BANK OF GHANA's SUPPORT FOR AGRICULTURAL SECTOR

Introduction

As part of the efforts to manage the economy of Ghana in an effective way so as to create wealth for the benefit of all Ghanaians, the Government of Ghana implemented its Poverty Reduction Strategy (The GPRS) in February 2002. The GPRS represents comprehensive policies, strategies, programmes, and projects to support growth and poverty reduction over the period 2003 – 2005.

The principal objective of the GPRS is to create wealth by transforming the economy **to achieve growth, accelerated poverty reduction and the protection of the vulnerable and excluded within a decentralised, democratic environment**. Based on analysis of the determinants and linkages to poverty the GPRS is built on five pillars.

- **Ensuring sound economic management for accelerated growth;**
- **Increasing production and promoting sustainable livelihoods;**
- **Direct support for human development and the provision of basic services;**
- **Providing special programmes in support of the vulnerable and excluded; and**
- **Ensuring good governance and increased capacity of the public sector.**

The emphasis over the period will be on stabilising the economy and laying the foundation for a sustainable, accelerated and job creating agro-based industrial growth.

The GPRS framework recognises that the development of the agricultural industry is key to the sustainable growth and development of the Ghanaian economy. It is necessary therefore for the government to clearly define agricultural sector policy consistent with objectives of the medium term macroeconomic programme.

This paper provides a review of Government's agriculture sector policy with focus on financing agriculture. Section II presents an overview of the agricultural sector and its linkages with poverty followed by a history of the financial intervention schemes undertaken by government during the Pre-SAP period. Section III provides a review of the lessons that have been learnt whilst section IV presents Government's current agricultural policy i.e. Food and Agricultural Sector Development Policy (FASDEP)[1]. Section V presents the conclusions and policy recommendations.

Section II

The Agriculture Sector, Poverty and Food Security

Agriculture is the mainstay of the Ghanaian economy and will remain the principal sector for the development and growth of the economy. It accounts for about 36 per cent of GDP and generates 55 per cent of foreign exchange earnings. It employs about 51 per cent of the labour force and is the major source of income and employment for 70 per cent of the rural work force. The potential increase in rural incomes that could be derived from agriculture and related activities make it a pivotal sector for poverty reduction.

Overall the Ghanaian population defined as poor declined from almost 52 per cent in 1991-92 to just below 40 per cent in 1998-99 as a result of the positive economic performance. However, structural and institutional weaknesses have resulted in the benefits of such a performance not being distributed evenly among all sections of society. Some vulnerable sections of society have seen their poverty increase rather than ease, especially women and food crop farmers (the majority of whom are women). Food crop farmers actually represent the group with the highest incidence of poverty (59). Geographical disparity of poverty indicates that five out of ten regions in Ghana had more than 40 per cent of their population living in poverty in 1999; the worst affected being the three northern savannah regions (the Upper East, Upper West and Northern Regions).

Production levels of the major staple food crops in Ghana, in a normal-rainfall year, are adequate, as the estimated self-sufficiency ratios of 100 per cent for roots and tubers, fruit and vegetables, and fats and oils, and 90 per cent for cereals (excluding rice) suggest. ***However, seasonal food insecurity is widespread, due to almost total dependence on rainfed agriculture and weak post-harvest capacities limiting the shelf life of many commodities.*** Estimated self-sufficiency ratios for rice (50 percent), fish (60 percent) and meat (30 per cent) are much lower. Despite the high self-sufficiency ratios for most food crops, the feed balance, derived from available supply and demand statistics for key food commodities, shows a deficit for the major food items for which data is available, with the exception of cassava, millet, sorghum, plantain, cocoyam and yam. For instance, from 1995 to 2000, Ghana imported, on average, 100 per cent of its wheat, 90 per

[1] Recently discussed at workshop on Comprehensive African Agricultural Development Programme.

cent of its sugar, two thirds of its rice, half of its beef, one third of its chicken meat and around 15 per cent of its milk[2].

The Government, in its efforts to reduce poverty and enhance food security, has, recognized the need not only to *increase productivity through improved land and water management, technologies, and strengthened support services, but also to improve market, transport, and processing infrastructure.*

Agricultural Sector Policy - Pre SAP

In Ghana, the Government's role in agriculture over the years has been extensive as reflected in the public expenditures and programmes until the adoption of the Structural Adjustment Programme in 1983. During that period, prior to the SAP the BOG initiated a number of projects in line with the intervention policies of the day, intended to boost the agricultural sector of the economy. These policies led to the implementation of agricultural development schemes such as the Cocoa Bill Financing Scheme, Grains Bill Financing Scheme, Grains Warehousing Company. Other Bank of Ghana Agricultural projects include, Shai Hills Cattle Ranch, Agricultural Development Company (ADC), Wulugu Livestock Company, and the Jukwa, Okumanin, Fosu and Akwamsrerm (JoFA) Project.

With the exception of the JOFA project, which was partially successful, the other projects did not achieve their set objectives due to inappropriate policies adopted by their managements (See APPENDIX 1).

The public sector intervention in agricultural sector was shown to be having little or in some cases negative impact on the welfare of farmers and the agricultural sector as a whole. Agricultural pricing policy was distorted with economy wide policies which had negative impact on incentives for the sector. Tariffs and quantitative restrictions protecting other industries adversely affected agricultural terms of trade.

The policy bias against agriculture made the direct policy interventions have little effect on incentives for agricultural sectors. The failure of these schemes has demonstrated clearly that the Banks' direct involvement in the Agricultural sector did not impact positively on productivity of the sector. Increase in the sectors productivity will require major changes in systems and policies for agriculture. These changes first of all require defining an appropriate role for the government and the rest of the public sector.

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[2] Ghana Food Security and Agriculture Development-Horizon 2015 – Summary National Strategy   Draft Nov. 2003

The Role of Bank of Ghana

It was in line with the shifting of agricultural sector policy that the Bank of Ghana since the SAP has been involved only through indirect schemes in agriculture. Under the direction of the Rural Finance Inspection Department (Now part of Banking Supervision and Treasury Departments) the Bank undertook and is still undertaking indirect support of the agricultural sector by managing foreign funded projects on behalf of the Government of Ghana (GOG) and also GOG funds in support of agriculture. The projects whose credit components are managed by BOG on behalf of GOG are shown in Appendix II.

Organisation and Management of Foreign Schemes

BOG, as an agent of GOG, is required to administer and monitor foreign funded loans and on lending to Participating Financial Institutions (PFIs) which are mainly financial institutions under separate subsidiary loan agreements and on terms and conditions satisfactory to the donors.

BOG further exercises follow-up inspections of the projects to ensure that the PFIs strictly comply with the terms and conditions of the subsidiary agreements between them and BOG.

Government of Ghana Schemes

As part of the GOG strategy of creating incentives for the development of the rural economy, the government in 1996, instituted three rural development schemes to assist rural farmers and entrepreneurs to increase incomes and standard of living. The schemes are:

a. Community Banks Refinance Scheme (CBRS)
b. Ghana Women Fund Scheme (GWFS)
c. Special Rural Credit Scheme (SRCS)

Under the schemes, BOG recycles approved counterpart funds of an IDA SDR 15.2 million Rural Finance Project to rural banks for onlending to the rural farmers, entrepreneurs and others engaged in small-scale economic activities.

The overall organisation of GOG projects rests with BOG as an agent of GOG, the Ministry of Finance and various PFIs. BOG and the PFIs jointly supervise the implementation of the projects or schemes.

Section III

Lessons Learnt

Decentralization, Beneficiary Ownership And Private Sector Participation

Past agricultural projects depended heavily on public intervention, resulting in top-down planning and implementation, less than satisfactory relevance and cost-effectiveness and poor ownership of the programmes by the beneficiaries. To ensure beneficiary ownership and sustainability, it would be necessary to manage the new projects in a decentralized manner, with most of the planning, implementation and decision-making taking place at the district level. Farmers and communities should be empowered to participate fully in the planning and management process. To improve cost effectiveness, the private sector needs to be encouraged to participate actively in the provision of services in extension, input supply, animal disease control and treatment, marketing and processing.

Cost recovery

For some years now, research, extension and livestock services have been totally funded by central Government. The new projects could be designed to promote cost recovery from beneficiaries through voluntary contributions by the industry and farmer groups/associations, and full privatisation of certain services.

Delays in Implementation, Slow Disbursement and Inadequate Counterpart Funding

Most donor-funded projects have been bedevilled with delays in implementation. Closely linked with the slow implementation is the slow rate of disbursement and inadequate counterpart funding. The Development Credit Agreements of most of these projects require that Government contribute a specific portion of expenditures upfront before project accounts are credited or projects are allowed to utilize funds. Due to the inability of Government to meet these conditions, there are delays in implementation of such projects.

Low Absorptive Capacity

The design of some of the projects is such that, with prevailing manpower resources at various levels, it is not possible to utilize the funds allocated. As a result, quite a sizeable portion of the donor funds are left undisbursed at the end of these projects. Hence the frequent request for extension of these projects.

Beneficiary Contribution

Of late, the design of donor-funded projects requires that beneficiaries contribute a certain percentage to the cost of the project. Granting that these people are poor and that projects serve to alleviate their poverty situation, it is becoming increasingly difficulty to achieve such targets, especially when the project is of a public nature. The rural road infrastructure component of the Village Infrastructure Project (VIP) is such a case.

Section IV

The Agricultural Sector Policy – Post SAP

To consolidate the gains made in the agricultural sector due to production incentives induced by the economic reforms, a Medium Term Agricultural Development Programme (MTADP) was initiated in 1988 jointly by GOG/World Bank to provide guidelines for the operation of the Ministry of Food and Agriculture (MOFA). The programme started in 1991, was a two 5 year rolling plan. The MTADP contributed significantly to improvements in the sector through the implementation of a number of projects.

However, agricultural growth was slow during the early 1990s due to the prevailing adverse macroeconomic conditions. In order to address the situation the Government of Ghana launched the Vision 2020 Document in 1995 with the objectives of increasing employment and average incomes, thereby reducing poverty and inequalities, and targeting an annual growth of 4 per cent. It was later realised that a 4 per cent growth in the sector was not sufficient to achieve an over all 8 per cent GDP growth that would be required to reduce poverty and ensure equity. Consequently, the Ministry of Food and Agriculture formulated the Accelerated Agricultural Growth and Development strategy (AAGDS), which aimed at increasing the average growth rate from 4 to 6 per cent over the period 2001 – 2010.

The current policy framework under which the sector operates is provided by the Food and Agriculture Sector Development Policy (FASDEP). It was introduced in 2002 to articulate the vision of the Government on agriculture, as well as to identify clearly, the facilitation and regulatory roles incumbent on government for promoting an enabling environment for investment in the agriculture sector. The objectives and strategic thrusts of FASDFEP are discussed further in the section on Government objectives and strategies below.

Government Objectives and Strategies

Ghana's pro-poor economic policy framework, as articulated in the GPRS (2003-2005) and FASDEP involves a special role for agriculture. This is because the sector has unique characteristics of not only enhancing economic growth but also promoting equity. The overall objective of GPRS is to reduce the incidence of poverty from 40 percent in 2002 to 32 percent by 2004. Specifically, the incidence of poverty among food crop farmers is targeted to decrease from 59 percent to 46 percent in 2002 to 2004. At this point in time, no empirical data are available to ascertain the extent to which these targets have been achieved by the end of 2003.

The GPRS further outlines the poverty reduction strategy for the rural sector based on five Pillars:

Pillar 1: Vigorous Infrastructure development – roads, mass transportation, ports, air travels, telecommunications and energy.

Pillar 2: Modernization of agriculture based on rural development, focussing on

- (i) reforming the land tenure system,
- (ii) assisting the private sector to increase food production through facilitating extensions, research and financial services, and irrigation facilities.
- (iii) Encouraging cash crop production, and
- (iv) Supporting the private sector to add value to traditional crops;

Pillar 3: Enhanced social services with emphasis on rural education, health and sanitation,

Pillar 4: Good governance ensuring the rule of law, respect for human rights and the achievement of social justice and equity, and

Pillar 5: Private sector development – supporting the private sector to ensure that it is capable of acting effectively as the engine of growth and poverty reduction.

Within the framework of the GPRS, AAGDS and FASDEP, and on the basis of a stakeholder analysis, a MOFA internal strengths and weaknesses analysis, as well as analysis of external opportunities and threat, MOFA has prepared an Agricultural Strategic Plan for the Period 2003-2005. The Strategic Plan, which is a three-year rolling document, identified the following major strategic thrust:

i. Enhanced human resource development and institutional capacity building;
ii. Improved financial services delivery;
iii. Development, dissemination and adoption of appropriate technology;
iv. Infrastructural development; and

v. Improvements in access markets.

BOG and The Rural Financial Services Projects

Since the beginning of the year 2002, the Bank of Ghana has been implementing the Rural Financial Services Project (RFSP) whose major focus is on the development of strong rural and micro-financial institutions. As a major objective, the project aims at providing comprehensive framework for rural economic transformation and growth leading to improved standard of living and lowered poverty rates.

It is envisaged that under the RFSP there will be a broadening and deepening of financial intermediation in the rural areas through effective linkages between the formal rural micro-financial institutions and informal entities operating in the rural areas.

The project will be implemented through the following components:

i. *Capacity Building of the Informal Sector. This is to strengthen operational linkages between informal and semi-formal micro-finance institutions and the formal network of rural and community banks to enable them to expand services to a large number of rural clients.*

ii. *Capacity Building of Rural and Community Banks. The focus of this component is on restructuring weak rural banks and strengthening the internal control systems of rural and community banks including provision of new information technologies, logistics and training of key staff; and developing an overall staff development plan for all categories of rural bank staff including Board of Directors.*

iii. *Establishment of the ARB Apex Bank for the rural banking system to provide economies of scale needed by the banks to address the generic constraints related to their operations.*

iv. *Strengthening the institutional and policy framework for improved oversight of the rural finance sector. Under this component key logistics including training will be provided to the Bank of Ghana to better equip it for effective supervision of the Apex Bank and the rural banks. The Ministry of Finance will also be supported to ensure continuity in the on-going rural microfinance initiatives.*

In order to proficiently implement the project, the Government has obtained loans from the International Development Association (IDA) of the World Bank, the International Fund for Agricultural Development (IFAD), and the African Development Bank (AfDB) with a total amount of USD 22 million. The German Technical Cooperation provides a comprehensive package of technical assistance, advisory services and training along the core RFSP activities.

The project commenced from 1st January 2002 and the proceeds of the international loan basket are to be disbursed over a six-year period. The AfDB loan, to finance mainly capacity building of rural banks will be disbursed over 3 years while the GTZ Technical Assistance is scheduled for the same period with an option for an extension of another 3 years.

The lack of financial services in the rural areas has been recognised as a major constraint to increased and sustained development of the rural areas. Government has therefore recognised that developing the rural financial institutions, and harnessing the resources available in the rural areas could provide the much-needed impetus for the attainment of its developmental objectives for accelerated growth and poverty reduction.

Section V

Conclusions and Policy Recommendations

Agriculture and the Financial Sector

Public sector intervention in the agricultural sector over the years was shown to have had limited or even negative impacts on the rural poor farmers and the agricultural sector as a whole. Aside the failure of most of the public sector direct intervention policies, agricultural sector pricing policy has been distorted with economic wide policies, which had adverse effect on the incentive structure of the sector.

Although adequate donor-funded agricultural credit exists, these facilities have not been taken advantage of to harness the full development potential of the agricultural sector. Most of the projects have been confronted with delays in implementation. The reasons for this include the inability of government to raise adequate counterpart funding as required by development credit agreements of the projects. Also the requirement that beneficiaries contribute a certain percentage to the cost of donor-funded projects has made it extremely difficult for their objective of rural poverty alleviation to be achieved. The rural poor are most often not able to raise the funds required resulting in the failure of most projects.

The main challenge of the financial sector is the lack of appropriate credit to farmers, processors, commodity brokers, marketers and other operators in the sector. Heavy domestic borrowing by the government during the past years has also adversely affected the sector from accessing available funds for investment. The AfDB micro-financing and other credit components of donor and GOG projects have not had significant impact on agriculture credit availability, largely because of highly cautious attitude of the on-lending local banks and reluctance to advance credits to deserving smallholders fearing low recovery rates for which the concerned officers would be held responsible. Lack of documented collateral for security, frequent crop failures, low yields under the rained conditions and inefficient marketing system have caused many farmers to default on loans. The Government does not have disaster guarantees for farmers and crop insurance for major crop failures are lacking.

The financial market faces a huge challenge in providing adequate credit facilities particularly to the small holder. Prominent among the challenges are

(i) high transaction costs on credit,
(ii) non-availability of medium and long term credit,
(iii) lack of adequate savings mobilization strategies and policies,
(iv) uneven spatial distribution of commercial and rural banks (concentration of financial institutions in urban areas),
(v) the narrow definition of "collateral" and lack of regulations that accept guarantees as collateral (backed by savings),
(vi) late credit disbursement,
(vii) lack of a properly functioning judiciary to pursue debtors rapidly and at low cost, and
(viii) inadequate credit to non-farm agricultural activities such as input supply, marketing and distribution, processing and value-addition. Rural financial institutions need to be strengthened to develop appropriate financial services for the agriculture sector aimed at enhancing effective savings mobilisation and credit delivery.

It is hoped that with the improvement in the macro economy, proper reforms among institutions and the financial sector would contribute significantly to agricultural growth.

The BOG's Agricultural Sector Policy Within Ghana's Medium and Long-term Development framework

Bank of Ghana (BOG) has a primary responsibility for the conduct of monetary policy. Monetary policy specifically entails regulating the level of money supply to achieve desired economic objectives, which include a low level of inflation, rapid economic growth, maximum employment and balance of payments (BOP) equilibrium. The focus of monetary policy in Ghana has evolved since the inception of economic and financial sector reforms in the mid 1980s. In recent years, monetary policy has been aimed at controlling inflation within the context of a flexible exchange rate regime. The focus of monetary policy since the year 2001 is on achieving price and exchange rate stability as key elements in creating the environment conducive to the achievement of sustainable economic growth. In this regard, a new Bank of Ghana Act was passed in 2002, which sought to improve the operational independence of the Bank and to refocus it for more effective discharge of its functions. The law refocused the objective of the bank towards maintaining stability in the general level of prices. It also required the bank to support the general economic policy of government to promote economic growth and effective and efficient operation of the banking and credit systems in the country.

It is expected that the refocusing of the financial sector, which led to the creation of and the transformation some merchant banks into universal banks would lead to financial deepening in the economy through the development of financial services, which are more competitive and offer wider range of financial instruments and intermediaries that are better suited to the needs and accessibility of SMEs.

The Bank of Ghana will also continue intensifying its role in achieving the transformation of the rural environment from its subsistence orientation to a commercially attractive, viable, and dynamic sector, which is vital for the achievement of sustained equitable growth.

The restructuring of the rural environment is an essential element in reinforcing macroeconomic policies for stability and sustained growth, as poverty reduction in the rural environment is largely synonymous with growth. The Bank has since the beginning of the year 2002 been implementing the Rural Financial Services Project (RFSP) whose major focus is on the development of strong rural and micro-financial institutions. As a major objective, the project aims at providing a coherent framework for rural economic transformation and growth leading to improved standards of living and lowered poverty rates.

The long-term growth strategy is predicated on the concept of the modernisation, restructuring and development of the rural environment as a catalyst for the transformation of the national economy. The entrepreneurial opportunities in large and small-scale farming and the farm gate processing of both food and industrial crops are considerably given an appropriate marketing environment. Agricultural industrialization provides for take-offs and the creation of backward and forward linkages.

The Way Forward

As noted, the past intervention policies pursued in the Agricultural sector could not lead to any substantial increase in the overall productivity of the sector. Increase in productivity of the Agricultural sector will require major changes in systems and policies for agriculture. These changes would require a definition of an appropriate role for public sector; to encourage the development of smoothly functioning market, through institutional and regulatory reforms that facilitate private sector activities and market efficiency.

Bank of Ghana's support for the development of rural financial markets must go beyond providing finance for on-lending, to the development of rural financial markets through support for institutional and capacity building in rural financial institutions. The deepening of rural financial markets requires a broader thrust than usually presumed. Proper macroeconomic management, development of physical, institutional, economic and social infrastructure in rural areas could provide the proper environment in which rural financial organization could be viable to play the needed role of making credit available and sustainable to the agricultural sector.

APPENDIX I

LIST OF AGRICULTURAL SCHEMES UNDERTAKEN BY BANK OF GHANA

i. Cocoa Bill Financing Schemes

The idea of a cocoa bill financing scheme for the purchase of cocoa dated as far back as 1958, when rapid increases in the volume of the crop made it difficult for the Cocoa Marketing Board (CMB) – now COCOBOD to finance purchases from its own resources.

ii. Grains Bill Financing Scheme

Bank of Ghana also introduced the Grains Bills Financing Scheme (GBFS) in the mid-70s when the success of the then government's "Operation Feed Yourself" agricultural programme left the country with high post harvest losses, particularly in rice and maize. There was no well-organized financing package by any of the banks to purchase farmers' produce at harvest time. Farmers were consequently left at the mercy of traders who bought farm produce at low prices, creating a disincentive for farming in subsequent seasons. This scheme was designed to achieve the following objectives:

- To make funds available for the purchase of farmers' grains, thus ensuring a ready market for their produce at all times,
- To stabilize the market price of the grains to serve as an incentive for continued production, and
- To support the purchase of grains for a national food security stock for relief supplies in times of emergency or extreme scarcity.

iii. Grains Warehousing Company

The bank also set up the Grains Warehousing Company (GWC) in 1975 as a direct effort in its attempt to achieve the objectives of the GBFS detailed above. The company purchased and sorted grains, which it sold in the lean season. GWC also failed due to inappropriate policies adopted by the company's management.

iv. Other Bank of Ghana agricultural Projects

a. Shai Hills Cattle Ranch

The Shai Hills Cattle Ranch was established in 1973 near Afienya on the Accra plains. It was set up to demonstrate the viability of commercial beef cattle ranching in the southern Ghana plains, and to train personnel in commercial livestock ventures.

b. Agricultural Development Company (ADC)

ADC was also set up to produce cotton on a large scale under irrigation to feed the emerging textile manufacturing industries in Ghana. It was registered to grow and market other farm produce and livestock.

c. Wulugu Livestock Company

The Wulugu livestock company was established in 1979 to run a ranch for cattle and sheep in the Northern Region on a scientific basis to serve as a model for local ranchers.

d. JOFA Project

Bank of Ghana financed the Jukwa, Okumanin, Fosu and Akwamsrem (JOFA) project through the Agricultural Development Bank (ADB) to develop 300 hectares of plantations in these localities in the central and eastern regions. The former state farms corporation between 1975 and 1983 undertook the project.

With the exception of the JOFA project, which was partially successful, the other three projects did not achieve their set objectives due to inappropriate policies adopted by their managements.

APPENDIX II

LIST OF DONOR FINANCED SCHEMES ADMINISTERED BY BANK OF GHANA

i. Shareholder Credit, Input Supply and Marketing Project (SCIMP).

This is an SDR 9.1 million project which aims at increasing rice production at valley bottoms, draught animal power and raising of ruminants for improved management of sheep and goats. It covers parts of Brong Ahafo, Ashanti and Volta Regions and the component administered by BOG is aimed at:

a. Provision of short and medium-term credit for groups, households and individuals
b. Provision of agricultural credit for women
c. Promotion of savings schemes for project beneficiaries

In all 50 participating rural banks and the Agricultural Development Bank (ADB) are involved. Of a total amount of ¢46.59 billion released so far for the project as at 31st December 2003, rural banks received 78 per cent (¢36.27 billion) and ADB 22 per cent (¢10.32 billion). Of the total amount released to the rural banks ¢30.39 billion were repaid on due date, ADB has however fully repaid its loans.

ii. Upper East Land Conservation and Smallholder Rehabilitation Project (LACOSREP).

This is an SDR 9.2 million project aimed to benefit 40,000 poor rural families in six districts of the Upper East Region. The project is aimed, among others, to increase food production and household incomes of poor rural families and thereby help alleviate rural poverty, to improve family food security and nutrition, to establish mechanisms for environmental protection improvement and to strengthen formal and informal organisations of beneficiaries so that they become institutions through which technical and social services may be provided to the target group on sustainable basis.

There are two phases of LACOSREP. In Phase one, as at 31st December 2003, a total of ¢4,490.06 billion had been disbursed to the Participating Financial Institutions (PFIs) out of which ¢3,199.1 billion (71%) has been repaid. Under the Phase two, which was also for land conservation and rehabilitation, five PFI's received ¢14,273.01 billion of which ¢8,373.1 billion (58.7%) had been repaid as at end of 2003.

iii. Upper West Agricultural Development Project (UWADEP).

This is an SDR 6.75 million project aimed at improving food security by increasing agricultural production through efficient cropping systems, promoting more efficient use of land and water resources, providing support to farmers and women groups and improving road access to market areas. Of the total amount for this project, ¢3,282.38 billion had been released as at 31st December 2003 and ¢1,669.88 billion (51%) repaid.

iv. Roots and Tuber Improvement Programme.

This is a US$10.1 million project being implemented in all agro-ecological zones of the country with special focus on agro-ecological zones in which each crop has natural comparative advantage or potential for significant impact on the rural poor. The aim of this project is to enhance food security and incomes of resource-poor farmers through priority investments in technologies to improve the productivity of root and tuber crops which are cassava, yams, cocoyams and sweet potatoes.

v. Food Crops Development Project.

This is a US$15.7 million project being implemented in eight districts in Ashanti, Brong Ahafo, Northern and Volta Regions and the aim is to increase production and village level processing of cereals and legumes like maize, sorghum, groundnuts, cowpeas and soya beans

vi. Rubber Outgrowers Project.

This is a 10.0million French Franc project being implemented in six districts of the Western Region and the aim is to increase rubber production to enhance the operations of Ghana Rubber Estates Limited (GREL).

vii. Coconut Sector Development Project.

This is a FF33.7 million project being implemented in selected areas of the Central, Eastern and Western Regions and the aim is to relaunch the coconut sector to decrease the effects of the deadly yellowing disease, the Cape St. Paul Witt Disease (CSPWD) on the production of coconut, and to maintain the means that enable the existence of the population in the regions where the coconut continues to be the principal source of income.

viii. Cashew Development Project.

This is a US$15.5 million project being implemented in ten districts located in the Northern, Upper West, Brong Ahafo, Volta and Greater Accra Regions. The aim of the project is to increase production of cashew to generate rural incomes, enhance living standards and contribute to poverty reduction.

ix. Livestock Development Project.

This is a US$27.9 million project being implemented in twenty-five districts located in Upper East, Upper West, Northern, Ashanti, Brong Ahafo, Greater Accra and Volta Regions. The aim is to improve animal production, animal health, credit provision, capacity building and project management geared towards poverty reduction, improved food security and reduce imports in an environmentally sustainable manner.