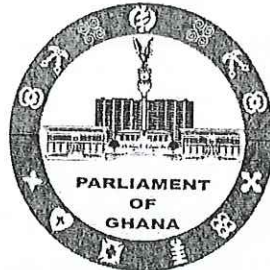


IN THE THIRD SESSION OF THE EIGHTH PARLIAMENT OF THE FOURTH REPUBLIC
OF GHANA



REPORT OF THE FINANCE COMMITTEE ON THE FINANCING AGREEMENT
BETWEEN THE GOVERNMENT OF THE REPUBLIC OF GHANA (REPRESENTED BY
THE MINISTRY OF FINANCE) AND THE INTERNATIONAL DEVELOPMENT
ASSOCIATION (IDA) OF THE WORLD BANK GROUP FOR AN AMOUNT OF ONE
HUNDRED AND FIFTY MILLION UNITED STATES DOLLARS (US\$150,000,000.00)
TO FINANCE THE WEST AFRICA FOOD SYSTEM RESILIENCE PROGRAMME -
PHASE 2 UNDER THE MULTIPHASE PROGRAMMATIC APPROACH.

1.0. INTRODUCTION

The Financing Agreement between the Government of the Republic of Ghana (represented by the Ministry of Finance) and the International Development Association (IDA) of the World Bank Group for an amount of One Hundred and Fifty Million United States Dollars (US\$150,000,000.00) to finance the West Africa Food System Resilience Programme - Phase 2 under the MultiPhase Programmatic Approach was presented to the house on Tuesday, 7th February, 2023 by the Hon. Deputy Minister for Finance, Mrs. Abena Osei Asare in accordance with article 181 of the 1992 Constitution of the Republic of Ghana and Section 56 of the Public Financial Management Act, 2016, Act 921.

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Pursuant to Article 103 of the Constitution and Order 17(1) of the Standing Orders of the House, the Agreement was referred to the Finance Committee for consideration and report.

Subsequent to the referral the Committee met with the Hon. Deputy Ministers for Finance and Food and Agriculture, Mrs. Abena Osei Asare, and Alhaji Hardi Tufeiru and Officials from the Ministry of Finance and the Ministry of Food and Agriculture.

The Committee is grateful to the Deputy Ministers and Officials for attending upon the it and assisting in the deliberations on the Agreement.

2.0. BACKGROUND

West Africa is currently experiencing its third year in a row of a food security crisis with some 16.7 million people in urgent need of food aid in 2020 and 27.1 million in 2021. According to the Food Crisis prevention network, 33.4 million people were projected to experience food crisis from June to August 2022.

As a response to the food crisis in the region, the World Bank group has developed the Food System Resilience Programme (FSRP) to increase food production to reduce the impact of the crisis. The Food System Resilience Programme (FSRP) is a regional initiative aimed at enhancing the sub-region's readiness for food insecurity and the resilience of its food systems, particularly of the participating nations. The project is to be implemented in phases with Phase 1 comprising Niger, Togo, Burkina Faso and Mali. Phase 2 is made up of Ghana, Sierra Leone, and Chad.

The goal of the program in Ghana is to build on the achievements of the recently completed Ghana Commercial Agriculture Project (GCAP) and the West Africa Agricultural Productivity Programme (WAAPP) in addition to consolidating improvements made under the "Planting for Food and Jobs" initiative. Despite the achievements of these programs, Ghana's food security is nevertheless impacted by a mix of low agricultural productivity, reliance on rain-fed agriculture, and climate change.

According to the World Food Program's Food Security Highlights (West Africa Issue 2, May 2021) the number of individuals experiencing food insecurity in Ghana is expected to be 1 million for the months of January through May 2021 and 0.4 million for the months of June through August 2021.

There is therefore the need to increase food production and improve food security, provide information on vulnerability, nutrition and food security, among others to enhance Ghana's capacity to plan for and carry out an effective response to food emergencies.

3.0. PROJECT OBJECTIVE

The project's primary goal is to support farmers and other value chain participants in strengthening their capacity to build resilience and improve food security systems in a sustainable way to withstand internal and external shocks. The project will strengthen Ghana's food systems by:

- i. Establishing, and operationalizing a digitized national data collection systems and database on pest and disease surveillance and linking

- them to regional platforms; weather/climate information systems and food security monitoring systems,
- ii. setting up and operationalizing a digital agro-advisory services,
 - iii. facilitating trade across key corridors and consolidating strategic food reserve systems,
 - iv. supporting the development of strategic and national/regional value chains,
 - v. strengthening private and public sector involvement in agriculture including regional agricultural trade; and
 - vi. increasing farmers' access to agricultural and nutrition sensitive technologies developed by research institutes and improving access to production and marketing services along target commodity value chains especially amongst women farmers.

4.0. JUSTIFICATION

The government of Ghana and the international development association signed a financial agreement of intent on developing and investing in the West Africa Food System Resilience Programme (FSRP) to enhance food security system in a sustainable manner. The recommended actions under the FSRP are primarily justified by their alignment and consistency with the existing major development strategies. The FSRP is in line with important objectives set forth in both Ghana's Medium-Term National Development Strategy Framework **(MNDPF 2022-2025)** and the United Nations Sustainable Development Goals as well as the priorities outlined by the Ministry of Food and Agriculture under the planting for Food and Jobs Program.

Since FSRP is a rural-focused intervention with a focus on reaching impoverished smallholder farmers in more disadvantaged locations, it is anticipated that it will speed up the outreach of interventions to the most vulnerable people.

5.0. TERMS AND CONDITIONS OF THE LOAN

The West Africa Food System Resilience Programme (FSRP) is to be funded by the International Development Association (IDA) of the World Bank Group (WBG) with an amount of One Hundred and Fifty Million United States Dollars (US\$150.0million) under the following concessional terms:

Financing Amount	-	US\$150.0M
Repayment Period	-	25 years
Grace Period	-	5 years
Tenor	-	30 years
Maximum Commitment Charge (this is waived for FY20)	-	0.5%
Service Charge	-	0.75%
Interest Charge	-	1.25%
Grant Element	-	25.86%

6.0. PROJECT SCOPE

The West Africa Food System Resilience Programme (FSRP) is a structured programme with Five (5) main components which is expected to be implemented within a five- year period (2022 to 2027) by the Ministry of Food and Agriculture (MOFA) in close collaboration with key stakeholders.

The project is aimed at strengthening national capacity to provide demand-driven digital advisory services through Agro-advisory and impact-based climate/weather information and early warning services. The overall idea is to promote the use of these services for decision making to aid agricultural production, value chain management, food crisis prevention, management and response, and ensuring effective collaboration between the public and the private sector.

The project also seeks to enhance the resilience of the food systems production base by strengthening food production and security as well as facilitate trade of agricultural goods and inputs within and across national borders in West Africa. Furthermore, the project is also designed to cover events of an emergency occasioned by natural disasters through rapid disbursement of funds to the affected regions to reduce damage to infrastructure, ensure business continuity, and to ensure rapid recovery from disaster. The programme will also design an effective coordination, management, and M&E system to track the progress and responsiveness of the West Africa Food System Resilience Programme (FSRP).

7.0. OBSERVATION

The Committee having carefully examined the Loan Agreement made the following observations:

7.1. Improving Food Security in Ghana

The Committee noted that the incidence of food insecurity in Ghana is more severe in the northern part of Ghana of the country largely

due to climatic issues. In the northern region, 90% of Ghanaian households depend on agriculture for their livelihoods, however, this region only has one rainy season in comparison to the south, which has two rainy seasons. This climatic difference impacts food production and worsens both poverty and food insecurity in Ghana. The project therefore seeks to enhance the resilience of the food systems by strengthening food production and security as well as facilitate trade of agricultural goods and inputs within and across national borders in West Africa. The project is also designed to minimize the impact of disasters on infrastructure to ensure business continuity and rapid recovery from disaster amongst farming communities. Effective coordination, management, and M&E system will also be instituted to track the progress and responsiveness of the West Africa Food System Resilience Programme (FSRP). Successful implementation of the program will help the country address issues such as low market prices, lack of access to finance, inadequate markets, post-harvest losses, and unsustainable farming systems amongst others.



7.2. Fighting Food Insecurity in Ghana

The Committee noted that the Ministry in collaboration with the World Food program has implemented a number of initiatives aimed at combating food insecurity in Ghana.

The Ministry has over the years focused on four key areas to fight food insecurity in Ghana namely; Private Sector Collaboration, Nutritional Assistance, Food System Resilience and Policy-Making Assistance and Capacity Expansion. The programs have achieved remarkable

success by improving agricultural productivity, increasing food security, reducing poverty and improving agricultural systems. The West Africa Food System Resilience Programme (FSRP) therefore seeks to sustain the successes attained by the other programs to reduce food insecurity and reduce poverty amongst subsistence farmers.

8.0. CONCLUSION

The Committee after a careful examination of the Agreement is convinced that the implementation of the project would greatly benefit the country as it would enhance food and agriculture system to avert possible food security crisis following as the consequence of natural occurrences such as climate change.

The Committee therefore recommends to the House to adopt this report and approve the Financing Agreement between the Government of the Republic of Ghana (represented by the Ministry of Finance) and the International Development Association (IDA) of the World Bank Group for an amount of One Hundred and Fifty Million United States Dollars (US\$150,000,000.00) to finance the West Africa Food System Resilience Programme - Phase 2 under the MultiPhase Programmatic Approach in accordance with Article 181 of the Constitution, Section 56 of the Public Financial Management Act, 2016 (Act 921) and Order 169 of the Standing Orders of the Parliament of Ghana.

Respectfully Submitted.



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HON. KWAKU AGYEMAN KWARTENG
CHAIRMAN, FINANCE COMMITTEE



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MRS. JOANA A. S. ADJEI
CLERK TO THE COMMITTEE

31st MARCH, 2023

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