Authority's efforts at strengthening the capacity of Public Sector Procurement entities to procure goods, works and services professionally and also to build capacity within the public sector to undertake public procurements, constituting 11%-15% of all goods, produced in Ghana,

- we have provided *educational capital* through the development of Curricula and Training Modules for Procurement Majors, Diploma holders and In-service training for Public Procurement Professionals.
- We have trained 20 Lecturers in the use of the Curricula and Training Modules, legacies that have been bequeathed to the PPA,
- while MCC funding has placed 1600 Tertiary Students in procurement-related Internships with Public Institutions.

Community Services Activity – US\$45.6m

Our Community Services Project covered the provision of Schools, Water and Electricity facilities.

a). Education:

- Under the Education Component, we rehabilitated some old structures or constructed new blocks all totaling 207 School Blocks; **(comprising 103 Kindergartens, 40, 3-Classroom Blocks and 29 six-classroom Blocks)** and 149 Ancillary Facilities in 435 Communities;
- We have provided each School with handicapped ramps for easy access, **girl-friendly sanitation facilities, complete set of** furniture, rain catchment systems and 1000gallons capacity polytanks for water storage.

b). Water:

- We have provided potable water in 94 Communities, through 15 Pipe Extensions, 186 Boreholes, and 13 Small Town Water Systems. These will assist in reducing illnesses and loss of productivity.

- Additionally, we have completed a **70.3km** Tamale Water Extension Project, sourcing water from the Dalung Headworks in the Tolon Kumbungu District, to serve communities in the Savelugu -Nanton District and the Tamale Metro.
- Lastly, we have completely refurbished and upgraded the Pong Tamale Water Treatment System.

c). Rural Electrification:

- **20.6km Low Voltage, 93.0km High Voltage** transmission lines provide to un-served and underserved farming communities, in the Savelugu Nanton District and installed **12** Transformers to serve Nucleus Farms and 3 Public Packhouses.

Financial Services Activity – US\$27.7m

To extend the depth and value of financial services provided to rural populations and to reinforce their integration into the cash economy and provide access to savings, credits, and payments and transfer services, the Program had a financial services component.

In support of this Activity, MCC have provided funding to cover the following Projects:

- Installation nationwide, of a common Software Platform and the provision of the requisite training to all Banks to support the operations of the Cheque Codeline Clearing (CCC) System which has ensured that cheques lodged across the entire country are cleared in 48 hours from the date of deposit. This is significantly improved the turnaround of cheques in the remotest locations some of which lasted for more than 10 working days. This cheque clearing system now covers ALL banks in Ghana, both commercial banks and rural banks.
- Hardware for an Automated Clearing House (ACH) Facility for the National Clearing House, which also involves all Banks in Ghana.
- Under this component, we have connected all 134 Rural Banks and over 711 Agencies, onto the National Payment Systems through the development of a Satellite-based Wide Area Network, and completed the deployment of a Standard e-Merge Banking Application Software, plus Local Area Networks (LAN) and electric generators.

Ladies and Gentlemen, all these Project Activities have been completed and ready to be handed over to the Implementing Entities, with whom we have signed Agreements which spell out arrangements for ensuring the sustainability of the 12 Project Activities.

Conclusion

Ladies and gentlemen, I will now conclude by acknowledging the support and cooperation we received from all the 14 public sector institutions, namely; Ministries, Departments and Agencies. I will particularly mention the EPA, which ensured environmental accountability and compliance, ISSER and GSS who worked hard to gather baseline agricultural data prior to the commencement of our Projects to allow for the successful prosecution of our post-Compact evaluation activities. The Lands Commission’s Land Valuation Division, which aided the process towards resettlement and compensation of so many PAPs, the Ministry of Food and Agriculture, who played a major role in the commercial development of our farmers, all Road Sector Agencies GHA, DUR and DFR, the Ministry of Education, District Assemblies and all the many Consultants and Contractors, who worked on our Projects.

Ladies and gentlemen, I am not highlighting the contributions of our Monitoring and Evaluation Department, the Procurement Department and the Procurement Agent who took us through over 700 Procurements, the Fiscal Agent and our Finance Team who ensured that we have met all fiscal controls and accountability Plans, the Internal Audit Team, who supervised compliance with MCC’s controls and guidelines and the Publicity Team which worked to get information on our Projects to you.

Certainly, all of us, Project Managers and the Management and our Technical Colleagues in MCC, have worked very hard to bring us this far.

We shall not forget vibrant Media who put us on our toes and the Ghanaian public whose constant plodding for results served as a source of motivation to meet our deliverables. Nor shall we forget the support of the Board and the contribution and the Government of Ghana, who obliged us with counterpart funds to meet costs associated with resettlement of Project Affected Persons and the relocation of all utilities along the N.1 Corridor.

Thank you and God bless Ghana.