

IN THE FOURTH SESSION OF THE FIFTH PARLIAMENT OF THE FOURTH
REPUBLIC OF GHANA

**REPORT OF THE JOINT COMMITTEE ON FINANCE AND
FOOD, AGRICULTURE & COCOA AFFAIRS ON THE
SUBSIDIARY AGREEMENT BETWEEN THE GOVERNMENT
OF THE REPUBLIC OF GHANA AND THE INTERNATIONAL
DEVELOPMENT ASSOCIATION (IDA) TO FINANCE THE
PROPOSED SECOND WEST AFRICA AGRICULTURE
PRODUCTIVITY PROGRAMME (WAAPP- 2A)**

INTRODUCTION

The Financing Agreement between the Government of the Republic of Ghana and the International Development Association (IDA) for an amount of Thirty – eight million , seven hundred thousand Special Drawing Rights (SDR) 38,700,000.00 (US\$ 60.00 Million equivalent) to finance the proposed Second West Africa Agricultural Productivity Programme (WAAPP-2A) which was laid in the House on Thursday 9th August, 2012 and referred to the Joint Committee on Finance and Food, Agriculture and Cocoa Affairs for consideration and report in accordance with Article 181 of the Constitution and Orders 171 and 176 of the Standing Orders of Parliament.

The Joint Committee met with the Hon. Deputy Minister of Finance and Economic Planning Mr Fiifi Kwetey, the Hon Deputy Minister for Food and Agriculture, Mr Effah Baafi, and officials from the Ministry and considered the

facility. The Committee presents its Report to the House in accordance with Order 161 (1) of the Standing Orders of the House.

2.0 BACKGROUND

The West Africa Agriculture Productivity Programme (WAAPP) is a two - phase, ten - year Regional Programme to support the implementation of the fourth pillar of the Comprehensive Africa Agricultural Development Programme (CAADP) being agricultural research, technology dissemination, and technology adoption.

The overall goal of WAAPP is to contribute to agricultural productivity increase in the ECOWAS participating countries (Mali, Senegal and Ghana).

3.0 PURPOSE OF THE FACILITY

The purpose of the Agreement is to finance the proposed Second West Africa Agricultural Productivity Programme (WAAPP 2A).

4.0 SCOPE OF THE PROJECT AND BENEFITS

The first phase of the programme (WAAPP -1A) commenced in 2007 and has been working on enhancing agricultural productivity of root and tuber crops in Ghana. The WAAPP-1A has achieved specifically:

- (i) Programme activities reaching 85,000 beneficiaries
- (ii) 17 technologies developed and released
- (iii) 25,000 ha are covered with improved technologies
- (iv) Regional integration activities are consolidated through researchers exchange programme.

In line with the Project Development Objective (PDO) the primary beneficiaries of the WAAPP-2A are the producers, processors and all other actors of the selected value chains. The beneficiaries include key participants in the generation and dissemination of technology, along with researcher's, public and private extension and advisory agencies, research institutions, universities, NGOs, and government agencies , involved in value chains management. The total number of beneficiaries for the three participating countries by the end of the project is expected to be 2,100,000 of which 40 per cent are female.

The project is expected to start in July, 2012 and be executed within five years.

5.0 TERMS OF THE FACILITY

5.1 The terms of the facility are as follows:

Loan Amount	SDR 38,700,000(USD60, 000,000)
	Equivalent
Grace Period (Moratorium)	- 10 years
Repayment Period	- 30 years
Service charge on the withdrawn credit balance	- 0.75% per annum
Maximum commitment charge on	- 0.5%
withdrawn principal amount	

6.0 OBSERVATION

The Committee observed that the Government of Ghana is expected to contribute US\$ 5.0 Million to the cost of the project implementation.

It was also observed that even though the commencement of the project was July 2012, the World Bank has established October 1, 2012 as the new Refinancing date for the Advance, for purposes of Article VII of the attachment 1 to the Agreement. This was in response to a request made by the Minister of Finance seeking a deferment of the commencement date.

The Committee also observed that phase 1 of the project had been successfully carried out and being a Regional programme the entire ECOWAS regional agriculture will be boosted to enhance food security in the sub region.

Madam Speaker, the Committee noted again that this programme is to undertake activities along the entire value chain and would ensure that local farmers move from subsistence farming to commercialized farming. This will aid in alleviating the poverty among subsistence farmers in the country.

The Committee also observed that the first phase of the project has achieved a lot including a 20 -40% increase in the productivity of root and tuber crops. Also value chain activities in respect of these crops have also increased to the benefit of farmers and other actors in the value chain.

Madam Speaker, new crop varieties have been released to broaden the scope of adaptability to climate change impact on crop productivity within the agricultural sector, in particular adaptation to drought tolerance.

The Committee also noted that the current facility is to sustain and consolidate the gains made in the first phase. The facility should also further enhance regional

collaboration in research such that participating countries support each other with germplasm and knowledge exchange.

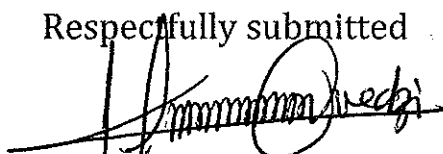
Regionalisation of these activities enhances cost effectiveness in technology generation by Scientists and its transfer to farmers and agribusinesses in the participating countries.

7.0. RECOMMENDATION & CONCLUSION

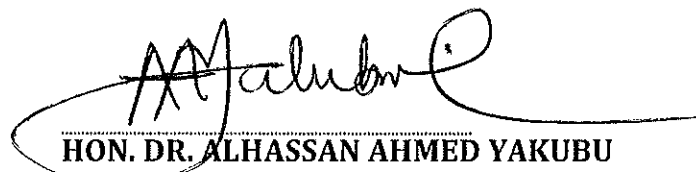
Madam Speaker, the facility is good and the terms are liberal and should support the agricultural sector to achieve set objectives in the GSGDA and FASDEP.

The Committee, having carefully examined the Agreement, recommends to the House to approve by Resolution, Financing the International Development Authority for Special Drawing Rights **(SDR) 38,700.000.00 (US\$ 60.00 Million equivalent)** to finance the proposed Second West Africa Agricultural Productivity Programme (WAAPP- 2A) in accordance with article 181 of the Constitution, Sections 3 and 7 of the Loans Act, 1970 (Act 335) and the Standing Orders of the House.

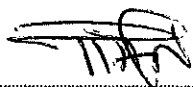
Respectfully submitted



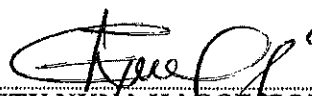
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CHAIRMAN, FINANCE COMMITTEE



HON. DR. ALHASSAN AHMED YAKUBU
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