

**IN THE THIRD SESSION OF THE FOURTH PARLIAMENT OF THE FOURTH  
REPUBLIC OF GHANA**

**REPORT OF THE  
FINANCE COMMITTEE**

**ON**

**THE FINANCING AGREEMENT  
BETWEEN**

**THE GOVERNMENT OF THE REPUBLIC OF GHANA AND  
THE INTERNATIONAL DEVELOPMENT ASSOCIATION  
FOR AN AMOUNT OF TEN MILLION, ONE HUNDRED  
THOUSAND SPECIAL DRAWING RIGHTS  
(SDR10,100,000) (US\$15 MILLION EQUIVALENT)**

**TO FINANCE THE FIRST PHASE OF THE SUPPORT  
PROGRAM OF THE  
WEST AFRICA AGRICULTURAL PRODUCTIVITY  
PROGRAM (WAAPP)**

**21<sup>ST</sup> JUNE 2007**

## **INTRODUCTION**

The Financing Agreement between the Government of the Republic of Ghana and the International Development Association for SDR 10.10 million was laid in the House on Friday, 15<sup>th</sup> June 2007 and referred to the Finance Committee for consideration and report in accordance with Article 181 of the Constitution and the Standing Orders of the House.

To consider the Financing Agreement, the Committee met with the Deputy Minister of Finance & Economic Planning, Hon. Dr. A. Akoto Osei, Deputy Minister of Food & Agriculture Hon. Clement Eledi, officials from Center for Scientific and Industrial Research (CSIR) and the two Ministries and reports as follows:

### **1.0 BACKGROUND**

The Economic Community of West Africa States (ECOWAS) has adopted the West Africa Agricultural Productivity Program (WAAPP) as an implementing instrument (strengthening the drivers of growth) to help Africa reach the Millennium Development Goals.

The West Africa Agricultural Productivity Programme (WAAPP) is a pilot regional project in two phases of five years each. The program in the first phase involves three countries namely, the Republics of Ghana, Mali and Senegal. Each country is to receive a credit of **US\$15.0** from the International Development Association (IDA) to implement the agreed programme.

### **2.0 AIMS OF THE PROJECT**

The aims of the program are as follows:

- ❖ To improve regional cooperation in agriculture through sharing technology,
- ❖ To establish national centres of specialization and funding of technology generation and dissemination.

The participating countries which are Ghana, Mali and Senegal are to research into roots and tubers, rice and drought resistant sorghum and millet respectively.

This was identified by **West and Central Africa Council for Agricultural Research and Development (WECARD/CORAF)**, a regional body in a quantitative study in 2006 in the regions' first top priority commodity sub-sectors.

The study also indicated that sustained productivity increase in these commodities will be needed for the regions to substantially increase agricultural growth in order to reduce extreme poverty by 2015.

As part of the terms of the credit, WECARD/CORAF will conduct and coordinate the research activities of the three countries.

### **3.0 COMPONENTS OF THE PROJECT**

The components of the project include the following:

#### **(a) Enabling conditions for Regional Cooperation in Technology Generation and Dissemination**

This component aims at strengthening the mechanisms and procedures for the dissemination of technology, to allow participating countries to benefit from the regional cooperation in technology generation being promoted through:

- Establishing common regulations for the registration of genetic materials and pesticides at the ECOWAS level;
- Conducting a study on intellectual property rights that will recommend measures for harmonization between the systems existing in ECOWAS member countries;
- Supporting national registration committees for genetic materials and pesticides.

## **(b) National Centres of Specialization (NCOS)**

This component is to strengthen the alignment of national priorities with regional priorities within participating countries' National Agricultural Research Systems (NARS) through:

- Upgrading core facilities and equipment of the selected national centre for specialization;
- Building the capacity of researchers;
- Supporting farm surveys and supply chain analysis and benchmarking to identify most important areas of research and to monitor and document progress and impact of adopted technologies.

## **(c) Funding of Demand-Driven Technology Generation and Adoption**

This part will support competitive agricultural funding system at the national level by being priority-focused and providing transparent funding mechanisms for demand-driven agricultural Research and Development (R & D) through the:

- **Regional Window:**
  - (i) Provision of additional resources to allow CORAF to expand its knowledge sharing activities through the ECOWAS Member countries;
- **National Window:**
  - (ii) Provision of additional resources to complement ongoing and future Research and Development activities carried out under the country's agricultural policy and to disseminate technology in the country's top priorities as identified by West and Central Africa Council for Agricultural Research and Development (WECARD/CORAF).

#### 4.0 TERMS AND CONDITIONS OF THE CREDIT

- Loan Amount** - SDR10,100,000 (US\$15million equivalent)
- Grace Period (Moratorium)** - 10 years
- Repayment Period** - 30 years
- Commitment Charge** - One-half of one percent ( $\frac{1}{2}$  of 1%) per annum on the unwithdrawn balance
- Service Charge** - three-fourths of one percent ( $\frac{3}{4}$  of 1%) per annum payable on the withdrawn balance
- Repayment Period** - semi-annual installments payable on each April 15 and October 15 commencing April 15, 2017 to and including October 15, 2047

The SCHEDULE OF REPAYMENT is as follows:

Date Payment Due	Principal amount of the credit repayable (expressed as a percentage)
On each April 15 and October 15	
Commencing April 15, 2017 to and including October 15, 2026	1%
Commencing April 15, 2027 to and including October 15, 2046	2%

**Payment Currency** - US Dollar

## 5.0 OBERVATIONS

The Committee observed that a total of SDR670,000 (US\$1,000,000) will be made available by each participating country from its credit to WECARD/CORAF to enable WECARD/CORAF conduct and coordinate the research activities of the three countries.

The Committee again observed that the successful implementation of the project would contribute to increased agricultural productivity in the participating countries' selected top priority commodity sub-sectors.

It was also noted that the first phase of the project would generate and disseminate improved technologies in the participating countries' top priority areas that are aligned with the region's top priorities, as identified by CORAF.

The Committee was informed that the first phase of the project will last for five (5) years and it is envisaged that the credit will be effective by June 30, 2007 and close on June 30, 2012.

The Committee further observed that by the end of phase one of the project, the following would be achieved and/or established:

- (i) Common regulations for the registration of genetic materials and pesticides would be adopted at ECOWAS level;
- (ii) At least, three improved technologies in the participating countries' priority areas;
- (iii) Productivity improvement (crop yield) with at least one of the released improved technologies is 15% more over the control technology;
- (iv) Three national registration committees for genetic materials and pesticides are adopted at ECOWAS level;

- (v) A web-based information system on agricultural technologies and research skills is developed and maintained by CORAF;
- (vi) Three **National Centres of Specialization (NCOS)** in areas of both national and regional priorities have been developed by participating countries within their National Agricultural Research Scheme (NARS);
- (vii) A total of at least thirty (30) scientists with interest in the established NCOS have been supported by programs of visiting scientists to open NCOS to the region and beyond;
- (viii) At least 85% of completed project-funded Research and Development (R&D) sub-projects at national level have been implemented successfully, as assessed by independent review panels of experts;
- (ix) At least 80% of annual Activity Implementation Plan and related budget and procurement plan are executed in conformity with the implementation manual, and IDA procurement and financial management procedures;
- (x) A system for data collection, analysis and reporting on competitive Agricultural Research Grant Scheme (CARGS) and regional agricultural productivity is established and working satisfactorily.

The technical team informed the Committee that the project would be implemented by the Council for Scientific and Industrial Research (CSIR) under the purview of the Ministry of Food and Agriculture (MOFA).

## **6.0 CONCLUSION**

The Committee has carefully considered the Agreement and concludes that immense benefits would be derived from the

implementation of the project both at national and regional levels. The Committee therefore respectfully recommends to the House to adopt this report and approve by **Resolution** the Financing Agreement between the Government of the Republic of Ghana and the International Development Association (IDA) for an amount of **Ten Million, One Hundred Thousand Special Drawing Rights (SDR10,100,000) (US\$15 million equivalent)** to finance the First Phase of the Support Program of the West Africa Agricultural Productivity Program (WAAPP) in accordance with Article 181 of the Constitution and Section 7 of the Loans Act, 1970 (Act 335).

Respectfully submitted.



**HON. NII ADU DAKU MANTE**  
**CHAIRMAN**



**LOUIS YIADOM BOAKYE**  
**FOR CLERK, FINANCE COMMITTEE**

**21<sup>ST</sup> JUNE, 2007**