JOINT MEMORANDUM TO PARLIAMENT

BY THE

MINISTER FOR FINANCE

AND

MINISTER FOR FOOD AND AGRICULTURE

ON THE

LOAN AGREEMENT

BETWEEN

GOVERNMENT OF GHANA (GOG)

&

KREDITANSTALT FUR WIEDERAUFBAU (KfW)

FOR AN AMOUNT OF

€19.69 MILLION

FOR THE

THIRD OUT-GROWER AND VALUE CHAIN FUND

(OVCF III)
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THIRD OUT-GROWER AND VALUE CHAIN FUND (OVCF III)
1.0 Action Required

Parliament is respectfully invited to consider and approve a Concessional Loan of €19.69 Million (Nineteen Million, Six Hundred and Ninety Thousand Euros) for the financing of the Third Out-grower and Value Chain Fund (OVCF III) Project. The project will be financed by Kreditanstalt fur Wiederaufbau (KfW).

Cabinet, at its Forty-sixth meeting held on Wednesday 16th January 2019, granted approval for this memorandum to be laid before Parliament.

2.0 Background

The agricultural sector is characterized by high transaction costs for both the financial institutions which seek to provide credit and their clients, higher systemic risks, more volatile cash flows; as well as lower risk-bearing ability and higher vulnerability due to high incidences and depth of poverty among farmers especially. Thus, the demand for varied services from a variety of institutions has become essential.

While a large majority of poor households in Ghana are directly linked to agriculture in many ways, rural finance and in particular agricultural lending remains a challenge. This could be attributed to poor and sometimes lack of infrastructure, distant and dysfunctional markets, low productivity arising from low use of improved technologies, volatile prices and unpredictable weather. These are but a few of the challenges making it difficult for both lenders and farmers.

To help address some of these challenges in agricultural financing, KfW (the German Development Bank) in 2010 provided €10 million funding for the first phase of the Out-grower and Value Chain Fund (OVCF) in Ghana. The second phase, for an amount of €23 million was approved in 2015.

The Phase III of the OVCF, therefore, comes on the heels of the successes chalked in the on-going Phases I & II. The OVCF III is aimed at deepening the gains of the two phases by improving the incomes of small-scale farmers, thereby contributing to reducing rural poverty. The development of small-scale commercial farms requires linkages to profitable markets and production management that ensures that the products satisfy market expectations and legal requirement, such as quality standards and certifications.

The schemes funded so far are rubber, oil palm, rice, pineapple, cassava-gari, maize-soya-sorghum, cocoa, and maize-poultry.

The Fund has so far reached a total of 4,610 farmers out of a target of 6,421 and covered 6,657 hectares compared to a target of 9,954 hectares for the approved schemes as shown in appendix 1.
3.0 Project Description

The Out-grower and Value Chain Fund is a refinancing facility for providing medium to long term investments through the banking sector. The facility is designed to fill a gap in agriculture financing owing to the growing need for innovative financing in the agricultural sector. The overall goal is to improve the income of target groups, especially small-scale farmers, upgrade the competitiveness of small commercial farmers and their agri-business partners (processors, etc.) in their respective markets and thereby contribute towards rural growth and poverty reduction.

The fund would provide loans to commercially viable value chains and especially out-grower schemes. The OVCF favours the concept of out-grower farming which is based on defined contractual relations between the out-growers, a technical operator (i.e. processor, trader, etc.) and a financial operator (i.e. participating bank) which provides access to services, inputs and funding.

The investment realised through the OVCF shall directly contribute to the improvement of the quantity and/or the quality of production in selected value chains. Some value chains which stand to benefit under the fund include oil palm, rubber, mangoes, cocoa rehabilitation and maintenance, pineapple, rice, maize, orange fleshed sweet potato, leasing of agricultural equipment (tractors, etc.), citrus, livestock (e.g. poultry), aquaculture/tilapia.

The project will be administered by the Ministry of Food and Agriculture through a Fund Management Team (FMT) which would be responsible for the day to day management of the OVCF.

Under this loan agreement, KfW would make a contribution of €19.69 million to finance this project with an additional €2.0 million grant facility to cater for the FMT's expenses, build capacity of all stakeholders and other related expenses incurred during the management of the project.

3.1 Legal and Ownership Structure

The OVCF III would be housed within Ministry of Food and Agriculture (MOFA) with the Fund Secretariat situated in the Policy, Planning, Monitoring and Evaluation Directorate (PPMED). It would therefore not be a separate legal entity from MOFA. It cannot sue and be sued. The Secretariat will only facilitate the processing of loans to beneficiary out-growers through existing financial institutions who are already subject to regulations by the Bank of Ghana.

3.2 Organizational Structure

The overall organisational structure of the OVCF III shall consist of two parts:

i. The policy and supervision structure composed of MOFA, the Ministry of Finance (MOF), BoG as well as the Fund Manager (FMT). It consists of the Steering Committee and the Technical Compliance Committee.
The Steering Committee which would be co-chaired by MOFA and MoF, shall oversee the overall implementation of the project and make policy recommendations accordingly.

The Technical Compliance Committee shall vet all applications for funding of value chains under the OVCF. The Committee shall include members drawn from MOFA, MOF and BOG.

BoG shall be the recipient bank of all tranche disbursements from KfW. It shall disburse the received funds to the financial operators under the OVCF based on approved applications. BoG shall also ensure the repayment of loans by the financial operators.

The FMT shall among others, receive funding requests and process them in accordance with eligibility criteria before submitting them to the Technical Compliance Committee (TCC) and Steering Committee (SC) for consideration and approval. It shall identify existing value chains and sensitise actors on it for possible financing and analyse and develop specific financial products for adoption by participating banks.

ii. The specific out-grower and value chain scheme is composed of the technical operator (or nucleus company), the financial operator (the participating bank) and the out-growers.

4.0 Project Objective

The Project has among others the following main objectives:

i. Provide improved access to medium to long term financing for small-scale farmers and technical operators such as processors, exporters, aggregators, bulk buyers who otherwise would not have access to such financing from mainstream banks;

ii. Contribute to the development of outgrower schemes in Ghana; and

iii. Integrate small-holder farmers into commercial agricultural development.

5.0 Justification

OVCF is premised on Government of Ghana's desire to help bridge the financing gap in the agricultural sector by making funds available at affordable market rates for value chain schemes across the length and breadth of the country. With Value chain financing primarily motivated by production and productivity goals, the Government of Ghana's aim in promoting this financing scheme is to help ensure the success and profitability of the business activities of small-scale farmers by providing them with accessible and affordable credit.
Overall, the project is consistent with Government's policy objectives of increasing agricultural production and productivity through the value chain approach as captured in the Second Food and Agricultural Sector Development Policy (FASDEP II) and the Planting for Food and Jobs Campaign.

Currently the Fund has pipeline applications to the tune of €11,762,339.48 as shown in Appendix 2. These applications are being processed for approval to fully commit the €23.00 million approved under Phase II.

Another batch of pipeline application to the tune of €27,600,000.00 is to be considered for approval and funding under Phase III as shown in Appendix 3.

6.0 Expected Impact

The project is expected to help reduce the widespread and depth of poverty among small-scale farmers in Ghana. These farmers would often not have access to credit from financial institutions because of their high credit risk position and the prevailing market interest rates.

The agricultural sector is key to the overall economic growth and development of Ghana in view of the larger numbers of the labour force it employs. In the national development agenda, agriculture is expected to lead to growth and structural transformation of Ghana’s economy and maximize the benefits of accelerated growth. Hence, any policy intervention that seeks to reduce poverty in the sector has a ripple effect on the rest of the sectors of the economy.

7.0 Financing Terms

The financing terms are as follows:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Project cost</td>
<td>€21.69 million</td>
</tr>
<tr>
<td>Loan amount</td>
<td>€19.69 million</td>
</tr>
<tr>
<td>Grant amount</td>
<td>€2.0 million</td>
</tr>
<tr>
<td>Interest</td>
<td>0.75% per annum</td>
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<tr>
<td>Repayment period</td>
<td>30 years</td>
</tr>
<tr>
<td>Grace period</td>
<td>10 years</td>
</tr>
<tr>
<td>Maturity</td>
<td>40 years</td>
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<tr>
<td>Commitment Fee</td>
<td>0.25% per annum</td>
</tr>
<tr>
<td>Grant element</td>
<td>61.77%</td>
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</table>

8.0 Inter-Ministerial Consultation Record

The Loan, Financing and Separate Agreements have been appraised and negotiated with representation from the Legal, Resource Mobilisation and Economic Relations, and Treasury Management Divisions of the Ministry of Finance, and MOFA. Comments raised were thereafter duly incorporated into the draft Loan, Financing and Separate Agreements.
9. Communication

Current efforts at sensitizing stakeholders on the Fund and its objectives will be intensified. Posters, flyers and other media will be used in informing stakeholders on the fund. The Association of Bankers will be used to reach out to financial institutions, while the various farmer-based organizations will be used in the case of small-holder farmers.

10.0 Conclusion

In view of the immense benefits to be derived from the project, Parliament is respectfully requested to consider and approve the Loan Agreement as stated in paragraph one (1) above.

Hon. Dr. Owusu Afriyie Akoto
Minister for Food and Agriculture

Hon. Ken Ofori-Atta
Minister for Finance

26th February, 2019.
## Appendix 1: Ongoing Schemes

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Outreach Target</th>
<th>Outreach achieved</th>
<th>% achievement</th>
<th>Ha target</th>
<th>Ha achieved</th>
<th>% achievement</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rubber</td>
<td>700</td>
<td>1,216</td>
<td>173.7</td>
<td>2,200</td>
<td>2,200</td>
<td>100.0</td>
<td>Targets very well achieved</td>
</tr>
<tr>
<td>Oil Palm</td>
<td>100</td>
<td>91</td>
<td>91.0</td>
<td>300</td>
<td>262</td>
<td>87.3</td>
<td>Very good achievement</td>
</tr>
<tr>
<td>Rice-OGs</td>
<td>272</td>
<td>136</td>
<td>50.0</td>
<td>220</td>
<td>110</td>
<td>50.0</td>
<td>50% achievement. This was because the scheme stalled after the 1st cropping due to default on the part of OGS to ADB</td>
</tr>
<tr>
<td>Rice-TO</td>
<td></td>
<td></td>
<td>1,000 (achieved by 1st Yr)</td>
<td>209 (achieved in 1st Yr)</td>
<td>20.9</td>
<td>Very poor achievement-ADB has dis-continued the financing of TO largely because of loan default after 1st cropping.</td>
<td></td>
</tr>
<tr>
<td>Pineapple</td>
<td>119</td>
<td>94</td>
<td>78.9</td>
<td>47.6</td>
<td>37.6</td>
<td>79</td>
<td>Fair achievement on the part of the OGS</td>
</tr>
<tr>
<td>Maize-soya-sorghum</td>
<td>1,655</td>
<td>1,655</td>
<td>100.0</td>
<td>662</td>
<td>662</td>
<td>100.0</td>
<td>Targets well achieved</td>
</tr>
<tr>
<td>Cassava-gari</td>
<td>125</td>
<td>123</td>
<td>98.4</td>
<td>125</td>
<td>123</td>
<td>98.4</td>
<td>Targets on course</td>
</tr>
<tr>
<td>Cocoa</td>
<td>2,500</td>
<td>545 have received inputs so far</td>
<td>21.8</td>
<td>3,000</td>
<td>654</td>
<td>21.8</td>
<td>Supply of inputs is continuing and so this will increase the achievement rate in 2019 For instance, disbursement for 3000 bags of fertilizer for about 1000 farmers is being processed</td>
</tr>
<tr>
<td>Maize-Poultry</td>
<td>750</td>
<td>750</td>
<td>100%</td>
<td>2,400</td>
<td>2,400</td>
<td>100</td>
<td>1st Disbursement undertaken in March’18. Processing of other disbursements for 2019 is on-going</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,221</strong></td>
<td><strong>4,610</strong></td>
<td><strong>74.1%</strong></td>
<td><strong>9,954.6</strong></td>
<td><strong>6,657.6</strong></td>
<td><strong>66.9%</strong></td>
<td></td>
</tr>
</tbody>
</table>
## Appendix 2: OVCF Investments in the Pipeline under Phase II

<table>
<thead>
<tr>
<th>Value Chain</th>
<th>Region</th>
<th>Amount reserved (EUR)</th>
<th>Status of preparation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rice</td>
<td>Northern</td>
<td>2,864,624.34</td>
<td>The Technical Compliance Committee (TCC)/Investment Committee approved it in October 2017. However, the TO has swapped GT Bank for Access Bank since the former's cash collateral condition was rejected. Unfortunately, decision is on hold as there is an alleged malfeasance by 2 Directors under investigation by EOCO. The amount is to be allocated for another applicant for rice by end of March '19 if EOCO report is not favourable.</td>
</tr>
<tr>
<td>Cashew + Honey</td>
<td>Brong Ahafo</td>
<td>1,100,00.00</td>
<td>Wenchi Rural Bank (WRB) approved facility in 2017. GN Bank did approve a guarantee for WRB in favour of BoG in the sum of GHS 4,275,600.00. Whilst revising the loan amount to the level of the Guarantee amount, the BoG advised in 4th Quarter 2018 that WRB was unsatisfactory to access the Fund. The applicants have been informed to look for another bank, failing which the fund will be re-allocated to another prospective borrower by 31st March 2019</td>
</tr>
<tr>
<td>Soybean</td>
<td>NSEZ-NR, UER and UWR-Phase 1</td>
<td>3,044,155.82</td>
<td>A consortium of Banks including Republic Bank, ADB, Sinapi Aba Savings and Loans Co., Bonzali Rural Bank are potential FOs to consider the application. The Northern Development Authority (NDA) is facilitating the process. 12 Nucleus Farmers and their Outgrowers (at least 500 farmers) will each cultivate about 3000 acres of soya-beans. The Buffer Stock and other private soya processing companies (e.g. Ghana Nuts, Yedent, and Vester Oil) are the end offtakers of the produce. Processing of application has started for the upcoming 2019 farming season.</td>
</tr>
<tr>
<td>Orange Fleshed Sweet Potato (OFSP)</td>
<td>Volta</td>
<td>1,500,00.00</td>
<td>Environmental and Social Due Diligence (ESDD) has been carried out, NIB is expected to approve facility by end of February, 2019. The scheme was fully designed in situ during 3-5 October 2018. The TCC and Steering Committee (SC) will approve facility by end March '19. The TO (Darkey and Associates) has an import order of 7-40-footer containers/ week of the roots to Germany</td>
</tr>
<tr>
<td>Cassava-Starch</td>
<td>Eastern Region at Begoro</td>
<td>3,253,559.32</td>
<td>Environmental and Social Impact Assessment (ESIA) being undertaken by a private consultant. Financial DD and ESDD done in April 2018 by the FMT. Exim bank has already approved GHS 36,0 million for the processing plant from Thailand. Mumadu Rural Bank has also already approved GHS 2.5 million for 130 farmers to cultivate 2 ha each of cassava on a block farming basis. It's an IDIF initiative to commence full operations by June'19.</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>11,762,339.48</strong></td>
<td></td>
</tr>
</tbody>
</table>
### Appendix 3: Pipeline Applications for OVCF Phase III

<table>
<thead>
<tr>
<th>No.</th>
<th>Scheme</th>
<th>Status</th>
<th>Estimated Amount (€)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Oil Palm II (Juaben Oil Palm Mills Ltd (JOML)), Ashanti Region</td>
<td>Was approved by the TCC in 2016. The Steering Committee will finally approve in 2019 after a financial turnaround has been achieved for the mill.</td>
<td>4,400,000.00 for phase 1</td>
<td>To be implemented in 2 phases of 1000ha each involving 500 outgrowers.</td>
</tr>
<tr>
<td>2</td>
<td>Pineapple (Greenfields), Central Region</td>
<td>NIB and FMT will undertake their final Due-Diligence (DD) in 2019</td>
<td>1,200,000.00</td>
<td>The FMT has advised the TO to focus on production and dams instead of packhouse for the time being. The fruits will be supplied to the Ekumfi Pineapple Processing Factory under the IDIF initiative</td>
</tr>
<tr>
<td>3</td>
<td>Rubber II (RPGL), Topease near Asamankese, Eastern Region</td>
<td>NIB is processing the application for 2019</td>
<td>17,000,000.00</td>
<td>5000ha to be planted in Eastern and Brong Ahafo regions by about 2000 farmers. The cuplumps will feed an existing 10-tonne/day processing plant financed under OVCF II and EDAIF. 1216 OGs financed under OVCF I have already established 2200 ha of rubber estates to feed the factory. At full-throttle, the scheme will generate about USD 2.0million/year whilst creating about 1000 jobs in the operational areas.</td>
</tr>
<tr>
<td>4</td>
<td>Soyabean in NSEZ-Phase II</td>
<td>Banks including ADB, Republic Bank, Bonzali RB, and Sinapi Aba S&amp;L Co will undertake their Due Diligence (DD) in 2019</td>
<td>5,000,000.00</td>
<td>The 12 Award winning Soya-bean farmers and their OGs will expand their holdings to reach 3000 acres/Nucleus Farmer and about 500 Outgrowers.</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td><strong>27,600,000.00</strong></td>
<td></td>
</tr>
</tbody>
</table>

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1 These are applications to be considered for approval and funding under Phase III.
CONFIDENTIAL

LOAN AGREEMENT BETWEEN GOVERNMENT OF GHANA AND KREDITANSTALT FUR WIEDERAUFBAU (KFW) FOR AN AMOUNT OF €19.69 MILLION FOR THE THIRD OUT-GROWER AND VALUE CHAIN FUND (OVCF III)

Cabinet at its Forty-sixth meeting held on Wednesday, 16th January, 2019 considered a report of the Cabinet Committee on Economic Matters on the above-mentioned Memorandum submitted jointly by the Ministers for Finance and Agriculture.

2. The Memorandum requested Cabinet to consider and approve a concessional loan of Nineteen million, six hundred and ninety thousand Euros (EUR19,690,000) for the financing of the Third Out-Grower and Value Chain Fund (OVCF III) Project by Kreditanstalt fur Wiederaufbau (KfW).

3. Cabinet approved the Memorandum and recommended same to Parliament for consideration.

4. I should be grateful if you could take requisite action on the decision by Cabinet.

MERCY DEBRAH-KARIKARI
SECRETARY TO THE CABINET

THE HON. MINISTER FOR AGRICULTURE

THE HON. MINISTER FOR FINANCE

cc: Chief of Staff
    Secretary to the President
    Secretary to the Vice President
    Hon. Minister for Parliamentary Affairs
    Chairperson, Cabinet Committee on Economic Matters
Loan Agreement

dated

between

KfW, Frankfurt am Main
("KfW")

and the

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

for

EUR 19,690,000.00

- Outgrower and Value Chain Fund – Phase III -
On the basis of the agreement dated 17 November 2015 between the Government of the Federal Republic of Germany and the Government of the Republic of Ghana on Financial Cooperation ("Government Agreement"), the Borrower and KfW hereby enter into the following Loan Agreement:

Article 1

Amount and Purpose of the Loan

1.1 KfW shall extend to the Borrower a Loan not exceeding EUR 19,690,000.00.

1.2 The Borrower shall use the Loan exclusively to fund the Outgrower and Value Chain Fund (OVCF). OVCF refines Ghanaian financial institutions extending medium to long term loans to smallholder farmers organized in outgrower associations (Outgrowers – OG) and an agribusiness partner enterprise (Technical Operator, TO) ("Project"). The Loan shall be used primarily to pay the foreign exchange costs. The Borrower and KfW shall determine the details of the Project as well as the goods and services to be financed from the Loan by a separate agreement.

1.3 Taxes and other public charges to be borne by the Borrower and import duties shall not be financed from the Loan.

Article 2

Disbursement

2.1 KfW shall disburse the Loan in accordance with the progress of the Project and upon request of the Borrower. By a separate agreement, the Borrower and KfW shall agree on the disbursement procedure, in particular on the evidence to be furnished by the Borrower proving that the requested loan amounts are used for the purpose stipulated in this Agreement.

2.2 KfW shall have the right to refuse to make disbursements after 31 December 2023.

2.3 The authorized party for signing the disbursement requests shall be the Republic of Ghana represented jointly by the Ministry of Finance and the Ministry of Food and Agriculture (the "Authorized Party").

Article 3

Commitment Charge, Interest, and Repayment
3.1 The Borrower shall pay a commitment charge of 0.25% p. a. on undisbursed loan amounts. The commitment charge shall be computed for a period beginning three months after the signing of this Agreement and ending at the date at which disbursements are debited.

3.2 The Borrower shall pay interest on the Loan at a rate of 0.75% p. a. Interest shall be charged from the dates at which disbursements are debited to the dates at which repayments are credited to KfW's account specified in Article 3.9.

3.3 The Borrower shall pay the commitment charge, interest, and any charges on arrears pursuant to Article 3.5 semi-annually on May 15 and on November 15 for the half-year then ending. The first commitment charge shall be due together with the first interest payment.

3.4 The Borrower shall repay the Loan as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount in EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>15.11.2027</td>
<td>322,000,00</td>
</tr>
<tr>
<td>15.05.2028</td>
<td>322,000,00</td>
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</tbody>
</table>
3.5 If any repayment instalments are not at the disposal of KfW when due, KfW may increase the rate of interest on arrears to the base rate plus 3% p.a. for the period beginning with the due date and ending at the date at which such repayments are credited to the account of KfW specified in Article 3.9. The "Base Rate" is the interest rate disclosed by the Deutsche Bundesbank as base rate at the rate applicable on the relevant due date but which base rate shall not be higher than the applicable interest rate of the loan (i.e. 0.75%). In the case of interest arrears, KfW may claim damages. Such damages shall not exceed the amount arrived at if interest were charged on such interest arrears at the base rate prevailing at the due date plus 3% p.a.

3.6 Commitment charge, interest, and any charges on arrears pursuant to Article 3.5 shall be computed on the basis of a 360-day year and 30-day months.

3.7 Undisbursed or prematurely repaid loan amounts shall be credited in equal proportions against all outstanding repayment instalments unless KfW at its own discretion determines a different offsetting mode in a particular case, especially in the case of amounts of lesser volume.

3.8 KfW shall be entitled to credit, at its discretion, payments received against payments due under this Agreement or under other loan agreements concluded between KfW and the Borrower.
3.9 The Borrower shall, under exclusion of any set-off of counterclaims against such payments, remit all payments under this Agreement in Euro to the following account:

Recipient: KfW
SWIFT-BIC: KFWIDEFF
IBAN: DE60 5002 0400 0031 1203 08

Article 4

Suspension of Disbursement and Premature Repayment

4.1 The Borrower may at any time
a) subject to the fulfilment of its obligations under Article 7, cancel any loan amounts not yet disbursed, and
b) repay the Loan in whole or in part in advance of maturity.

4.2 KfW may not suspend disbursements unless
a) the Borrower has failed to perform its obligations to KfW to make payments when due,
b) obligations under this Agreement or under separate agreements pertaining to this Agreement have been violated,
c) the Borrower is unable to prove that the loan amounts have been used for the stipulated purpose,
d) the fulfilment of KfW's obligations under this Agreement violates applicable law, or
e) extraordinary circumstances arise that preclude or seriously jeopardize the implementation, the operation, or the purpose of the Project or the performance of the payment obligations assumed by the Borrower under this Agreement.

4.3 If any of the situations specified in Article 4.2 a), b), c) or d) has occurred and has not been eliminated within a period determined by KfW, which shall, however, be at least 30 days, KfW may,

a) in the cases specified in Article 4.2 a), 4.2 b) or 4.2 d), demand the immediate repayment of all outstanding loan amounts as well as the payment of all interest accrued and all other incidental charges;
b) in the case specified in Article 4.2 c), demand the immediate repayment of such loan amounts as the Borrower is unable to prove to have been used for the stipulated purpose.
Costs and Public Charges

5.1 The Borrower shall make all payments to be effected under this Agreement without any deduction for taxes, other public charges, or other costs, and shall pay the transfer and conversion costs accruing in connection with the disbursement of the Loan.

5.2 The Borrower shall bear all taxes and other public charges accruing outside the Federal Republic of Germany in connection with the conclusion and execution of this Agreement.

Article 6

Validity of this Agreement and Representation

6.1 In due course prior to the first disbursement, the Borrower shall furnish to KfW evidence satisfactory to KfW proving that the Borrower has met all requirements under its constitutional and other laws for the valid assumption of all its obligations under this Agreement.

6.2 The Minister for Finance and such persons as designated by him or her to KfW and authorized by specimen signatures authenticated by him or her shall represent the Borrower in the execution of this Agreement. The Minister for Food and Agriculture and such persons as designated by him or her to KfW and authorized by specimen signatures authenticated by him or her shall represent the Borrower in the implementation of the Project. The powers of representation shall not expire until their express revocation by the representative of the Borrower authorized at the time has been received by KfW.

6.3 Amendments or addenda to this Agreement and any notices and statements delivered by the contracting parties under this Agreement shall be in writing. Any such notice or statement shall have been received once it has arrived at the following address of the corresponding contracting party or at such other address of the corresponding contracting party as notified to the other contracting party:

For KfW: KfW
Postfach 11 11 41
60046 Frankfurt am Main
Federal Republic of Germany
Fax: +49 69 7431-2944

For the Borrower: Ministry of Finance
P.O. Box MB40
Ministries-Accra
Fax:
The Project

7.1 The projects that shall be re-financed under the OVCF must be economically, financially and technically sound, comply with social and environmental standards and must be considered particularly worthy of promotion both for economic and for development policy reasons.

7.2 The Borrower, represented by the Ministry of Food and Agriculture,

a) will submit to KfW on request, prior to the award of sub-loans, documents that enable KfW to appraise the Project;

b) shall prepare, implement, operate and maintain the Project in conformity with sound financial and engineering practices, in compliance with environmental and social standards and substantially in accordance with the Project conception agreed upon between the Borrower and KfW;

c) grant the sub-loans in accordance with sound banking practices. The Borrower shall fix the rates of interest on Sub-loans with due regard for the national interest level, and shall determine the other terms and conditions with due regard for the nature of the Project to be financed;

d) shall assign the implementation of the Project to qualified firms (technical operators) and banks (financial operators); the selected financial operators shall have good financial standing (licensed by the Bank of Ghana and sound financial situation) and adequate technical aptitude (expressly declared willingness to cooperate with the Project);

e) shall award the contracts for the goods and services to be financed from the Loan following international competitive bidding;

f) shall ensure the full financing of the Project and, upon request of KfW, furnish to KfW evidence proving that the costs not paid from this Loan are covered;

g) shall maintain, or cause to be maintained, books and records unequivocally showing all costs of goods and services required for the Project and clearly identifying the goods and services financed;

h) will enable KfW and its agents at any time to inspect any and all documents and transactions pertinent to this Loan and its utilisation as well as all auditor's and accountant's reports prepared on this Loan by the Borrower's own departments and external auditors and will furnish to KfW any and all such information as KfW may reasonably request;

i) will ensure that, as long as payment obligations exist under sub-loans, KfW and its agents - at the request of KfW together with representatives of the Borrower- may at any time verify the proper use of the Loan amounts by visiting the sites of the Project and may inspect the sub-borrowers' financial situation and statement of earnings;
shall furnish to KfW any and all such information and reports on the Project and its further progress as KfW may request;

shall of its own accord promptly inform KfW of any and all circumstances that preclude or seriously jeopardize the implementation, the operation, or the purpose of the Project.

shall without delay forward to KfW any queries received by the Borrower from the OECD or its members under the "Agreement for Untied ODA Credits Transparency" following the award of the contracts for the supplies and services to be financed from the Loan and shall coordinate the reply to any such query with KfW.

The Borrower and KfW shall determine the details of Article 7.2 by a separate agreement.

For the transport of the goods to be financed, the provisions of the Government Agreement, which are known to the Borrower, shall apply.

**Article 8**

Publication and transfer of project-related information

To comply with internationally accepted principles of utmost transparency and efficiency in development cooperation, KfW publishes selected information (including evaluation reports) about the Project and how it is financed during pre-contractual negotiations, while the Project-related agreement(s) is (are) being implemented and in the post-contractual stage (hereinafter referred to as the "Entire Period").

The information is published regularly on KfW's website for its business area “KfW Development Bank” (http://transparenz.kfw-entwicklungsbank.de/).

The publication of information (either by KfW or third parties in accordance with Article 8.3 below) about the Project and how it is financed does not include any contractual documentation or any sensitive financial or business-related detailed information about the parties involved in the Project or its finances, such as

a) Information about internal financial data;
b) business strategies;
c) internal corporate guidelines and reports;
d) personal data of natural persons;
e) KfW's internal rating of the parties financial position.

KfW shares selected information about the Project and how it is financed during the Entire Period with the entities mentioned below, particularly to ensure transparency and efficiency:

a) subsidiaries of KfW;
b) the Federal Republic of Germany and its competent bodies, authorities, institutions, agencies or entities;

c) other implementing organisations involved in German bilateral development cooperation, particularly the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH;

d) international organisations involved in collecting statistical data and their members, especially the Organisation for Economic Cooperation and Development (OECD) and its members.

8.3 Furthermore, the Federal Republic of Germany has requested KfW to share selected information about the Project and how it is financed throughout the Entire Period with the following entities, which publish the sections relevant to the purpose:

a) Federal Republic of Germany for the purposes of the International Aid Transparency Initiative (http://www.bmz.de/de/was_wir_machen/wege/transparenz-fuer-mehr-Wirksamkeit/index.html);

b) Germany Trade & Invest (GTAI) for the purposes of market information (http://www.gtai.de/GTAI/Navigation/DE/trade.FOO);

c) OECD for the purpose of reporting financial flows in the framework of development cooperation (http://stats.oecd.org/);

d) German Institute for Development Evaluation (DEval) for the purposes of evaluating the overall German development cooperation to ensure transparency and efficiency (http://www.deval.org/de/).

8.4 KfW further reserves the right to transfer (including for the purposes of publication) information about the Project and how it is financed during the Entire Period to other third parties so as to safeguard legitimate interests.

The information is not transferred by KfW to other third parties if the legitimate interests of the Borrower in the information not being transferred outweigh KfW's interests in it being transferred. The legitimate interests of the Borrower particularly include the confidentiality of the sensitive information mentioned in Article 8.1, which is excluded from publication.

Furthermore, KfW is entitled to transfer information to third parties if this is necessary due to statutory or regulatory requirements or to assert or defend claims or other legal rights in court or administrative proceedings.

Article 9

Miscellaneous Provisions

9.1 The Borrower shall ensure that the persons charged by the same with the preparation and implementation of the project, the award of any contract for the supplies and services to be financed and with requesting disbursements of loan
amounts do not demand, assume, render, grant, promise or obtain a promise of unlawful payments or other advantages in connection with these tasks.

9.2 The Borrower shall not enter into any transactions or engage in any other activities in relation to the Project that would constitute a breach of embargoes regulating foreign trade or of so-called financial sanctions of the United Nations Security Council, the European Union or the Federal Republic of Germany.

9.3 If any of the provisions of this Agreement is invalid, all other provisions shall remain unaffected thereby. Any gap resulting therefrom shall be filled by a provision consistent with the purpose of this Agreement.

9.4 The Borrower may not assign or transfer, pledge or mortgage any claims from this Agreement.

9.5 All claims of KfW under this Agreement expire after five years from the end of the year in which any such claim has accrued and in which KfW has become aware of the circumstances constituting such claim or could have become aware of them without gross negligence.

9.6 This Agreement shall be governed by the law of the Federal Republic of Germany. The place of performance shall be Frankfurt am Main.

9.7 All disputes arising out of or in connection with the present Agreement shall be settled exclusively and finally by an arbitration tribunal. In this regard, the following will apply:

a) The arbitration tribunal will consist of one or three arbitrators who will be appointed and will act in accordance with the Arbitration Rules of the International Chamber of Commerce (ICC) applicable from time to time.

b) The arbitration proceedings will be conducted in Frankfurt am Main. The proceedings will be held in the English language.

Done in 3 originals in the English language.

Frankfurt am Main, Accra
the 2019 the 2019
KfW Republic of Ghana, represented by the Ministry of Finance

Name, Function: Name, Function:
Financing Agreement

dated

between

KfW, Frankfurt am Main
("KfW")

and the

Republic of Ghana
represented by the Ministry of Finance
("Recipient")

for

EUR 2,000,000.00

- Outgrower and Value Chain Fund – Phase III (Accompanying Measure) -
On the basis of the agreement dated 17 November 2015 between the Government of the Federal Republic of Germany and the Government of the Republic of Ghana on Financial Cooperation ("Government Agreement"), the Recipient and KfW hereby enter into the following Financing Agreement:

**Article 1**

**Amount and Purpose of the Financial Contribution**

1.1 KfW shall extend to the Recipient a financial contribution not exceeding **EUR 2,000,000.00**.

This financial contribution shall not be repayable unless otherwise stipulated in Article 3.2.

1.2 The Recipient shall use the financial contribution exclusively for consulting services to support the Ministry of Food and Agriculture in its role as project executing unit for Phase III of the Outgrower and Value Chain Fund ("Expert Services"), and primarily to pay the foreign exchange costs. The Recipient and KfW shall determine the details and the scope of the Expert Services to be financed from the financial contribution by a separate agreement.

1.3 The Recipient and KfW shall determine in detail the counterpart contributions to be rendered by the Recipient in a separate agreement. The Recipient shall render its counterpart contributions completely and in due time. The Recipient shall furnish to KfW upon request evidence proving the measures taken to this end.

1.4 Taxes and other public charges to be borne by the Recipient and import duties shall not be financed from the financial contribution.
Article 2

Disbursement

2.1 KfW shall disburse the financial contribution in accordance with the progress of the Expert Services and upon request of the Recipient. By a separate agreement, the Recipient and KfW shall determine the disbursement procedure, in particular the evidence proving that the disbursed funds are used for the stipulated purpose.

2.2 KfW shall have the right to refuse to make disbursements after 31 December 2020.

2.3 The authorized party for signing the disbursement requests shall be the Republic of Ghana represented jointly by the Ministry of Finance and the Ministry of Food and Agriculture (the “Authorized Party”).

Article 3

Suspension of Disbursements and Repayment

3.1 KfW may not suspend disbursements unless

a) the Recipient fails to perform its obligations to KfW to make payments when due,

b) obligations under this Agreement or under separate agreements pertinent to this Agreement have been violated,

c) the Recipient is unable to prove that the financial contribution has been used for the stipulated purpose,

d) the fulfilment of KfW's obligations under this Agreement violates applicable law, or

e) extraordinary circumstances arise that preclude or seriously jeopardize the execution or the purpose of the Expert Services.

3.2 KfW may demand the immediate repayment of the financial contribution if any of the situations specified in Article 3.1 b), c) and d) has occurred and has not been eliminated within a period determined by KfW, which shall, however, be at least 30 days. In the case specified in Article 3.1 c), repayment shall be limited to such amounts as the Recipient is unable to prove to have been used for the stipulated purpose.

Article 4

Costs and Public Charges

The Recipient shall bear all taxes and other public charges accruing outside the Federal Republic of Germany in connection with the conclusion and execution of this Agreement,
as well as all transfer and conversion costs accruing in connection with the disbursement of the financial contribution.

**Article 5**

**Contractual Statements and Power of representation**

5.1 The Minister of Finance and such persons as designated by him or her to KfW and authorised by specimen signatures authenticated by him or her shall represent the Recipient in the execution of this Agreement. The Minister of Food and Agriculture and such persons as designated by him or her to KfW and authorized by specimen signatures authenticated by him or her shall represent the Borrower in the execution of this Project. The power of representation shall not expire until their express revocation by the representative of the Recipient authorised at the time has been received by KfW.

5.2 Amendments or addenda to this Agreement and any notices and statements delivered by the contracting parties under this Agreement shall be in writing. Any such notice or statement shall have been received once it has arrived at the following address of the corresponding contracting party or at such other address of the corresponding contracting party as notified to the other contracting party:

For KfW:

KfW
Postfach 111141
60046 Frankfurt am Main
Federal Republic of Germany
Fax: +49 69 7431-2944

For the Recipient:

Ministry of Finance
P.O. Box MB40
Ministries-Accra
Fax:

**Article 6**

**The Expert Services**

6.1 The Recipient shall

1. prepare and carry out the Expert Services in accordance with sound financial and engineering practices, in compliance with environmental and social standards and substantially in accordance with the conception agreed upon between the Recipient and KfW for the Expert Services, and
to this end shall avail itself of the services of independent, qualified consulting engineers;

b) ensure the full financing of the Expert Services and furnish to KfW upon request evidence proving that all costs not to be paid from the financial contribution are covered;

c) maintain, or cause to be maintained, books and records unequivocally showing all costs incurred in connection with the Expert Services and clearly identifying the services financed from the financial contribution;

d) enable the representatives of KfW at any time to inspect said books and records and any and all other documents relevant to the execution of the Expert Services;

e) furnish to KfW any and all such information and reports on the Expert Services and on their further progress as KfW may request and

f) of its own accord promptly inform KfW of any and all circumstances that preclude or seriously jeopardize the execution of the Expert Services or their purpose

6.2 The Recipient and KfW shall determine the details pertinent to Article 6.1 by a separate agreement.

**Article 7**

**Publication and transfer of expert services-related information**

7.1 To comply with internationally accepted principles of utmost transparency and efficiency in the development cooperation, KfW publishes selected information (including evaluation reports) about the Expert Services and how they are financed during pre-contractual negotiations, while the expert services-related agreement(s) is (are) being implemented and in the post-contractual stage (hereinafter referred to as the "Entire Period").

The information is published regularly on KfW’s website for its business area “KfW Development Bank” (http://transparenz.kfw-entwicklungsbank.de/).

The publication of information (either by KfW or third parties in accordance with Article 7.3 below) about the Expert Services and how they are financed does not include any contractual documentation or any sensitive financial or business-related detailed information about the parties involved in the Project or its financing, such as

a) Information about internal financial data;

b) business strategies;

c) internal corporate guidelines and reports;
d) personal data of natural persons;
e) KfW's internal rating of the parties financial position.

7.2 KfW shares selected information about the Expert Services and how they are financed during the Entire Period with the entities mentioned below, particularly to ensure transparency and efficiency:

a) subsidiaries of KfW;
b) the Federal Republic of Germany and its competent bodies, authorities, institutions, agencies or entities;
c) other implementing organisations involved in German bilateral development cooperation, particularly the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH;
d) international organisations involved in collecting statistical data and their members, especially the Organisation for Economic Cooperation and Development (OECD) and its members.

7.3 Furthermore, the Federal Republic of Germany has requested, KfW to share selected information about the Expert Services and how they are financed throughout the Entire Period with the following entities, which publish the sections relevant to the purpose:

a) Federal Republic of Germany for the purposes of the International Aid Transparency Initiative (http://www.bmz.de/de/was_wir_machen/wege/transparenz-fuer-mehr-Wirksamkeit/index.html);
b) Germany Trade & Invest (GTAI) for the purposes of market information (http://www.gtai.de/GTAI/Navigation/DE/trade.boo);
c) OECD for the purpose of reporting financial flows in the framework of development cooperation (http://stats.oecd.org/);
d) German Institute for Development Evaluation (DEval) for the purposes of evaluating the overall German development cooperation to ensure transparency and efficiency (http://www.deval.org/de/).

7.4 KfW further reserves the right to transfer (including for the purposes of publication) information about the Expert Services and how they are financed during the Entire Period to other third parties so as to safeguard legitimate interests.

The information is not transferred by KfW to other third parties if the legitimate interests of the Recipient in the information not being transferred outweigh KfW's interests in it being transferred. The legitimate interests of the Recipient particularly include the confidentiality of the sensitive information mentioned in Article 7.1, which is excluded from publication.

Furthermore, KfW is entitled to transfer information to third parties if this is necessary due to statutory or regulatory requirements or to assert or defend claims or other legal rights in court or administrative proceedings.
Article 8

Miscellaneous Provisions

8.1 The Recipient shall ensure that the persons charged by the same with the preparation and implementation of the Expert Services, the award of any contract for the Expert Services to be financed and with requesting disbursements of financial contribution amounts do not demand, assume, render, grant, promise or obtain a promise of unlawful payments or other advantages in connection with these tasks.

8.2 The Recipient shall not enter into any transactions or engage in any other activities in relation to the Expert Services that would constitute a breach of embargoes regulating foreign trade or of so-called financial sanctions of the United Nations Security Council, the European Union or the Federal Republic of Germany.

8.3 If any of the provisions of this Agreement is invalid, all other provisions shall remain unaffected thereby. Any gap resulting therefrom shall be filled by a provision consistent with the purpose of this Agreement.

8.4 The Recipient may not assign or transfer, pledge or mortgage any claims from this Agreement.

8.5 This Agreement shall be governed by the law of the Federal Republic of Germany. The place of performance shall be Frankfurt am Main.

8.6 The legal relations between KfW and the Recipient established by this Agreement shall terminate six years after the final disbursement.

Done in 3 originals in the English language.

Frankfurt am Main, the 2019
KfW

Accra the 2019
Republic of Ghana, represented by the Ministry of Finance

_______________________  _______________________
Name, Function:        Name, Function:
Dear Sir or Madam

In accordance with the Loan Agreement and Financial Agreement entered into between Republic of Ghana ("Borrower") and KfW ("KfW") dated ...................... the following shall be determined by separate agreement:

**Pursuant to Article 1.2:**

the details of the Project and Expert Services (together referred to as "the Project") as well as the goods and services to be financed from the Loan and financial contribution (accompanying measures);

**Pursuant to Article 2.1:**

the disbursement procedure, in particular the evidence proving that the disbursed loan and financial contribution amounts are used for the stipulated purpose;

**Pursuant to Article 7.2:**

the details pertaining to Article 7.2 of the Loan Agreement and pertaining to Article 6.1 of the Financing Agreement.
We propose that the following be agreed upon:

I. **Project Design**

1. **Details of the Project**

   The Project concerns the Outgrower and Value Chain Fund (OVCF), Phase III. The purpose of the Project is the improvement of quantity and/or quality of production in selected value chains of the Ghanaian agriculture, particularly through the provision of medium to long-term loans and linkage of producers to domestic and export markets via contractual relations with Agribusiness Companies (outgrower schemes). This is to contribute to the increase of income of smallholder farmers (target group), thereby reducing rural poverty. The criteria for reaching these objectives, the Project results and the required Project activities as well as the assumptions underlying the Project purpose and the Project results are contained in Annex 1.

   The design of the Project is based on the currently revised Operational Manual, the evaluation and recommendations of RiSkill (April 2016) and the CIDR Implementation Completion Reports on OVCF I and II available to KfW and the Borrower and on the agreements made between KfW and the Borrower during the local Project appraisal mission from 11.07. – 21.07.2016 (see Minutes of Meeting dated 21.07.2016) and during the implementation support mission from 02.05. – 11.05.2018 (see Minutes of Meeting dated from 18.06.2018).

   The following Project activities shall be financed from the Loan:

   - Costs for the establishment of plantations and productive infrastructure related to outgrower schemes,
   - Spot improvements of infrastructure related to outgrower schemes,
   - Specific scheme management services.

   The following Project activities shall be financed from the financial contribution:

   - Fund management,
   - Complementary studies,
   - Policy monitoring and steering

2. **Time Schedule**

   The underlying time schedule for the preparation, implementation and operation of the Project is contained in Annex 2.

3. **Total Cost and Financing**

   The estimated total Project cost ("Total Cost") underlying the Project appraisal is approximately EUR 41,69 million. The Loan amount is EUR 19,69 million and the amount of the financial contribution is EUR 2 million. The composition of Total Costs and the financing plan are contained in Annex 3.

4. **Changes in the Project Design**

   Any major changes in the Project design shall require KfW's prior consent, including any major change regarding the procurement procedures. The Borrower shall inform KfW
thereof immediately, stating the reasons, the planned measures and the consequences of
the change (including on Total Cost). Execution of such measures may commence only
on the basis of revised planning and upon KfW's consent.
II. Project Implementation

1. Responsibilities and Time, Cost and Financing Schedule

1.1 The Ministry of Food and Agriculture (MoFA) shall be responsible for the implementation of the Project. The overall organisational structure of the OVCF will consist of two parts, namely (I) the policy and supervision structure and (II) the management and administration structure.

1.2 The policy and supervision structure consists of a Steering Committee (SC) and a Technical Compliance Committee (TCC). The SC shall oversee the overall implementation progress and make policy recommendations. It consists of members of MoFA, Ministry of Finance (MoF), Bank of Ghana (BoG), and other important stakeholders. The TCC is the investment advisory body of the OVCF. It screens and evaluates loan applications to ensure compliance with the investment criteria of the OVCF (eligibility criteria), makes recommendations to the SC for approval of the reviewed loan applications and proposes amendments to the operational guidelines to the SC for approval. The TCC is composed of members drawn from MoFA, MoF, BoG, FMT as well as subject matter specialists co-opted from time to time by the TCC to attend TCC meetings. The composition and exact tasks of these committees are described in the recently revised Operational Manual (see annex 4) and respective annexes.

1.3 The Fund Management Team (FMT) assists the MoFA in managing the OVCF. It is recruited on a competitive basis (with the exception of the M&E specialist) and operates under a Consultant Services contract with MoFA. The responsibilities and duties of the FMT are defined in the recently revised Operational Manual (see annex 4).

1.4 The members of a typical outgrower and value chain scheme shall be the Technical Operators (TO), the Financial Operators (FO), and the small-scale Outgrowers (OGs).

The OGSs shall have the obligation in the process of the project to provide certificated user rights for the farming land, to invest in modern production inputs, to deliver his harvest to the TO and to serve the credit repayment as well as the interest rates. They shall organize themselves in "Outgrower Associations". These Associations should be in charge of price negotiations with the TO and the FO and should oversee the regular delivery of the products to the TO and the repayment of the individual credits to the FO.

The TO shall provide technical and advisory services to the outgrowers to ensure quality standards of the production and guarantee to purchase the harvest according to agreed prices. The price definition (method of calculation and the relevant references) should be defined in the Tripartite Agreement. He shall also be in charge for technical project coordination. Together with the FO, he selects the participating outgrowers according to the eligibility criteria. In normal cases, he should arrange to deduct loans falling due from sales proceeds of outgrowers to pay the FO. The TO must have an Environmental and Social Action Plan (ESAP) that demonstrates the compliance with E&S Ghanaian and IFC performance standards.
The FO is intended to approve the farmer's credit applications. He shall have the obligation to provide loans either through the TO to OGs or directly to outgrowers and provide banking services to the TO as well as to the OGs. He shall accompany the clients throughout the loan duration. Among others, the financial operator shall regularly issue statements of accounts and follow up very closely their customers' debt services. The financial operator shall bear the credit failure risk.

1.5 The BoG shall receive funds in tranches disbursed by KfW. It shall disburse the funds to the financial operators (FOs) based on approved applications. BoG shall also ensure the repayment of loans by the FOs.

1.6 The detailed time, cost, and financing schedule, updated regularly for the proper technical and financial implementation of the Project, shall be prepared as soon as possible by the Borrower in cooperation with the Fund Manager and submitted to KfW. Such schedule should show deadlines, amounts, the intended chronological interrelation of the Project activities and the resulting financial requirements. If any deviation from such schedule becomes necessary during the implementation of the Project, KfW shall be furnished with a revised schedule.

1.7 The authorized party for signing the disbursement requests shall be the Republic of Ghana represented conjointly by the Ministry of Finance and the Ministry of Food and Agriculture (the "Authorized Party").

2. Environmental, Social and Health & Safety Compliance

2.1 The MoFA in cooperation with the Fund Manager shall at all times carry out its business and operations in compliance with all applicable national environmental, occupational health & safety and social laws and regulations.

2.2 The MoFA in cooperation with the Fund Manager shall be responsible for the preparation, implementation and operation of the Project in compliance with IFC environmental and social standards and the World Bank Group general and sector-specific EHS Guidelines. In particular, the MoFA in cooperation with the Fund Manager shall ensure that – after KfW's No-Objection – the agreed environmental and social documents but at least an easy to understand summary of the main environmental and social findings and mitigation measures including the stakeholder engagement process (e.g. Non-Technical Summary) as well as any additionally agreed environmental and social actions of interest for the public (e.g. Environmental and Social Action Plan – ESAP) are made publicly available in the Project area as soon as reasonably practicable, in an accessible and culturally appropriate manner, for an adequate time to allow Project affected people to voice concerns and suggestions, and if appropriate, are disclosed on the OVCF's website.

2.3 The MoFA in cooperation with the Fund Manager shall comply with the Fundamental Conventions of the International Labour Organization (ILO).

2.4 The MoFA in cooperation with the Fund Manager shall ensure that occupational and public health and safety provisions are consistent with national requirements and international good practice standards, and put forward to contractors, subcontractors, and to suppliers, in particular those for major supply items.
2.5 The Recipient shall develop and implement a grievance mechanism satisfactory to KfW, which is accessible to the general public and in particular to Project affected persons, and to the workforce engaged in Project implementation.

3. Assignment of a Consultant

3.1 The duties of the consultant shall comprise the management of the OVCF (Fund Management services). Furthermore, short-term consultants may be recruited to carry out specific studies, which are crucial for the OVCF. KfW and MoFA shall agree by exchange of letters on the study themes and whether they shall be financed out of the loan or financial contribution.

The Consultant shall support the MoFA in designing and implementing the tender procedures and the award of contracts in conformity with KfW guidelines for tendering of goods and services and in compliance with the Environmental and Social Standards as set out in Section II.2.

3.2 Following preselection and International public Competitive Bidding (ICB), the contract shall be awarded to an independent qualified consultant. The contract awarding procedure shall be governed by the "Guidelines for the Assignment of Consultants in Financial Cooperation with Partner Countries" (Annex 5), which forms an integral part hereof.

3.3 In the pre-qualification notice or - if no pre-qualification is conducted - in the invitation for tenders, the Project-Executing Agency shall obligate the bidders to submit together with the bidding documents or together with the bid a properly executed declaration of undertaking (Annex 5).

3.4 The contract for the Fund Manager services will be tendered for 3 years (Phase III). Any contract extensions have to be financed out of the Loan.

4. Award of Contracts for Goods and other Services

4.1 The contracts for the provision of financial services to the farmers ((so called Framework Loan Agreements (FLA)) shall be concluded between the BoG (as the custodian of the OVCF Project on behalf of MoFA) and the FO. The outgrower group and/or the nucleus company (TO) shall propose a financial operator (a bank) for their respective scheme. The fund manager shall examine the technical aptitude of the proposed financial operator and of the outgrower scheme including outgrowers and technical operator (see eligibility criteria in the currently revised Operational Manual). The selected financial operator shall have a good financial standing (sound financial situation as indicated in the revised Operational Manual) and shall be licensed by the BoG. Each financial operator shall declare in writing its willingness to cooperate with the project. The awarding of the financing contract shall require KfW's prior approval. For this purpose, the borrower shall submit to KfW a qualified proposal and draft contract.

4.2 In each outgrower scheme, an outgrower shall conclude a tripartite contract with the technical operator and the financial operator. The Tripartite Agreement shall define the roles and responsibilities of contract partners, credit conditions, modalities for input supply, technical and advisory services, project management and finally yet importantly, the supply conditions for the farmers to the technical operator.

4.3 The conclusion of other contracts of goods and services shall be in compliance with the "Guidelines for Procurement of Goods, Works and associated Services in Financial
Cooperation with Partner Countries" (Annex 6), which forms an integral part hereof. The contracts for goods and all other services shall be awarded in cooperation with the consultant by way of competitive bidding. If the estimated value of the proposed tender exceeds 200,000 EUR and/or if the proposed tender is an international one then the tender documents shall be submitted to KfW for comments in due course prior to the publication of the invitation to tender. For all tenders the bidding period shall be fixed in a way that allows the bidders sufficient time to prepare their bids. Details concerning the awarding procedure and contractual provisions are explained in the "Guidelines for Procurement of Goods, Works and associated Services in Financial Cooperation with Partner Countries" (Annex 6).

4.4 In the pre-qualification notice or - if no pre-qualification is conducted - in the tender documents, the Project-Executing Agency shall oblige the bidders to submit together with the pre-qualification documents or together with the bid a declaration of undertaking (Annex 6).

4.5 When concluding contracts for goods and services to be financed from the Loan, the Borrower shall also observe the following principles:

a) As no import duties may be financed from the Loan pursuant to Article 1.3 of the Loan Agreement, such import duties, if part of the contract value, shall be stated separately in the contracts for the goods and services and in the invoices.

b) If payments due under the contracts for goods and services are to be made from the Loan, said contracts shall include a provision stipulating that any reimbursements, guarantee or similar claimable payments and any insurance payments shall be made for account of the Borrower to account no. 38 000 000 00 (IBAN: DE53 5002 0400 3800 0000 00) at KfW, Frankfurt am Main (BIC: KFWIDEFF; BLZ 500 204 00), with KfW crediting such payments to the account of the Borrower. If such payments are made in local currency, they shall be remitted to a special account of the Borrower in the country of the Borrower, which may be drawn on only with the consent of KfW. Such funds may be re-utilized for the execution of the Project with KfW's consent.

4.6 Prior to the conclusion of a contract for goods and services KfW shall be furnished for comment with the draft contract as agreed upon, duly provided with the visa of the consultant or fund manager. The same applies to any subsequent modifying or amending agreements.

4.7 KfW will substitute its “Guidelines for the Assignment of Consultants in Financial Cooperation with Partner Countries” and “Guidelines for Procurement of Goods, Works and Associated Services in Financial Cooperation with Partner Countries” on 01.01.2019 by a consolidated new version. A non-binding draft version thereof has been made available to MoFA, who agrees to comply with the new Guidelines as of 01.01.2019.

5. Provisions for the Proper Operation of the Project

5.1 To secure the proper operation of the Project, the Borrower shall submit respective operation and maintenance concepts drawn up in cooperation with the respective technical operators, including an operational Environmental and Social Management Plan (ESMP, see also annex 4). The operational Environmental and Social Management Plan
shall encompass an Occupational Health and Safety (OHS) and labour conditions management plan. 5.2 At the same time the Borrower shall submit to KfW a financial forecast, drawn up in cooperation with the consultant, for the schemes financed by the Project. This forecast is to show the expenses caused by the Project and the earnings to be expected for the particular schemes at the time they occur. The Borrower shall periodically update this forecast and ensure that any financing gaps shall be covered in due course. The Borrower shall transmit such financial forecast and its revised versions to KfW without any delay.

III. List of Goods and Services and Disbursement Procedure

1. List of Goods and Services

1.1 The list of the goods and services to be financed from the Loan shall be prepared on the basis of the contracts concluded for such goods and services. Accordingly, KfW shall be furnished with an original or a copy of each of said contracts and of any pertinent amending contracts.

1.2 If any Project measures are to be executed on force account and no contracts have been concluded, KfW shall receive, in lieu of the contracts, a schedule of the measures planned, broken down by main cost categories ("schedule of force-account measures"). Costs incurred for general administration in connection with force-account work must not be included in said schedule of force-account measures.

1.3 The KfW shall inform the Borrower on request of the amounts of the Loan that it has reserved for financing (list of goods and services).

2. Disbursement Procedure

Disbursement shall be governed by the regulations as stipulated in Annex No. 7 (Disbursement Procedure) which forms an integral part of this agreement.

IV. Reporting and Other Provisions

1. Reporting

1.1 Until further notice, the Borrower shall report to KfW quarterly on the progress of the Project (progress reports), as well as on the development of all other important general conditions including environmental and social performance, topics of occupational health and safety and labour conditions, community relations and grievances which may have occurred. The reporting requirements are further defined in Annex 7.

1.2 In addition to the requirements under paragraph 1.1, the Borrower shall report on all circumstances that might jeopardize the achievement of the overall objective, the Project purpose and the results. With regard to environmental and social matters, including occupational and community health & safety and labor issues as well as impacts on adjacent population, the Borrower shall notify KfW promptly of any event, incident or accident in relation to the Project execution that
(i) has, or is likely to have a direct or potentially material adverse effects
(ii) has attracted or is likely to arouse substantial adverse attention of outside parties or
to create substantial adverse media/press reports, or
(iii) gives, or is likely to give rise to material potential liabilities.
The Borrower shall also inform KfW of details of any measures taken to mitigate or remedy
the effects or cause of such events.

1.3 If the Borrower has charged the consultant to write the progress reports and/or the final
report, the Borrower shall comment on the reports or acknowledge its approval of the
content by countersigning the reports.

1.4 After completion of the Project, the Borrower shall report on its further development (see
Annex 7 for details). KfW shall in due course inform the Borrower about the end of the
reporting period.

2. Other Provisions

2.1 The Borrower shall send KfW all such documents as are necessary for KfW to give the
comments and approvals mentioned above or in the enclosed guidelines early enough to
allow reasonable time for examination.

2.2 The Borrower shall set up Project sign boards that will contain at least the following
message:

"A development project of the Republic of Ghana, co-financed by the Federal Republic of
Germany through KfW."

A project seal provided by the German Embassy shall be placed on the project sign board.

2.3 The above provisions may be amended or modified at any time by mutual consent if this
should appear useful for the implementation of the Project or the execution of the Loan
Agreement or the Financing Agreement. In all other respects, the provisions of
Articles 6.3, 8. and 9 of the Loan Agreement and the provisions of Articles 5.2, 7 and 8 of
the financial agreement shall apply to this Agreement accordingly.

Please confirm your consent to the above Agreement by signing in a legally binding form
and returning the enclosed copies.

Please forward a copy of the present letter in due course to the consultant.

Yours sincerely,

KfW

Annexes
Annex 1: Project Results Matrix
Annex 2: Time Schedule
Annex 3: Total Cost and Financing
Annex 5: Guidelines for the Assignment of Consultants in Financial Cooperation with Partner Countries (Fl037122)
Annex 6: Guidelines for Procurement of Goods, Works and associated Services in Financial Cooperation with Partner Countries (Fl037127)
Annex 7: Disbursement Procedure
Annex 8: Content and Form of Reporting to KfW

Read and agreed:

Accra,

Ministry of Finance

Ministry of Food and Agriculture
# Outgrower and Value Chain Fund, Phase III

## Project Results Matrix

**Project Title:** Outgrower and Value Chain Fund III  
**Date of Update:** 11th September, 2018

<table>
<thead>
<tr>
<th>Summary</th>
<th>Success Indicators</th>
<th>Verification sources</th>
<th>Assumptions / Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Program objective (Overall objective of German - Ghanaian Development Cooperation)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| OVCF contributes to Program Objective:  
*Wide-ranging and sustainable real growth in the agricultural sector, notably in those regions and value-added chains (VAC), which are supported by the German Development Cooperation.* | | | |
| | Reporting of Fund Manager | | |
| **Project objective (Outcome)** | Increase agricultural production and yield, improve access to finance and enhance linkages to domestic and export market. | | |
| | Total number of farmer (women) participating in Outgrower Schemes that access the Fund  
**Target:** > 12,000 (4,200) (12/2021)  
**Status:** 4,610, (n.a.) (06/2018)  
*Portfolio development: Total amount committed by OVCF 4 years after signature of Phase III.*  
**Target:** > EUR 50.0 million (12/2022)  
**Status:** EUR 20.3 million (06/2018) | | |
| | Political and economic stability in Ghana  
The Security Situation remains stable  
BOG and the Ghanaian banking sector remain functional  
Inflation in Ghana (currently around 9.6% - April 2018) does not increase significantly | | |
### Annex 1

<table>
<thead>
<tr>
<th><strong>Number of FO that offer financial products for value chain financing.</strong></th>
<th><strong>Domestic agricultural production (Terms of Trade) remains competitive</strong></th>
</tr>
</thead>
</table>
| **Target:** > 8 (12/2021)  
**Status:** 6 (08/2018) | **The respective tripartite agreements are honoured and enforceable.** |

<table>
<thead>
<tr>
<th><strong>Number of outgrowers that have access to finance for investments and markets to sell its produce.</strong></th>
<th><strong>Climate stability and absence of other natural disasters (drought, El Niño, floods, pest infestation)</strong></th>
</tr>
</thead>
</table>
| **Target:** > 7,000 (12/2022), > 3,500 women  
**Status:** 3,815 (03/2018), 1,526 women | **No drastic restriction of foreign trade (i.e. by embargos and punitive tariffs)** |

Increase in agricultural production and yield (in t per surface in ha) as a result of productive investments undertaken by OG schemes  
**Baseline:** Business Plans  
**Target:** + 30% increase.  
**Status:** *No information available.*  
**Baseline studies undertaken for six schemes.**

Increase in sales and exports as a result of productive investments undertaken by the OG schemes.  
**Baseline:** Business Plans  
**Target:** + 30% increase.
### Output

1. **OVCF** is established as a sustainable Refinancing Facility for medium to long-term financing in the agricultural sector.

   Repayments and interest earnings are retained in a special account and will be used for loan commitments of the Fund once FC funds have been disbursed (revolving facility, RF)

   **Baseline:** 0%
   **Target:** RF set-up
   **Status:** RF yet to be set-up (Phase III)

   Adequate and continuous financing and appropriate Fund Management is established when FC financed Consultancy ends (expected duration: 3 years).

   **Baseline:** 0% (self-financing)
   **Target:** 100% (self-financing)
   **Status:** 0% (self-financing)

2. **Financial Institutions** being refinanced under OVCF (Financial Operators, FO) are enabled to sustainably offer medium to long-term financing products and services for agricultural investment (Value Chain Financing).

   Number of Financial Institutions (FO) providing access to finance for productive investments to Outgrowers

   **Target:** > 8 (12/2022)
   **Status:** 6 (08/2018)

### Reporting of Fund Manager

*The current practice between local banks to acquire government bonds, instead of granting credits does not increase further.*

*Outgrower associations have the capacity to negotiate fair agreements with FO and TO (no side selling).*
| 3. An Environmental and Social Management System (ESMS) in line with KfW Development Bank Sustainability Guidelines has been developed and is operational. | ESMS has been developed. Respective processes and procedures are described in the Operational Manual. Reporting is conducted in accordance with the Operational Manual.  
**Target:** ESMS developed (12/2021)  
**Status:** Process ongoing. ESDDs approved by KfW for rubber, cocoa and maize-poultry schemes. Final reports for maize-soy-sorghum, oil palm and cassava-gari complying with national standards sent for KfW approval by June 2018. | Reporting of Fund Manager. |
|---|---|---|
| 4. A coherent Monitoring & Evaluation System including  
  a) Implementation Monitoring (basis: Tripartite Agreement and Business Plan)  
  b) Environmental and social monitoring (basis: ESMS) | Reporting scheme developed and used for reporting. Reporting is conducted in accordance with Operational Manual and Separate Agreement.  
**Target:** Yes (12/2021)  
**Status:** Process ongoing. | Reporting of Fund Manager. |
c) Impact Monitoring has been developed and is operational.

<table>
<thead>
<tr>
<th>(Key) activities in the module</th>
<th>Do not complete!</th>
<th>Do not complete!</th>
</tr>
</thead>
<tbody>
<tr>
<td>* Inform and advise potential clients</td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Analyse and approve credit schemes based on criteria of the approved Operational Manual (OM)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Refinance approved credit schemes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Supervise and support OVCF stakeholders, incl. their compliance to environmental and social performance standards.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Ensure proper and efficient use of funds incl. organisation of technical and financial audits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Develop and apply an adequate Environmental and Social Management System (ESMS)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Develop and apply an informative impact monitoring system (economic, environmental, social) that systematically tracks scheme implementation on the basis of information to be provided by relevant stakeholders (BoG, FO, TO, Outgrowers...)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
- Provide capacity building to FO (spot interventions)
- Report in accordance with the provision of the OM and Separate Agreement.
### Outgrower and Value Chain Fund, Phase III
#### Time Schedule for the Project

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quarter</td>
<td>I</td>
<td>II</td>
<td>III</td>
<td>IV</td>
<td>I</td>
</tr>
<tr>
<td>Activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revised Operational Manual approved by TCC, SC and KfW</td>
<td></td>
<td></td>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>M&amp;E Framework finalised and approved by all parties</td>
<td></td>
<td></td>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Decisions on cashew-honey, cassava-starch, soybean and orange fleshed sweet potato schemes (OVCF II pipeline)</td>
<td></td>
<td></td>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Total amount committed by OVCF: &gt; EUR 30 million</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Electronic database and renewed OVCF website operational</td>
<td></td>
<td></td>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Total amount disbursed by OVCF: &gt; EUR 17 million</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Loan and Financial Agreement approved by the Ghanaian Parliament and Cabinet</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>---</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract of new FMT signed</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Start of work of the new FMT</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total amount committed by OVCF: &gt; EUR 40 million</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finalization of E&amp;S action plans for all schemes approved by 2018</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8 FOs that offer financial products for value chain financing.</td>
<td>x x x x x x</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total amount committed by OVCF: &gt; EUR 50 million</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adequate and continuous financing and appropriate Fund Management is established when FC financed Consultancy ends</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Outgrower and Value Chain Fund, Phase III
Total Cost and Financing

<table>
<thead>
<tr>
<th>COST</th>
<th>FINANCING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total costs (EUR in 1,000*)</td>
<td>KfW-Loan (EUR in 1,000*)</td>
</tr>
<tr>
<td></td>
<td>KfW-Grant (EUR in 1,000*)</td>
</tr>
<tr>
<td></td>
<td>Total financing</td>
</tr>
<tr>
<td>1. Investments</td>
<td>19,690</td>
</tr>
<tr>
<td>(credit outgrower schemes incl. infrastructure investments (roads, power lines etc.))</td>
<td>19,690</td>
</tr>
<tr>
<td>2. Accompanying measures</td>
<td>2,000</td>
</tr>
<tr>
<td>(Management of the Fund)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>2,000</td>
</tr>
<tr>
<td>TOTAL COST</td>
<td>21,690</td>
</tr>
</tbody>
</table>
Annex 4

Outgrower and Value Chain Fund, Phase III
Revised Operational Manual (Non-Objection of KfW dated September 2018)
Content and Form of Reporting to KfW

The Ministry of Food and Agriculture (MoFA) shall be accountable for reporting and monitoring of the OVCF activities. MoFA shall submit to KfW quarterly project progress and financial reports.

Preamble: The quarterly project progress and financial reports of the Program are to be submitted by the Project Executing Agency (assisted by the Consultant) to KfW as concise quarterly reports (not more than 25 pages plus annexes) as electronic mail and one hard-copy. The reports must have been received by KfW no later than four weeks after the end of the period after review.

The reports must give a fair and realistic overview of the progress of the selected sub-projects (schemes) and the Project as a whole and should concentrate on the changes occurred since the previous report. These reports must refer explicitly to all foreseen and unforeseen incidents which are to be considered as risks for the implementation of the Project and/or the achievement of the Project objectives. They will deal with all aspects which are of relevance in this context.

Contents of the report

Templates for tables when required are provided for each part of the report. They must be substantiated by relevant narration and analysis.

1. Executive Summary (max 2 pages)

Summary and key points on:

- Evolution of the political and socio economic environment, and development interventions, during the quarter, with focus on the agriculture sector, highlighting challenges and opportunities for the fund.
- Institutional aspects of the fund: TCC and SC meetings, cooperation with other programs, main decisions taken during the quarter.
- FMT and short-term (ST) experts activities, including consultant backstopping during the quarter. Lessons learnt and challenges faced.
- Overall results achieved during the quarter in terms of number and nature of schemes, value chains financed, characteristics of participating banks, Technical Operators and Outgrowers Associations, loan disbursement (with breakdown between TO and OG, and purpose of loan), and percentage of funds committed disbursed, loan repayment and portfolio quality, progress in achievements of ESMS, achievement of business plan targets and M&E indicators, compliance with contractual commitments by the different stakeholders, grants disbursements (by nature of grant), ...
- Overall analysis of performance of the schemes, with focus on schemes at risk or problematic, with measures taken or envisaged to address the issues identified.
- Status of agreements reached during last KfW mission and implementation of external evaluation recommendations.
- Lessons learnt and challenges faced.
Main perspectives for the next quarter.

2. Status of agreements reached during last KfW mission and implementation of external evaluation recommendations

The text should provide an overall analysis of level of implementation, highlighting items non implemented and justification for non implementation.

3. FMT and Short Term experts services

Description of the FMT organization and staffing, including recourse to ST experts. Significant changes during the quarter to be highlighted.

Description and analysis of activities implemented by the FMT and ST experts during the quarter. Reconciliation Actual versus Planned. This part also addresses backstopping support provided by consultant (remote and during field backstopping missions).

4. Developments during reporting period

4.1 General Project Environment

4.1.1 Political, economic and regulatory / legal framework developments

Focusing on developments of the agricultural sector and related with the operations of the Fund.

4.1.2 Agricultural sector specific developments

Focusing on relevant value chains (for schemes in operations and in the pipeline).

4.1.3 Agri-finance sector specific developments

Focusing on who does what in agri-finance and how it relates to OVCF.

Based on 4.1.1, 4.1.2 and 4.1.3, analysis of the risks, challenges and opportunities for the Fund.

4.2 Institutional Aspects of the Fund

Description of modifications to executing agency structures and partners structures in the period covered by the report. Assessment of capacity development at the partner or executing agency.

Report on activities of TCC and SC, with main outcomes / decisions taken, highlighting the ones requiring approval from KfW.

Compliance by BoG on reporting on the fund transactions is also addressed here. Status of accounts managed by BOG has to be provided.

4.3 Cooperation with other donor programs (GiZ, USAID-FinGAP, GASIP, GCAP etc.)

Description of collaboration and / or perspectives of collaboration with the different existing or potential partners. Analysis of the value added of the partnership and challenges faced.

4.4 Loan Portfolio of the Fund, state of accounts, disbursements and repayments
Information and analysis on the loan portfolio based on the following tables and details provided in annexes 2 and 3:

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Amount committed</th>
<th>Amount disbursed by KfW to BoG</th>
<th>WA in the pipeline and status</th>
</tr>
</thead>
<tbody>
<tr>
<td>TO</td>
<td>OG</td>
<td>Total</td>
<td>TO</td>
</tr>
<tr>
<td>Scheme 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scheme 2</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>....</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Status of disbursements by KfW to BoG. Overall appreciation, focusing on divergences from planned schedules and providing explanations along with proposal for mitigating measures, as required.

Information and analysis of repayment of the FO to BoG.

Cases of schemes recalled or stalled should be mentioned.

In case of grants, a specific analysis should be provided.

Challenges faced and lessons learnt.

Risk profile of the portfolio (quality of loan portfolio, division of risk between schemes, concentration on value chains, FOs, risk linked to economic, political and regulatory environment, ...). Measures taken to improve portfolio quality as required.

### 4.5 Participating Banks (FO)

<table>
<thead>
<tr>
<th>FO</th>
<th>Category (UB, RB, ...)</th>
<th>Agricultural portfolio (volume and % of)</th>
<th>Number of rural branches</th>
<th>Number of agricultural loan officers. Existence of a dedicated department for</th>
<th>Number of OVCF schemes</th>
<th>% of OVCF portfolio / Agricultural finance</th>
<th>Training received related to agricultural finance¹</th>
</tr>
</thead>
</table>

¹ Including from other organizations / Projects.
Analysis of the performance of the FOs, organization to deliver and monitor loans, quality of collaboration with OVCF, compliance with contractual agreements, other partnerships with Donors / Projects, needs for capacity building, ...

4.6 Progress with regard to the individual investments (schemes)

4.6.1 Scheme 1:
4.6.2 Scheme 2:
4.6.3 ....

For each schemes, with references to details in annex 3, summarize current status of the scheme, in term of disbursements, repayments, grants, compliance with business plan targets, M&E indicators, performance and challenges for TOs and OGs, quality of relations between TO and OGs, ...

Specific attention to be given to problematic schemes, with clear description and analysis of the issues and measures taken to address the situation.

If a new scheme has been approved during the quarter, provide details on the scheme (FO, TO, OG, loan characteristics and grants, business plan targets, ES action plan, ...).

4.7 Status of OVCF Pipeline

<table>
<thead>
<tr>
<th>Value chain</th>
<th>FO, TO and OGs (with short description)</th>
<th>Status (step reach in the process as per OM)</th>
<th>Projected scope of the scheme</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheme 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scheme 2</td>
<td></td>
<td></td>
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<tr>
<td>....</td>
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<td></td>
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</tr>
</tbody>
</table>
Total

Overall analysis of the schemes in the pipeline, and specifications on estimative dates for approval and disbursements. Main actions yet to be taken.

5. **Target Achievement / Impact**

Description and assessment of the achievements to date, supported by a statement explaining how indicators have been satisfied (where this is both feasible and relevant at the time of reporting). This section should give KfW a clear indication as to whether the FC measure as a whole is "on target".

6. **Employment creation**

Progress of the individual investments and the Project as a whole: Information on job creation (full-time, part-time) differentiated by gender.

7. **Progress in the implementation of the Fund's Environmental and Social Management System (ESMS)**

Activities (Actual versus Planned), results, challenges encountered, proposed solutions. Based on details provided for each scheme in annex 3 and status of compliance in annex 4.

8. **Adherence to Special Implementation Agreement of Separate Agreement to Loan / Financing Agreement**

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<tr>
<th>Item</th>
<th>Level of adherence</th>
<th>Comments</th>
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9. **Risks and Mitigating Measures**

Any problems, constraints or incidents hindering or endangering the execution and/or the results of the consultancy services and the operation of the Fund. Measures taken to solve these problems and constraints of the period under review.

10. **Need for Action**

This section sets out all the recommendations on actions to be taken that have arisen from the process of describing and evaluating progress during the period covered by the report. Any changes that are needed and any statements of fact which require authorization should also appear here.

Analysis of the level of implementation of previous agreed upon actions is also provided here. Detailed status to be provided in annex 8.
Annex 8

11. Conclusion and main perspectives for the next quarter

Annexes

Annex 1: Results Matrix (LogFrame with indicator values updated)

Annex 2: Status of the fund commitments and disbursements

Annex 3: OVCF Investment Updates for each scheme with Cumulative data. Data on the scheme and performance of the scheme (including business plan targets achievement, M&E indicators achievement, status of E&S action plan, compliance with contractual commitments, partnerships with other Donors / Projects, evolution of environment affecting the scheme, FMT specific activities for the scheme, ... challenges and lessons learnt, ...).

Annex 4: Schemes compliance with applicable E&S safeguards.

Annex 5: OVCF Investment Pipeline with key data to allow for first assessment.

Annex 6: Geographical map with project sites (current and pipeline)

Annex 7: Status of implementation of agreements reached with KfW and recommendations of external evaluation.

Annex 8: Status of previously agreed upon actions and new proposed actions.

Annex 9: FMT and ST Experts activities planning and monitoring.

Annex 10: Status of accounts managed by BoG.