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TRADE AND INVESTMENT PROGRAM FOR A COMPETITIVE EXPORT ECONOMY (TIPCEE)

FOURTH YEAR WORK PLAN FOR **PARTNERS**
OCTOBER 2007 – SEPTEMBER 2008

October 2007

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Cover: Joseph Odzeyem, Chairman of the Yilo Krobo Mango Farmers Association, inspecting his mango trees – bearing export quality mangoes hanging from well-pruned trees on his EurepGAP-certified farm. The association exported its first mango in 2007.

CHEMONICS INTERNATIONAL INC

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CHEMONICS INTERNATIONAL INC.

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ACRONYMS

ACPG	Association of Cashew Processors, Ghana
ADRA	Adventist Development and Relief Agency International
AGOA	US African Growth and Opportunity Act
AgSSIP	Agricultural Services Sub-Sector Investment Project
APS	Annual Program Statement
ARC	Agricultural Research Centre
ASNAPP	Agribusiness in Sustainable Natural African Plant Products
BDS	Business Development Services
BOG	Bank of Ghana
BOTPAG	Botanical Producers Association of Ghana
BRC	British Retail Council
CAF	Competitiveness Activities Fund
CAPEAG	Cashew Processors and Exporters Association of Ghana
CDP	Cashew Development Programme
CEDIS	Customs Export Data Information System
CEPA	Centre for Policy Analysis
CEPS	Customs, Excise and Preventive Service
CERSGIS	Center for Remote Sensing and Geographical Information Systems
CGL	Coastal Groves Limited
CIDA	Canadian International Development Agency
CIGMAG	Citrus Growers and Marketers Association of Ghana
CRIG	Crop Research Institute of Ghana
CSIR	Council for Scientific and Industrial Research

DANIDA	Danish International Development Agency
DCA	Development Credit Authority
DFID	Department for International Development
DIC	Destination Inspection Company
DPs	Development Partners
EBD	Export Business Development component of TIPCEE
EDIF	Export Development and Investment Fund
EE	Enabling Environment component of TIPCEE
EMQAP	Export Marketing and Quality Awareness Project
EPZ	Export Processing Zone
ERP	Effective Rate of Protection
EU	European Union
EurepGAP	Euro-Retailer Produce Working Group-Good Agriculture Practices
FAGE	Federation of Associations of Ghanaian Exporters
FASDEP	Food & Agriculture Sector Development Policy
FBO	Farmer-based Organization
FIAS	Foreign Investment Advisory Service
FINSSP	Financial Sector Strategic Plan
FLO	Fairtrade Labeling Organization
FZB	Free Zones Board
GAP	Good Agricultural Practices
GAVEX	Ghana Association of Vegetable Exporters
GCMS	Ghana Customs Management System
GCNET	Ghana Community Network
GDA	Global Development Alliance

GDP	Gross Domestic Product
GEPA	Ghana Environmental Protection Agency
GEPC	Ghana Export Promotion Council
GIFTEL	Ghana Investment Fund for Telecommunications Development
GIPC	Ghana Investment Promotion Centre
GIS	Geographic Information System
GISPA	Ghana Internet Service Provider Association
GlobalGAP	Global Good Agriculture Practices (formerly EurepGAP)
GOG	Government of Ghana
GNTTA	Ghana National Tomato Traders Association
GPHA	Ghana Ports and Harbours Authority
GPRS II	Ghana Poverty Reduction Strategy II
GSB	Ghana Standards Board
GSP	US African Growth System of Preferences
GSSP	Ghana Strategic Support Program
GT	Ghana Telecom
GTZ	Gesellschaft für Technische Zusammenarbeit
HACCP	Hazard Analysis of Critical Control Points
HAG	Horticulturists Association of Ghana
HEII	Horticulture Export Industry Initiative
ICOUR	Irrigation Company of Upper Region
ICS	Internal Control System
ICT	Information Communication Technology
IDA	Irrigation Development Authority
IEE	Initial Environmental Evaluation

IEHA	Initiative to End Hunger in Africa
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IFPRI	International Food Policy Research Institute
IMF	International Monetary Fund
IPM	Integrated Pest Management
IR	Intermediate Result
ISP	Internet Service Provider
ISSER	Institute of Statistical, Social, and Economic Research
ITFC	Integrated Tamale Fruits Company
LMI	Last Mile Initiative
LTS	Long Term Savings
MCA	Millennium Challenge Account
MCC	Millennium Challenge Corporation
MDA	Ministry, Department or Agency
MDBS	Multi-Donor Budget Support
MiDA	Ghana Millennium Development Authority
MISTOWA	USAID Market Information Systems and Traders' Organizations in West Africa
MMYE	Ministry of Manpower, Youth and Employment
GTZ/MOAP	GDC Marketing Oriented Agricultural Programme
MOC	Ministry of Communications
MOFA	Ministry of Food and Agriculture
MOFEP	Ministry of Finance and Economic Planning
MOTIPSD/PSI	Ministry of Trade, Industry, Private Sector Development and Presidential Special Initiatives

MOU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
NBFI	Non-Banking Financial Institutions
NCA	National Communications Authority
NDPC	National Development Planning Commission
NED	National Economic Dialogue
NEPAD	New Partnership for African Development
NHTF	National Horticulture Task Force
NIC	National Insurance Commission
NLC	National Labour Commission
OICI	Opportunities Industrialization Centers International
OP	Operational Plan
OPIN	On-line Presidential Initiatives Network
PAMPEAG	Papaya and Mango Producers and Exporters Association of Ghana
PDA	Personal Digital Assistant
PEF	Private Enterprise Foundation
PERSUAP	Pesticide Evaluation Report and Safer Use Action Plan
PIET	Programme Intervention and Evaluation Template
PIR	Project Intermediate Result
PIVA	Partner Institutional Vulnerability Assessment
PMP	Performance Monitoring Plan
PPMED	Policy Planning, Monitoring and Evaluation Directorate
PPRSD	Plant Protection and Regulatory Services Department
PRSP	Poverty Reduction Strategy Paper
PSDS	Private Sector Development Strategy

PSIA	Poverty and Social Impact Assessment
QMS	Quality Management System
RAGB	Revenue Agencies Governing Board
RIA	Regulatory Impact Assessment
SAKSS	Strategic Analysis and Knowledge Support System
SARI	Savannah Agricultural Research Institute
SEC	Securities and Exchange Commission
SME	Small and Medium Enterprise
SOW	Scope of Work
SPEED	Support Programme for Enterprise Empowerment and Development
SPEG	Sea Freight Pineapple Exporters of Ghana
TAB	Tariff Advisory Board
TIPCEE	USAID Trade and Investment Program for a Competitive Export Economy
TIRP	USAID Trade and Investment Reform Program
TQIL	Total Quality Investment Limited
TSG	The Services Group
TSSP	Trade Sector Support Program
UofG	University of Ghana
USAID	United States Agency for International Development
VCTF	Venture Capital Trust Fund
VEPEAG	Vegetable Producers and Exporters Association of Ghana
WAFF	West Africa Fair Fruit
WTO	World Trade Organization
YiPoCoMa	Yield, Post Harvest, Cost, Marketing Methodology
YKMFA	Yilo Krobo Mango Farmers Association

EXECUTIVE SUMMARY

The Trade and Investment Program for a Competitive Export Economy (TIPCEE) seeks to achieve exponential growth in sales of nontraditional exports and domestically produced crops over the 5-year life of the project by increasing the competitiveness of Ghana’s private sector in world markets.

Since project inception, TIPCEE’s Export Business Development (EBD) and Enabling Environment (EE) components have made significant progress in implementing practical improvements in the supply chains of various horticultural industry commodities and in reforming the Ghanaian policy and regulatory landscape. In Year 4 TIPCEE will build on the strong partnerships established — with government, private sector, and other donors — to achieve demonstrable impact in the competitiveness of the Ghanaian private sector. After 3 years of intense capacity building efforts to enhance the quality and reliability of Ghanaian agriculture products, in Year 4 the EBD component will expand outreach to include more smallholder farmers, deepen the integration of the targeted supply chains to transition them to effective sourcing networks, and increase the volumes and values of horticulture exports. The EE component will complement these efforts with expanded support to the Ministry of Trade, Industry, Private Sector Development and Presidential Special Initiatives (MOTIPSD/PSI), as it launches a new Tariff Advisory Board; the Customs Service, as it continues its modernization initiative; and the Ministries of Finance and Agriculture, to add to their export business development activities. TIPCEE’s activities support the US Government Presidential Initiative to End Hunger in Africa’s goals of modernizing agricultural practices and improving the livelihoods of rural households.

Key TIPCEE EBD Targets for Year 4

Rural Households impacted: 32,000
 Value of exports increased: \$20 million
 Volume of exports increased: 22,000 MT

The **Export Business Development component** works with numerous public and private sector partners as well as other donors to focus on four major constraints that hamper growth for Ghana’s agriculture industry: inconsistent quality, lack of key food safety certifications, low volumes, and poorly integrated supply chains.

TIPCEE is committed to reaching 100,000 farm households by the end of the project, by providing knowledge and skills that are key to the farmers’ integration into structured sourcing networks. TIPCEE will continue to deepen its priority activities in four major levels of each supply chain — smallholder farmers, nucleus firms, industry clusters, and markets — but each supply chain is at a different level of development, and the capacity building tools will now be further honed and adapted to each case. The initial commodity chains identified for support came from the high-value horticulture export sector, namely pineapple, papaya, mango, vegetables, and cashew. Medicinal plants were added in Year 2, and traditional crops, such as maize, citrus, and tomato, were added in Year 3. In Year 4 TIPCEE will add onion to the list of commodities and initiate activities to support pineapple for processing. These crops represent strong growth opportunities for Ghana and are set to become major

TIPCEE’s targeted value chains

Fresh MD2 pineapple
 Pineapple for processing
 Mango
 Papaya
 Cashew
 Vegetables
 Medicinal plants
 Citrus
 Tomato
 Onion
 Maize for processing

income earners for the country's rural population. EBD activities will be conducted in more than 60 districts.

The EBD component has been reorganized this year so that the targeted commodity chains can benefit more significantly from the innovative supply chain tools developed in Years 1–3.

Utilizing Project Innovations and Knowledge Tools

In Year 4, innovations and knowledge tools will be developed and improved in the following areas: good agricultural practices training and crop diversification pilots, commercial product norms and standards, approaches to achieving EurepGAP certification, farmer supply databases using Geographic Information Systems (GIS) technology, financial and supply chain management systems, business plan and financing templates, and association development.

In many cases, simply changing methods of nursery management, planting, pruning, harvesting, and post-harvest management can significantly improve a farmer's yield, profit margin, and product quality. By adding improved seeds and inputs, the change can be dramatic. In Year 4 TIPCEE will complete its series of **good agricultural practices** (GAP) training materials for the targeted commodities. EBD staff foster GAPs through supply chain networks, not only through formal and non-formal training but also through field demonstrations. Building on the success of project demonstration pilots, TIPCEE will work with partners such as the Ministry of Food and Agriculture (MOFA) extension agents and private sector exporters and processors to further disseminate these practices and expand the supply chain networks to more and more farmers.

Establishing **norms and standards** for each commodity has been an ongoing collaboration among TIPCEE, the Ghana Standards Board (GSB), and leading industry stakeholders. In addition to facilitating the establishment of these norms and standards, TIPCEE worked with its partners to create a series of illustrated posters that describe the norms in an easy-to-understand format, so that smallholder farmers and pack house employees can fully grasp the criteria for high-quality products. Year 4 will see further dissemination of these norms to industry players, from farmers to exporters. Once farmers understand the norms, and which practices will achieve these standards, the final step will involve industry inspection of commodities against the standard. In Year 3 TIPCEE worked with the Sea-Freight Pineapple Exporters of Ghana (SPEG) and a third-party inspections firm to improve the quality of fruit leaving Ghana. The inspectors analyzed fruit against 43 quality criteria and provided feedback to producers and exporters to improve their practices. Using the success of this approach as a model, in Year 4 TIPCEE will adapt and simplify this approach into self-regulated industry inspections programs for mango, papaya, and vegetables.

Food safety is an ever-growing concern in the international fresh produce market. Numerous **certifications** have been developed to allay safety concerns, including GlobalGAP (EurepGAP),¹ an accepted inspection regime for entry into the EU market. Without this certification, Ghanaian farmers are effectively frozen out of this lucrative market. In Year 3 TIPCEE worked with MOFA, GTZ/MOAP, and SPEG to

¹ In September 2007, EurepGAP was renamed GlobalGAP.

develop training guides for smallholder pineapple farmers to achieve EurepGAP Option 2 group certification. TIPCEE also applied these practices with farmers in the mango industry, leading to certification for two mango groups in August 2007. In Year 4 TIPCEE will ramp up the certification training and pre-audit activities for smallholder farmers of mango, papaya, and vegetables.

Geographic Information Systems (GIS) have proven an essential tool to enhancing supply chain integration. To compete on the global market, exporting firms need a precise understanding of their supply bases to meet the planning and logistical demands of just-in-time distribution and stringent food-safety and traceability requirements. Additionally, smallholder farmers need to know the exact acreage they are farming for proper application of inputs, accurate gross margin calculations, and traceability for access to export markets. The geo-referenced data are used to display the concentration of farms, their sizes, total acreage under cultivation, and other data, allowing policy makers to allocate resources efficiently and establish infrastructure to support the agricultural industry. During Year 3, TIPCEE summarized the lessons learned in the development of these GIS databases in a framework, consisting of a set of guidelines, control points, and data standards for GIS applications in the horticulture sector. In Year 4 TIPCEE will scale-up the mapping of cashew, mango, and citrus farms with its partners.

Access to **finance** is often cited as a key constraint to agribusiness development, but in many cases, agribusinesses are unable to produce compelling business plans to attract the required funding from financial institutions to meet their expansion targets, capital investments, or working capital needs. By the same token, financial institutions do not seem to have the requisite expertise or skills to analyze, evaluate, or make informed decisions about providing funding for businesses in these sectors. In Year 3 TIPCEE developed new models for firm-level business plans, as well as templates for commodity-specific smallholder farmer business plans. In Year 4 TIPCEE will further disseminate these templates, and work with farmers and other supply chain actors to further hone their business planning and financial management skills, and assist them in educating the financial institutions in the opportunities and challenges of the agribusiness sector.

Collaboration with **associations** enables resources, innovations, and key skills to reach a wide range of farmer groups with minimal effort. To ensure that associations can provide the range of services and opportunities that bring members together, TIPCEE will continue to build their capacity in Year 4 to ensure that they maintain their relevance and become effective networking partners that can sustain activities after assistance ends. Specifically, TIPCEE will promote demand-driven service approaches by linking farmers — through the associations and farmer-based organizations — to business development service providers such as financial services, input suppliers, certification bodies, importers, local traders and processors, and other services based on group requirements.

Expanding Outreach

The approaches described above are designed to improve the livelihoods of actors in selected supply chains, from farmer to input-supplier and transporter to exporter. Each chain faces specific constraints and challenges to maximize its potential. The goals

are to reach 100,000 rural households and increase both the value and volume of Ghana's exports. In Year 4 TIPCEE will prioritize the following interventions by supply chain.

Currently Ghanaian pineapple exporters cannot produce enough **MD2 pineapple** to fill orders received from the EU market. In Year 4 TIPCEE aims to keep smallholder farmers linked to this lucrative market through dissemination of GAPs by means of farmer-led demonstration sites, expanded EurepGAP certification efforts, development of smallholder group business plans to access finance for expansion of MD2 fields, and linkages to exporting firms to meet market demand. These activities will be implemented in collaboration with MOFA, GTZ/MOAP, and SPEG members.

Ghana's **pineapple processing** firms for fresh-cut and juice products face a deficit in supply throughout the year. Many Smooth Cayenne pineapple farmers who are suffering from the reduction in demand for fresh Cayenne can be reoriented to grow for this expanding processing market. In Year 4 TIPCEE will collaborate with GTZ/MOAP and the key processing firms to establish GAPs for efficiently and profitably growing pineapple for processing. These GAPs will be disseminated through field-based lead-farmer trainings and demonstration plots. Development of norms and standards that apply to pineapple for processing will be pursued, as well.

Mango growers came into their own in Year 3 as their TIPCEE-supported efforts to improve agricultural, harvest, and post-harvest practices paid off. In August 2007 several groups achieved EurepGAP Option 2 certification and simultaneously shipped mangoes by sea to Europe at a tidy profit. TIPCEE's Year 4 activities will concentrate on expanding the number of mango farmers that can access this market. Specific activities will include expansion of GAP training and field demonstrations to new farmer groups, expanded EurepGAP training and certification, completion of a GIS database of the mango supply base in Ghana, establishment of norms and standards inspections programs at key bulking points, and further efforts to link additional exporters to markets.

Previously, TIPCEE's efforts in **papaya** concentrated on pilots to enhance skills in Golden papaya cultivation, harvest, and export. In Year 4, dissemination of these practices will be expanded. GAP training and demonstrations through lead farmers will introduce many more producers to the economic opportunities of the Golden cultivar. Such demonstrations will include the introduction of the new variety and its production protocols — with accompanying training guides, norms and standards posters, and inspections programs — and to new technologies such as drip irrigation for year-round production. EurepGAP certification will be introduced, with the expectation that at least 10 papaya farmers will be certified in October 2007 as a start. Financing templates are underway to help farmers access financing for the irrigation equipment and expansion of existing papaya fields. Export markets exist and can be further exploited through less expensive sea-freighting options while GAPs can help farmers achieve export-quality standards for their fruit.

Increasing Ghana's **vegetable** exports will require that new varieties, farmer practices, and technologies are introduced and mainstreamed. In Year 4 TIPCEE will expand its demonstration pilots both in the southern belt and in the Northern and Upper East Regions. Lead farmers will utilize established training guides for new varieties of

okra, chilies, green beans, and baby corn. Introduction of drip-irrigation technology on a small scale was achieved in Year 3 at selected demonstration sites, and will be expanded to 15 sites in Year 4. As quality is improving, TIPCEE will work with farmer-based organizations (FBOs), the Ghana Association of Vegetable Exporters (GAVEX), and other exporter associations to improve harvest and post-harvest practices, and manage bulking points in key areas where producers are concentrated. In Year 3 TIPCEE worked with an FBO to establish a small pooling shed where producers can sort, clean, pack, and consolidate commodities for transport. In Year 4 three more sheds will be constructed, and management training activities for these pooling points will be expanded.

Year 4 **cashew** activities will expand the Year 3 activities, namely, training in norms and standards for producers and traders, including training in nut-grading. Working with Cashew Processors and Exporters Association of Ghana (CAPEAG) and MOFA's Cashew Development Programme (CDP), TIPCEE will continue to map the cashew supply base to better link producers to markets.

Medicinal plants, such as voacanga and griffonia, are exported to the U.S. and EU. These plants are primarily collected by villagers across a vast area. In Year 3 TIPCEE collaborated with Agribusiness in Sustainable Natural African Plant Products (ASNAPP) to support GSB's development of norms and standards for these products, and together trained thousands of collectors in proper harvesting methods to achieve these standards. These training activities will be expanded in Year 4.

Like pineapple, Ghanaian **citrus** juice processors face quantity and quality sourcing problems. In Year 3, TIPCEE worked with three processing firms, selected MOFA district offices, GTZ/MOAP, ADRA, and the Citrus Growers and Marketers of Ghana (CIGMAG) to launch a massive GIS-mapping program that will better link citrus farmers to the growing market for their fruit. This effort will continue in Year 4, and TIPCEE will develop a GAP-dissemination program through lead farmers to improve both yields and fruit quality. By the end of the year, TIPCEE will work with industry stakeholders to begin establishing norms and standards for citrus.

Currently Ghana imports tons of **tomato** and **onion** from neighboring countries despite the fact that Ghana produces both of these crops in abundance. Unfortunately, the quality of competitor nations' produce is often superior. In Year 4 TIPCEE will work with processing factories, the Ghana National Tomato Traders Association (GNTTA), and onion-growing FBOs to introduce and mainstream new varieties, farmer practices, and technologies. The tomato traders and processors are anxious to buy from local producers; thus, they will be integrated into all demonstration pilot activities — from seed selection to identification of lead farmers, to establishment of bulking points and post-harvest procedures. Five new varieties of tomato and one new onion variety will be demonstrated with and without a low-cost model of “family” drip irrigation. Cultivation protocols will be disseminated through strategically placed demonstration sites in key growing areas.

In keeping with TIPCEE's market-led approach, in Year 3 the project launched a series of 33 **maize** pilot sites to demonstrate the potential yields, costs, post-harvest techniques, and marketing opportunities of Mamaba maize seed. The lead farmers demonstrated two growing models: low input (changing only the seed variety and

improving farming practices) and high input (new seed, fertilizer and pesticide inputs, and improved farming practices). In addition, new technologies such as on-field moisture analysis, better drying methods, and new bagging and weighing procedures were also introduced. After one growing season, the product of these sites was all purchased by a local animal feed-processing company because it met the company's quality criteria. This company previously imported its maize. In Year 4, demonstrations will expand to more than 150 sites and demonstrate both Mamaba and yellow maize for processing. The production and post-harvest protocols are linked to specific market demands.

Improving Links to Markets

Establishing and enhancing market linkages are TIPCEE's ultimate goals. All interventions begin with a defined, sustainable market opportunity; EBD staff work through the chain down to the smallholder level to build the systems and capacity of the players to meet that demand. This work is done in collaboration with the private sector, relevant Government of Ghana (GOG) agencies, and other development partners. In Year 4 the collection of market information will be improved with further training for GOG agencies and industry associations in how to analyze the EUROSTAT database as well as other market information sources. Concurrently, TIPCEE will develop new market-information dissemination tools including Web-based e-newsletters and SMS-messaging applications, and transfer them to local partners such as the Federation of Associations of Ghanaian Exporters (FAGE). Finally, once the quality and quantity (and price) requirements of the export market are met, closing deals will require another set of specialized skills. TIPCEE will continue to work with the Ministry of Trade and Industry, associations, and firms to host investment and buyer visits. In Year 4 the investor's guide and exporters' directory will be updated to include new commodities and services available. Additional technical assistance to support the national horticulture branding identity will continue, as will support to growers and exporters to attend the annual Fruit Logistica trade fair in Berlin, a venue for facilitating new strategic partnerships.

The strategy of the **Enabling Environment component** continues to be informed by our work with Government of Ghana counterparts, private sector trade associations, and interaction with the EBD component. It links closely to the GOG sector strategies, including the Trade Sector Support Programme (TSSP), Financial Sector Strategic Plan (FINSSP), Private Sector Development Strategy, reforms associated with the revised Food and Agriculture Sector Development Policy (FASDEP), the Ghana Growth and Poverty Reduction Strategy II, and ongoing multi-donor budget support activities. In Year 4 the EE component will continue to focus primarily on three sectors that are most likely to advance USAID's goals and objectives of increasing Ghana's competitiveness in world markets: trade, finance, and agriculture. In addition, the project will wrap up specific initiatives in the macroeconomic policy, labour, and ICT (Information and Communication Technology) sectors. Through policy analysis activities, regulatory draft exercises, public-private dialogues, and capacity building assistance to the Government of Ghana, TIPCEE will improve the policy environment for private sector growth.

Trade: Central to both components of TIPCEE, work in the trade area is fully integrated with the TSSP, launched in Year 2 by the Ministry of Trade, Industry,

Private Sector Development & Presidential Special Initiatives (MOTIPSD/PSI). The EE component focuses on eight projects in the areas of trade facilitation and installation of a fair and transparent import-export regime. In Year 3 TIPCEE installed an “embedded” resident advisor at the Ministry to advise and mentor key staff and assist with targeted activities. In Year 4 TIPCEE will work with the Ministry as it establishes a Tariff Advisory Board (TAB) to rationalize its tariff-setting and tariff-evaluation procedures. This work will include, first, finalizing an effective rate of protection methodology to provide policy makers with an informed basis for designing tariff regimes and evaluating existing measures, and second, designing and leading a study tour to the U.S. International Trade Commission to better understand how such an entity operates and to share lessons learned for implementation of the TAB. Development of operational guidelines and training on contingency trade measures will follow. EE staff will also work with MOTIPSD/PSI to reform export incentive structures to improve efficiency of the duty-drawback mechanism and decentralize free-zone activities. To improve trade facilitation, TIPCEE will evaluate the fee structure for goods clearance at the airport and ports, and compare it with those of competitor nations. Capacity building of the Customs service to eventually take over the import valuation procedures will also be launched, building on Year 3 work that analyzed Ghana’s compliance with WTO requirements in this area. Finally, a study of competitor nation export promotion activities will be conducted to determine areas for improvement in Ghana’s public and private sector export-promotion institutions.

Finance: The EE component’s goal is to increase financial flows and efficiencies in the capital market and support FINSSP objectives. The embedded advisor at the Ministry of Finance and Economic Planning continues to provide advice on a multitude of financial issues. In Year 4 TIPCEE will focus on further analyzing the interest rate spread in the financial services sector, provide guidance on measures to better utilize unclaimed assets, and help finalize the Borrowers and Lenders bill (which seeks to provide adequate protection for both creditors and borrowers, including issues such as collateral recovery and “truth-in-lending”) and the Non-Bank Financial Institution bill (which seeks to improve regulation of this sector). TIPCEE will also co-sponsor Financial Literacy Week with the Ministry of Finance and other development partners to educate savers and businesses on available financial products, how to access them, and their rights and obligations under the regulatory framework.

Agriculture: The EE component assisted the Ministry of Food and Agriculture during Year 1 to produce the “building blocks” for a revised sector strategy, FASDEP. In Year 3, a draft revision was to be completed by MOFA staff. In Year 4 TIPCEE will provide advice and support as MOFA develops specific strategies and programs for implementing FASDEP. One constraint often cited by the private sector is access to improved planting material. MOFA is tasked with balancing the benefits of a liberalized seed sector and protecting the seed base of Ghanaian farmers from diseases and pests. In Year 4 TIPCEE will work with MOFA to analyze these opportunities and threats and examine competitor nation policies as the GOG contemplates revising its Seed Act. Access to financial services is repeatedly cited as a constraint to growth in the agriculture sector. In Year 4 TIPCEE will conduct a survey of available financing options and construct a value chain financing map for two commodities. Best options for developing appropriate financial products will be

recommended to the financial sector. Agricultural and infrastructure investment decisions by the private and public sectors must be based on all available information to accurately project potential impact. To this end, in Year 4, TIPCEE will conduct an economic benefit analysis of two subsectors that are often cited for further investment, mango and rice. This assessment will quantify both direct and indirect economic benefits to Ghana, including employment and growth of ancillary industries.

Macroeconomic, monetary, and fiscal: TIPCEE's activities in this sector are reduced in the face of a stable macroeconomic environment. In Year 4 TIPCEE will investigate the role and performance of the current exchange rate regime, emphasizing the trade-offs that will enhance the country's competitiveness by promoting an export-led growth strategy against such other competing objectives as price stability with single-digit inflation and growth of domestic industries that produce import-competing goods. The analysis will be presented to decision makers. TIPCEE will also continue to support the monitoring and evaluation process in the development of indicators to assess the annual progress of GPRS II on macroeconomic issues.

Labour: The EE component developed an operational strategy for the National Labour Commission (NLC) in Year 2. In Year 3 EE staff assisted the NLC with its communications strategy and educational materials for informing GOG, employers, labour unions, and the public about procedural changes established by the new Labour Act. In Year 4 TIPCEE will update the NLC's case management system and database to accelerate labour petition handling, facilitate documentation of claims, and track NLC activity.

ICT: TIPCEE began assistance to the ICT private sector in Year 3 through the Ghana Internet Service Providers Association (GISPA) as part of USAID's Last Mile Initiative. In Year 4 TIPCEE will finalize a study conducted for GISPA that examines key constraints to the ICT industry and examines good practices in competitor nations. Stakeholder meetings will disseminate the findings of this study, and GISPA will choose appropriate follow-up measures to address the issues. Our EBD mapping work will also inform Ghana Investment Fund for Telecommunications Development (GIFTEL) expansion plans for mobile phone coverage to rural areas.

I. INTRODUCTION TO 4TH ANNUAL WORK PLAN

The Chemonics International Consortium presents this fourth year work plan under the United States Agency for International Development (USAID) Trade and Investment Program for a Competitive Export Economy (TIPCEE). Chemonics International, along with its consortium partners CARE International, TechnoServe/Ghana, The Services Group (TSG), Geomar, Dexis International, Elan International, and International Business Initiatives, was awarded the TIPCEE contract on December 2, 2004.

This work plan covers the period from October 1, 2007 through September 30, 2008. The TIPCEE technical team, with Chemonics' home office, TechnoServe/Ghana, CARE, and TSG, conducted planning workshops during July and August 2007. Participants included TIPCEE expatriate and Ghanaian technical staff; project management personnel; and technical experts from TechnoServe, CARE, TSG, Geomar and partner organization representatives from the Ghana Ministry of Food and Agriculture (MOFA) regional and district-level offices, MOFA's Horticulture Development Unit, GTZ's Market Oriented Agricultural Program (GTZ/MOAP), and the University of Ghana. During the workshop, the team reviewed TIPCEE's Year 3 activities and performance and looked ahead to the goals, strategies, and targets for Year 4 and life of project. For each component, the group established activities, tasks, benchmarks, and targets to monitor TIPCEE's progress.

In this work plan, we present the overall implementation approach and a summary of our collaboration with partner organizations. In the following sections, we provide a narrative description of each program activity. Annexes to this report provide additional information on our project strategy, indicators, and targets.

A. Project Overview

The goal of TIPCEE is to increase Ghana's private sector competitiveness in world markets through an improved enabling environment and a strengthened capacity of the private sector to respond to market demands. The objectives for TIPCEE can be grouped into four broad categories: expanded market access, more integrated industry/cluster activities, improved performance of enterprises and smallholders, and key policy and regulatory constraints addressed and solutions proposed.

TIPCEE will increase the performance, value, and innovation of Ghana's export industries in world markets and domestic processing industries by strengthening selected commodity supply chains from farm to market (and supermarket). The project will work with policy makers and implementers, and with private sector

Adding food crops to the portfolio of commodities

To complement its basket of high-value export commodities and provide greater outreach to smallholder farmers, in Year 3 TIPCEE expanded its approach to include more traditional food crops — identifying maize, citrus, onions, and tomatoes as new target commodities. This food crop initiative also focused on market-led activities — maize, tomatoes, and citrus primarily for processing, and onions for domestic and regional trade. All TIPCEE activities will continue to focus on market-led activities designed to improve supply chain systems, including seed and input supply sourcing, demonstration plots for improved agronomic practices, quality assurance programs, organization of bulking points and transport systems, and improved logistics along the value chain.

stakeholders to improve the legal and regulatory environment for private sector operation and investment.

In order to meet the demands of the global, regional, and domestic market place, TIPCEE's Export Business Development (EBD) team will enhance Ghanaian businesses' and farmers' ability to identify market opportunities; meet the stringent quality standards of export markets and domestic processing firms; form strategic partnerships with agribusiness firms in the U.S., Europe, Ghana, and other countries; increase purchases from smallholders; and improve the responsiveness and efficiencies of the commodity supply chains to continue to provide both the quantity *and* quality to meet market demand.

TIPCEE will link its Enabling Environment (EE) team of international and Ghanaian professionals with government officials, policy research institutes, business associations and other private sector groups to improve key policies and regulations that currently constrain business development in Ghana, primarily in the areas of financial markets, trade, and agriculture.

Both TIPCEE components — Export Business Development and Enabling Environment — are designed to complement and build on the work of other USAID activities, as well as initiatives of the Government of Ghana (GOG) and other donor programs, including those of the pooled donor resources that fund GOG development activities.

Annex A presents a project strategy document.

B. Collaboration with Partner Organizations

USAID/Ghana

GSSP/GEPA. As part of its work to mainstream GIS mapping in several horticulture supply chains, TIPCEE will share its approaches on the use of this technology in policy-making with GSSP/GEPA. When required, TIPCEE will participate in GSSP strategic workshops to present grassroots approaches to fostering growth in the nontraditional export sector.

ADRA. TIPCEE and Adventist Development and Relief Agency (ADRA) have teamed to create direct links between the EBD component's market development work and the grassroots activities funded by ADRA's Title II activities, including work with mango, cashew, and citrus growers. As part of the closing of the Title II program, ADRA provided a large base of new target farmers, and TIPCEE will integrate them into the market supply chains as appropriate.

GDA. As stated in the recently approved USAID/Ghana Mining Global Development Alliance (GDA), TIPCEE will contribute to the identification and development of commercial crops to be introduced in collaboration with Opportunities Industrialization Centers International (OICI) and the other GDA partners in the mining communities in Asutifi and Wassa West districts. Pilot initiatives involving the introduction of drip irrigation and high-value crops such as papaya are underway in the project areas. The GDA, with Royal Ahold, continues to dedicate a project staff

member to TIPCEE, ensuring a market linkage with the multinational supermarket chain.

Last Mile Initiative. With USAID/Ghana and USAID/Washington, TIPCEE developed an innovative Last Mile Initiative proposal which is described in more detail in the EBD section. The Information and Communication Technology (ICT) initiative will use Internet and SMS connectivity to link smallholder farmers to exporting firms and the port. Ghana Investment Fund for Telecommunications (GIFTEL) is the agency charged with identifying zones for expansion of mobile phone network coverage. TIPCEE will continue to work with GIFTEL, sharing our GIS mapping data to help GIFTEL link its expansion plans with high-value rural agricultural zones that currently experience poor or nonexistent coverage. This will help link farmers to bulking points, exporters, processors, and transport corridors.

USAID/West Africa Program

Trade Hub. In Year 3 TICPEE collaborated with the West Africa Trade Hub, in particular with the African Cashew Alliance (ACA), to organize Cashew Week, provide input to a regional study on the market potential for processed cashew products in Ghana, and share the poster format developed as a training tool on cashew norms and standards. As that project ends and a new Trade Hub contract is launched, TIPCEE will continue to explore regional synergies in the cashew sector and pursue information sharing with ACA members.

MISTOWA. The MISTOWA project (Market Information Systems and Traders' Organizations in West Africa) will narrow its focus in the coming year; TIPCEE will work with its staff and partners, such as BusyLab, to explore new applications of their TradeNET market information platform, including a pilot effort to link the maize animal-feed processing industry to a sourcing network of communities by adapting SMS to Web technology developed under the program.

Millennium Challenge Corporation

The Ghana MCC compact lays out an agribusiness development program that is highly complementary to the TIPCEE approach and builds on innovations and pilot efforts developed during TIPCEE's first 3 years. As Ghana's Millennium Development Authority (MiDA) rolls out its agribusiness projects, and implementing partners are established in the 23 targeted districts, TIPCEE will coordinate with new service providers, and share TIPCEE-disseminated agricultural technologies and

Multi-stakeholder collaboration to map the citrus supply base

Although there are three major citrus juice factories in Ghana, none of them have a clear picture of the supply base. Farmers complain about lack of market and depressed prices, and processors complain of underutilized factory capacity despite a growing world market demand.

To better link farms to market opportunities, a unique collaboration among public, private, and donor agencies and firms completed a pilot effort using GIS technology to map 3,000 farms in the citrus supply base. The following groups share resources and information and will expand the pilot program to thousands more farms in Year 4:

- USAID/TIPCEE
- MOFA Central Regional Office
- MOFA Ajumako District
- GDC GTZ/MOAP
- ADRA
- Citrus Growers and Marketers Association of Ghana (CIGMAG)
- CGL Organic Citrus Growers Association
- Pinora
- Coastal Grove Ltd
- Athena Foods Ltd

training materials. TIPCEE will also explore opportunities to link MiDA-production activities with market demand for increased supply.

Government of Ghana (GOG) Ministries

The EBD component continues its collaboration with GOG departments and agencies which operate in the targeted sectors. The EBD team forged a close partnership with MOFA's Horticulture Export Industry Initiative (HEII), mobilizing smallholders to support HEII's MD2 dissemination program, developing a GIS database for high-value horticulture, and collaborating on the design of an innovative pilot to adapt the EurepGAP Option 2 protocol to the specific needs of pineapple farmers. Ongoing collaboration with the GOG Cashew Development Project (CDP), the Savannah Agricultural Research Institute (SARI), and the Irrigation Development Authority (IDA) will provide scientific and technical monitoring to several pilot TIPCEE initiatives. TIPCEE's commodity-specific activities, as well as diversification and technology pilot efforts, are coordinated with selected MOFA regional and district level offices and staff. At the central level, the MOFA Crop Services Directorate is kept informed of new initiatives and collaborations.

MOFA, with support from the African Development Bank, has launched the Export Marketing and Quality Awareness Project (EMQAP) early this year, which will focus on improved planting materials, good agricultural practices, and enhanced infrastructure for nontraditional exports. Once the EMQAP work plan is finalized, TIPCEE will seek to share our best practices in these areas and coordinate activities to ensure complementarity and reduce commodity overlap.

Coordination with the Ministry of Trade, Industry, Private Sector Development, and Presidential Special Initiatives (MOTIPSD/PSI) and its agencies on the EBD side has focused on support for the Ghana Standards Board's (GSB) work on norms and standards for numerous commodities. In Year 4 posters illustrating norms and standards for several crops — including mango, griffonia, voacanga, okra, and chili peppers — will be finalized.

The Ghana Export Promotion Council (GEPC) will be part of the public-private working group through the National Horticulture Task Force in charge of coordinating Ghana's presence at the 2008 Fruit Logistica trade fair in Berlin, Germany. GEPC will continue to participate in TIPCEE's ongoing efforts to integrate analysis of the EUROSTAT trade database into export-promotion activities.

The EE component is fully integrated with the appropriate GOG ministries, departments and agencies. Full-time TIPCEE staff members are "embedded" in the Ministry of Finance and Economic Planning (MOFEP) and MOTIPSD/PSI to oversee specific policy activities that support the GOG's Financial Sector Strategic Plan (FINSSP) and the Trade Sector Support Programme (TSSP), and Private Sector Development Strategy (PSDS), as well as contributing to capacity strengthening efforts at MOFEP, MOTIPSD/PSI, and MOFA.

Work in the trade sector is coordinated with other donor efforts through MOTIPSD/PSI's TSSP and PSDS. For example, the TSSP produced a detailed work plan for Ministry staff. TIPCEE and other donors identified activities for collaboration

with GOG. In agriculture, TIPCEE worked with MOFA to support the revision of the Food & Agriculture Sector Development Policy (FASDEP), the agricultural sector plan, and will participate in the ongoing development of its work plan and activities. In other sectors, all TIPCEE activities are integrated into Ministry strategic plans with activity-level scopes of work developed in collaboration with key GOG staff.

Other Donors

Working in a number of sectors, it is essential that TIPCEE coordinate and collaborate with all pertinent donors. To this end, the project's efforts support the goals and activities of the Multi-Donor Budget Support group and the associated GOG strategic plans. Through USAID representation on sector-specific donor working groups, TIPCEE is informed of any changes or new priorities.

The EBD component has developed a strong collaborative relationship with GTZ's Market Oriented Agriculture Programme (GTZ/MOAP), resulting in successful industry events such as the Fruit Logistica trade fair and Mango Week, and continuing work on the EurepGAP Option 2 pilot and citrus value chain programs in the coming year. Coordinating GTZ/MOAP's and TIPCEE's interventions can maximize impact in other areas; for example, collaboration in developing the mango supply chain in the Brong Ahafo region is part of TIPCEE's scaling-up strategy in that sector.

TIPCEE has been collaborating with the International Fund for Agricultural Development (IFAD) in the design of the Northern Region Growth Programme, a 7-year, \$50-million initiative targeting the agriculture sector in the Northern, Upper East, and Upper West regions. Several TIPCEE approaches involving the introduction of drip irrigation, good agricultural practices, quality assurance, and supply chain networks are expected to be scaled up by the program upon its inception in 2008.

TIPCEE will also seek out opportunities to collaborate with the World Food Programme's Food Security Monitoring System in the Northern regions of Ghana to ensure complementarity with food-crop activities in those regions.

TIPCEE staff also collaborate with the World Bank in the financial sector, specifically assisting with the launch of the Financial Sector Division of MOFEP as part of the FINSSP and sharing lessons learned from TICPEE's agricultural finance survey. For Financial Literacy Week, TIPCEE will collaborate with numerous donors and programs, including the International Finance Corporation (IFC) leasing program.

Although TechnoServe is part of the TIPCEE consortium, collaborations have been developed with other programs it manages in the maize and onion supply chains, in order for TIPCEE to capitalize on lessons learned and coordinate approaches.

Private Sector

The EBD component works primarily with private sector partners: smallholder farmer groups, industrial farms, export and processing companies, supply chain support firms, trade associations, and buyers of commodities.

TIPCEE is collaborating closely with the Federation of Associations of Ghanaian Exporters (FAGE) and the National Horticulture Task Force (NHTF), housed at FAGE. With these entities in Year 3, TIPCEE contributed to the organization of Ghana's presence at Fruit Logistica 2007 and Cashew Week. TIPCEE worked closely with FAGE and public and private sector stakeholders to produce a publication entitled *Ready for Take Off*, which described the progress Ghana is making in its drive to be competitive in the global horticulture trade, and outlined the remaining constraints that must be addressed. During Year 4, TIPCEE will continue to work with FAGE to develop industry-based information-dissemination tools. This assistance will be coordinated with GTZ's technical assistance to FAGE.

Support for commodity-specific associations also continues. For the past 2 years, TIPCEE has collaborated with the Yilo Krobo and Dangme West Mango Growers Associations to improve their agricultural, harvest, and post-harvest practices, as well as attain EurepGAP Option 2 certification for a first tranche of their farmers. Further capacity building activities will continue in Year 4 with expansion of the new GLOBALGAP certifications and volume of exports flowing to Europe. The pineapple-specific activities are designed and implemented in collaboration with SPEG. All cashew subsector activities are implemented in collaboration with the Cashew Processors and Exporters Association of Ghana (CAPEAG). GAVEX and VEPEAG members are pilot sites for new vegetable trials. Tomato demonstration sites and introduction of new technologies are planned through the Ghana National Tomato Traders Association (GNTTA).

The EE component includes the private sector in all its activities through public-private dialogues on proposed and pending regulatory issues, and works with individual GOG agencies to integrate private sector input into their policy-making process. In addition, TIPCEE works with specific private sector trade associations, such as the Ghanaian Internet Service Providers Association (GISPA), to develop their advocacy skills.

The EBD component's value chain activities are often centered on capacity building to nucleus firms to assist them in anchoring extensive outgrower networks of smallholder farmers, championing improved grades and standards, and modeling innovative technologies for wider dissemination to other firms and into the smallholder base. During its first 3 years, TIPCEE entered into formal MOUs or contracts with more than 53 nucleus firms, 28 private sector associations, and 35 business development services (BDS) firms. Additional firms and farmer-based organizations will be added in Year 4.

II. EXPORT BUSINESS DEVELOPMENT COMPONENT

Ghana is blessed with a set of strategic advantages that can be built upon to develop a thriving commercial horticulture sector. Major assets — such as a climate conducive to horticulture cultivation, available and arable land, port facilities, improving infrastructure, and proximity to lucrative markets in Europe — have brought the horticulture industry to where it is today. Yet four major constraints still hamper growth for Ghana’s export agriculture industry: inconsistent quality, lack of key food safety certifications, low volumes, and poorly integrated export supply chains. Furthermore, the rush to address these constraints may risk leaving behind the small farmers which have traditionally formed a significant part of the supply base. TIPCEE’s mandate is to help selected commodity supply chains overcome these constraints and to provide effective responses to the challenge of keeping the small farmers involved in an industry poised for exponential growth.

TIPCEE’s EBD component aims to support smallholder farm and enterprise-level initiatives that will improve the private sector’s competitiveness in the market and lead to sustained growth in targeted commodities.

The fourth year of the TIPCEE EBD component will focus on mainstreaming and transferring skills and technologies developed and tested over the project’s initial phase. Several cross-cutting approaches to improving supply chain performance may now be disseminated to small farmers and nucleus exporting, processing, and trading firms across a wide spectrum of supply chains. Maize, mango, citrus, pineapple, cashew, tomato, and vegetable supply chains draw from a wide base of farmers who will benefit from these approaches. TIPCEE is committed to reaching 100,000 farm households by the end of the project, with the objective of providing knowledge and skills that are key to the farmers’ integration into structured supply chains. Integration into competitive supply chains is essential to sustainably increasing rural incomes.

TIPCEE’s EBD program for Year 4 will propel initial successful pilot activities into higher gear by disseminating new technologies and practices to an ever-growing smallholder farmer supply base. The full program will be monitored using crop-specific GIS databases with monthly objectives in terms of farmer involvement. To ensure a sustainable impact and link to changing markets, EBD staff will work through key nucleus exporting or processing firms wherever possible. These firms anchor supply networks in which market information on quality, variety, certification, and volume requirements flows down to the smallholder suppliers who, in turn, produce specifically to meet the market demand.

Over the first 3 years of the program, these approaches were tested and then systematized into standardized templates, methodologies, posters, and training guides, allowing easy transfer to an extended base of trainers. Trainers will be actual supply chain agents, capable of providing support to the targeted farmers and farmer groups. They have been selected from a diverse group of community lead farmers, farmer association representatives, district-level MOFA extension staff, trader agents, private sector field personnel, and specialized BDS providers — the mix of which is fitted to the actual trading structure of the targeted industry. Their outreach mission at the farmer level will hone advanced supply chain skills, such as the enforcement of product quality norms and standards, application of GAP and integrated pest

management (IPM), attainment of EurepGAP certification, or the integration of GIS and other database technologies in the day-to-day management of the small farmer supply.

To ensure this scaling up, the EBD team has been restructured around a core intervention team focused on the commodity supply chain networks through which the TIPCEE knowledge products are to be disseminated. Core EBD staff will be assigned to individual networks and will coordinate a crop-specific program from farm to market. Each network will have priorities for skill sets and technologies to be rolled out to yield maximum impact in terms of farmer outreach and sustainable improvement of incomes.

In-house and short-term technical specialists will provide the necessary backstopping to ensure that tools are fitted to the needs of each industry, and that network capacity-building activities maintain high technical standards across supply chains. For example, using the current training materials developed for pineapple as a starting point, specific approaches to the implementation of the GLOBALGAP (formerly EurepGAP) Option 2 farmer certification or to the inception of a third-party pack-house-level product quality inspection scheme will need to be developed for the vegetable and mango industries. In another example, GIS supply base mapping, which has been mainstreamed for tree crops (mango, cashew, and citrus) will need to be adapted to the operational constraints of non-static production bases like vegetables and maize. This team of specialists will therefore act as resource persons and advisors



to the crop teams at the launch of specific programs, where training methodologies and tools are adapted to market requirements. Subsequently, they will ensure that training activities are conducted according to standard. Experience gained from implementing initial programs will provide insights and approaches for improving outreach and adoption by community-level trainers and the farmers themselves.

Preparing pallets of mangoes for sea-freight shipment.

In parallel, the marketing team will be responsible for ensuring that industry market intelligence systems are capable of providing supply chain agents with relevant and accurate information for decision-making. The focus of the team will be to work with industry and government agencies to ensure that market trends are understood and tracked by supply chain participants, with the objective of reaching the farmer level. This will require adaptation and testing of market intelligence tools and coordinated capacity building at the network level for each commodity chain.

A. Develop Innovations and Knowledge Tools

Over the life of TIPCEE, activities building Ghanaian businesses' competitiveness in export and domestic markets have introduced and improved supply chain practices.

This has created positive impact for a number of industries and, through effective dissemination strategies, reached a wide range of smallholders, firms, and associations.

In each of these areas, a number of tools have been designed to enable broad outreach and ensure sustainable operation after TIPCEE ends. In Year 4, innovations and knowledge (I&K) tools will be developed and improved in the following areas: GAP training, commercial product norms and standards, approaches to achieving EurepGAP certification, farmer supply databases using GIS technology, financial and supply chain management systems, business plan and financing templates, and diversification pilots. Performance benchmarks for the I&K team will focus on the delivery of technical content, training tools, and extension approaches adapted to the outreach group for roll out to the industry as a whole.

Expand the Use of Good Agricultural Practices and Production Planning

Since its inception, TIPCEE has developed a series of crop-specific training materials aimed at mainstreaming GAP and Integrated Pest Management (IPM). Several training guides, addressing key stages of the production and post-harvest cycles for products such as pineapple, mango, papaya, okra, and chilies have been developed in partnership with other programs and specialized technical assistance. These documents, designed for widespread dissemination across the farmer base, have been received enthusiastically by both farmers and field extension agents.

In Year 4, TIPCEE will complete guides for composting and drip-irrigation technology – two cross-cutting skills that are critical to improving yields of crops such as mango, papaya, okra, chilies, and tomatoes. The development of guides for industrial pineapple, citrus, maize, tomato, and onion is envisaged but will need to be coordinated with partner programs such as MOFA/EMQAP and GTZ/MOAP with similar aims.

TIPCEE will also develop simplified poster formats to ensure adoption by semiliterate to illiterate farmers of basic IPM-based technical practices, the adoption of which will translate into significant increases in yield. The development of such highly focused — yet simplified and accessible — materials will be based on more comprehensive guidelines that have been created by other programs and will target wide outreach crop networks such as citrus, tomato, onion, and okra.

Fostering GAPs through supply chain networks is achieved not only through formal training but also through field demonstrations. Clear methodological guidelines for the creation and management of these sites will be developed and will aim to maximize the community impact and outreach of such demonstrations. These guidelines will cover site and partner selection criteria, monitoring database formats using GIS, high outreach approaches to the organization of field days and on-site visits.

In its maize program, TIPCEE has developed a novel approach to training farmers and their organizations in adopting production strategies focused on competitiveness and supply chain integration rather than strict unit-price-driven strategies, which often result in market deadlocks, especially for commodities for which prices are

determined by global market conditions. This approach, dubbed YiPoCoMa (Yield, Post-harvest, Cost, Marketing), focuses on working with farmers and market partners to identify the practices which will achieve improved yields, optimize costs, streamline post-harvest logistics, and structure workable marketing arrangements. This ensures win-win farmer-buyer relationships at competitive market prices. In Year 4, TIPCEE will standardize this approach and test it with commodities in which productivity-price trade-offs are critical: industrial pineapple, citrus, papaya, mango, and export vegetables.

Benchmarks:

- Publication and dissemination of 4 GAP guides
- Publication of 4 simplified GAP posters
- Demo-site methodological guide developed and applied to crop programs
- YiPoCoMa template developed and disseminated

Collaborating Partners: FAGE, SPEG, BDS providers, nucleus firms, smallholder farmers, FBOs

Improve Product Quality Norms and Standards

With the expansion of large, consolidated supermarket chains in developed countries and an increasingly competitive world-wide supplier network, buyers and their end-user customers are becoming more discriminating about the produce they purchase. Product conformity to stringent norms ensures that losses along integrated distribution chains are kept to a minimum and that first-rate produce reaches the store shelves on a consistent basis. Processors also require that harvested or field-collected raw materials meet specific technical characteristics in order to maximize industrial yields and meet standards for the finished product. To meet this demand, TIPCEE collaborated with the Ghana Standards Board and industry players to produce templates and illustrated norms for a number of crops, with the effect of increasing the quality of produce.

In Year 3, quality inspections manuals were completed for a number of products including cashew, mango, okra, voacanga, and griffonia, and



illustrated posters were produced for three export varieties of pineapple, two varieties of papaya, mango, cashew, voacanga, and griffonia. A major initiative was a 9-month pineapple inspections program to test industry performance against 43 accepted quality standards as defined in illustrated norms posters. This was implemented in 10 pack houses and at the port at Tema and was conducted with the Sea-freight Pineapple Exporters of Ghana (SPEG) and BIVAC, an international inspections company. The Ghana Standards Board participated as auditors and assisted in evaluating a database created for information sharing to the industry. TIPCEE and BIVAC trained quality control staff at each pack house, enabling sustainability of quality checks at their firms.

The experience gained from the pilot pineapple inspections program will be extended to other products in Year 4, principally papaya, mango, and okra. These new inspections will require a simplification of the pineapple approach and will be based on the appropriated norms, post-harvest methodologies, and market requirements of the selected products that were developed with past TIPCEE support. Databases generated from these tests will be shared with industry stakeholders to improve operations.

In Year 4, the development of quality standards, inspections manuals, and illustrated posters for a new set of products will be implemented. Among the first will be illustrated posters for okra based on the recently accepted standards. Other standards, such as for processed citrus and maize, will follow.

In another successful program implemented in Year 3 with MOFA's Cashew Development Project and the Cashew Processors and Exporters Association of Ghana (CAPEAG), TIPCEE trained 5,000 cashew farmers in 23 major producing districts in grades and standards using the illustrated cashew norms posters. About 2,000 of the posters were distributed as training material. In Year 4, the EBD team will focus on the development of community trainers and support farmer capacity building in high-density production areas. The use of posters will be extended in similar fashion to provide community/FBO-level training on other products such as pineapple, mango, papaya, and okra. These materials are best used in conjunction with technical guides on GAPs to broaden the technical message. The posters detail the market requirements; the guides show how to achieve that standard.

Norms Adoption Process
Step 1: GSB forms working group to draft standards from current practice.
Step 2: Technical subcommittee review it and technical committee deliberates.
Step 3: Proposed standards receive public comments.
Step 4: GSB modifies draft to reflect comments.
Step 5: Technical committee reviews and approves norm.
Step 6: Norm becomes official and is gazetted.

The set of tools developed by TIPCEE to enhance product quality represent an innovative approach and will be documented in Year 4 to ensure sustainability of the model and to contribute to implementation of any future standards, inspections, and certification programs.

Benchmarks:

- 1 new quality standard developed
- 1 new inspections manual developed
- Illustrated posters produced for 2 products

- 2 appropriation workshops held
- 3 pilot inspections programs launched
- 3 databases established for the inspections
- 3 dissemination and field training programs for farmers undertaken
- Methodology guide developed for training, inspections, and illustrated posters

Collaborating Partners: GSB, MOFA, ASNAPP, FAGE, SPEG, CAPEAG, CDP, GAVEX, farmer and trade associations, exporters, processors, BDS providers

Develop GLOBALGAP² (EurepGAP), Fair Trade, and Other Quality Assurance Systems

Fueled by growing consumer awareness and concern, compliance with food safety and sustainable environmental practices is becoming a basic supply chain requirement, and in some cases is the basis of product differentiation and added value, as demonstrated by the growth in produce labeled Fair Trade and Organic. TIPCEE's focus is to ensure that adapted quality assurance systems and certifications are available to Ghana's small farmers so they can remain a key part of the fresh produce supply chain.

TIPCEE has successfully collaborated with the GTZ/DEDMarket Oriented Agriculture Programme (GTZ/MOAP) and the MOFA Horticulture Development Unit (formerly HEII) for the implementation of EurepGAP certification for smallholder MD2 pineapple farmer groups. This collaboration has led to the certification of six MD2 pineapple farmer groups under the standard and has generated a set of templates and training materials. To date, six groups of 88 farmers have been trained in GAPs and IPM for MD2 production. A Quality Management System (QMS) manual has been developed, and Internal Control Systems (ICS) implemented. Other achievements include development of GAP and IPM manuals for various crops, smallholder QMS development and training materials, and three audited and certified smallholder QMS. A farmer passport that records trainings attended by the holder is now a requirement for certification. Finally, 27 qualified internal auditors and inspectors from both public and private sectors were trained and form a critical skill base.

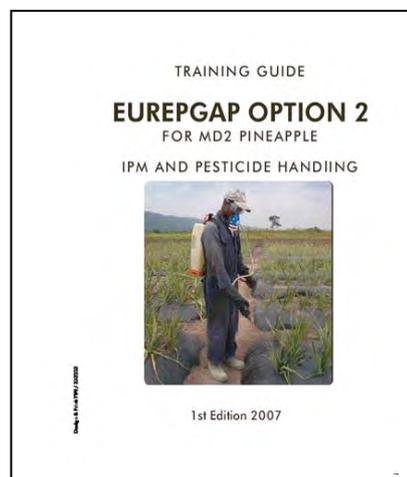
In Year 4, TIPCEE will build on these achievements and assist more farmer groups to achieve GLOBALGAP certification. The requisite QMS tools developed will be adapted and mainstreamed. Targeted supply chains will be perishable produce trading into the EU market, specifically pineapple, mango, papaya, and vegetables. Corresponding GAP and IPM training material will be developed for these products and QMS manuals, and farmer record templates adapted for each subsector and simplified to facilitate farmer adoption. Such tools will facilitate widespread training of farmer-based organizations, associations, or exporter-led outgrower schemes to achieve pre-audit status and eventual certification. The groups will receive training in GAP requirements, IPM, appropriate documentation and recordkeeping, traceability, building of field-level infrastructure, and internal audits and inspections. TIPCEE,

² In September 2007, the EurepGAP Secretariat officially changed its certification designation to "GlobalGAP."

working with collaborating partners, will develop sound ICS within a QMS to ensure compliance with GLOBALGAP standards.

The absence of well-qualified, certified trainers, internal auditors, and inspectors for implementing certification programs under GLOBALGAP continues to be an obstacle for smallholders. TIPCEE will document criteria for assessing such personnel, and conduct training to create a pool of experts to reduce certification cost and make services widely available. TIPCEE will also support the development of a public database of trained resource persons who will be able to provide training and audit services to candidate farmer associations and outgrower schemes.

TIPCEE, MOFA, and other development partners are committed to helping smallholder farmers remain in the supply chain despite the more stringent export requirements. However, nucleus firms and large exporters are skeptical of smallholders' ability to comply with these standards and are therefore reluctant to admit them into their supply chains. To ensure industry buy-in to these certification initiatives, and to ensure sustainability beyond TIPCEE, EBD staff will work with partner organizations and firms to create awareness and participation by industry stakeholders.



The GLOBALGAP standard bears similarity to other value-added certifications (BRC, Nature's Choice, Organic, Fair Trade, Rainforest Alliance) that can open market opportunities for small farmers. Fair Trade certification requirements, for example, are similar to those for GLOBALGAP and could be accessed by certified farmers by implementing marginal measures. A comprehensive exercise will be undertaken to identify and establish the linkages between the requirements for certification by smallholders to other standards such as Fair Trade and Organic.

Benchmarks:

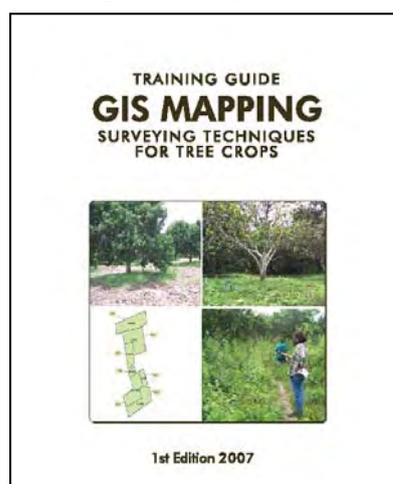
- GAPS and IPM manuals developed for 2 crops and finalized for 2 other commodities
- QMS manual and farmer recordkeeping templates developed for 3 commodities
- An industry workshop developed for GLOBALGAP Option 2
- A checklist developed that links GLOBALGAP QMS to the Organic ICS and Fair Trade QMS
- 1 series of internal auditor and inspector training conducted

Collaborating Partners: MOFA, GTZ/MOAP, GLOBALGAP/FoodPlus, GEPC, NHTF, SPEG, GAVEX, mango associations, small-farmer-based producer groups, exporting firms, certification bodies

Expand the Use of Geographic Information Systems

To compete on the global market, exporting firms need a precise understanding of their supply bases to meet the planning and logistical demands of just-in-time distribution and stringent food safety and traceability requirements. Using traditional smallholder farms disseminated over a vast territory is difficult. However, mainstreaming GPS technology and GIS software provides an opportunity for nucleus firms to integrate small farms in their supply base without compromising precision and traceability. GIS technology is used to establish spatial location and collect attribute data on specific farms. In Years 1–3, TIPCEE and its partners began developing commodity-specific maps and databases for pineapple, mango, cashew, citrus, and papaya farms. The geo-referenced data are used to display the concentration of farms, their sizes, total acreage under cultivation, etc. The status of crop demo sites and their locations is also referenced for planning, monitoring, and scouting purposes, as well as for informing industry and buyers of potential sources of supply.

GIS activities have been undertaken in collaboration with private firms, commodity associations, NGOs (ADRA), and public institutions such as MOFA's Cashew Development Project (CDP), MOFA districts, GTZ/MOAP, etc. In Year 4, TIPCEE



plans to systematically transfer the technology to the public and private sectors to enable them to use the technology for planning purposes.

During Year 3, TIPCEE summarized the lessons learned in the development of these GIS databases in a framework, consisting of a set of guidelines, control points, and data standards for GIS applications in the horticulture sector.

GIS has traditionally been used in natural resource management, land-use planning, crime control, environmental management, navigation, and housing. TIPCEE has introduced its use to promote precision

farming on site with specific activities, target resource-poor households for assistance, identify infrastructure needs of communities, etc. During Year 4, TIPCEE will support awareness creation activities on its use and benefits to policy makers, industries, and BDS providers. A number of sensitization materials will be developed and disseminated to relevant stakeholders in this regard. A GIS provider's directory will be prepared in close collaboration with identified providers for distribution to stakeholders. The content of the directory will include provider profiles with their contact information, expertise, and services to build up the BDS provider base.

Also, TIPCEE plans to continue strengthening the supply base of exporters and processors to effectively use GIS for supply base management, land-use planning, logistics, and plot-level costing. TIPCEE will support nucleus firms in pineapple, citrus, and mango to establish GIS platforms to become efficient in the sourcing and management of raw material supply from outgrowers and other smallholder suppliers. A mapped supply base provides a firm with a database of its suppliers and potential suppliers, including the varietal breakdown, quantity of raw material available, and

the timing of the supply. It is the first step in establishing the traceability systems necessary to comply with GLOBALGAP and other international standards.

The firms will purchase the necessary equipment and software, and TIPCEE will assist with installation on their premises and provide training in management of the applications. The methodology required to establish a GIS platform for firms, its management, and costs and benefits will be documented and shared with other firms that show interest and are prepared to replicate the systems.

TIPCEE will also scale-up the mapping of cashew, mango, and citrus farms with its partners in Year 4. The goal is to cover the entire mango production base in the Brong Ahafo and Northern regions and complete mapping of cashew and citrus farms that were not covered in the initial pilot exercises in Year 3. These will be implemented in collaboration with MOFA districts and partner organizations.

Geographic Information Systems (GIS) Mapping Technology Benefits

- **Policy implications**
 - Provides input for proper placement of proposed infrastructure: roads, mobile phone towers, packhouses, irrigation
 - Aids in calculating agricultural extension needs
- **Industry implications**
 - Provides exact acreage of each commodity variety for marketing to buyers
 - Aids planning for logistics: harvesting, transport
 - Plays a role in pest management and control
 - Provides input for proper placement of service delivery points
- **Firm implications**
 - Forms part of a certification requirement
 - Aids in supply base management and projections
 - Provides input for proper placement of consolidation points and transportation logistics
- **Smallholder farmer implications**
 - Allows proper costing of services per acre: inputs, tractor rental, harvesting labor
 - Gives smallholder visibility to multiple buyers
 - Meets certification requirements

Benchmarks:

- 60 enterprise personnel trained in GPS utilization and GIS
- 2 firms established with GIS supply chain management systems
- 4 firms trained on GIS methodology
- GIS sensitization materials developed
- 2 GIS awareness workshops held
- GIS BDS providers directory developed

Collaborating partners: Exporters, commodity associations, trained surveyors, farmers, GTZ/MOAP, GIS BDS providers, nucleus firms, MOFA, Centre for Remote Sensing and Geographic Information Services (CERSGIS), GSSP, Ghana Environmental Protection Agency (GEPA), MiDA/MCC

Strengthen Supply Chain Management Systems

To be competitive, farmers and firms must be efficient. Analysis of exporting firms and FBOs over the past 3 years has revealed a number of challenges, including inefficient management systems, inaccurate costing and cash flow management, inadequate financial resources, and poor integration of smallholder farmers into the export supply chain.

During the initial years of TIPCEE, a number of tools to resolve these constraints were developed: supply chain management systems, financial management systems

templates, post-harvest infrastructure designs, and the Last Mile Initiative (LMI), which uses ICT to improve the linkage and data exchange between farmers and nucleus exporters. To facilitate dissemination and adoption of these tools, a number of activities will be implemented in Year 4.

Assistance provided by TIPCEE has identified inefficient practices and procedures in the financial management systems of many firms that lead to their inability to generate real-time management information. This situation affects cash flow management and projection, stifles growth, and causes operational difficulties. Launched in Year 3, the development of a basic cost-management system is being completed with two lead firms. After successful implementation, TIPCEE intends to modify the templates to suit businesses in other product areas as part of a dissemination strategy. The key task will be to transfer the templates to firms which have received assistance in development of business plans to secure funding for operations. Use of the templates will be monitored to evaluate performance and adoption by others.

Activities to improve post-harvest management of produce in Year 3 led to construction of the first of four vegetable bulking/packing platforms and creation of architectural blueprints for a bulking facility for the mango associations in the southern production zone. Also, a major pack house near the fruit and vegetable production belt at Nsawam in the Eastern region was upgraded to export food industry standards to serve as a center providing pre-cooling services to the fresh produce industry. To enable the efficient operation of these facilities, TIPCEE will develop templates to guide operations and track inventory of produce received. The standard operating systems and inventory management systems will become pilot templates to guide the operation of facilities throughout the country that may be funded by other programs. These will become model sites for training staff from other facilities.

The global market for agricultural products is increasingly influenced by consumer safety concerns. There are environmental, social, and food safety standards that producers are expected to meet. As a result, many protocols or codes of practice, sometimes in conjunction with labeling schemes, have emerged to reassure the consumer that safety and environmental standards of foods have been met. As a result of these new concerns, TIPCEE will support industries to develop documentary standards for traceability systems by implementing two ICT initiatives.

Last Mile Initiative: This information and communication technology (ICT) application will enhance two-way communication by use of mobile technology. TIPCEE will carry out a 1-year pilot to test real-time communication from port to pack house, and onward to farmer's fields, by use of hand-held personal digital assistant (PDA) devices. In collaboration with Ghana Investment Fund for Telecoms (GIFTEL) and SPEG, a communication link will be set up between two firms and 10 farmer groups to implement the pilot phase. TIPCEE contracted an ICT firm to develop appropriate — and open-source — software. TIPCEE will monitor the implementation and scaled-up approach once it proves successful.

Bar-coded Logistics is a pilot activity that will connect 10 pack houses of SPEG members with real-time access to the Tema port terminal logistics system, enabling information to be transmitted to port officials on the volumes of produce available to

load ships. This practice will improve space allocation, leading to gains in handling efficiency and expedited off-loading and clearance in destination ports. Key activities to be implemented will be the installation of the barcode systems at the pack houses and training participants in the use of the systems.

TIPCEE will seek to partner with the TradeNet platform (www.tradenet.biz) managed by the Ghanaian firm BusyLab and supported initially by the USAID-funded MISTOWA project. The activity will aim to apply TradeNet's SMS-to-Web messaging technology to the management of a wide supply base of maize farmers and assist their integration into the sourcing system of existing industrial distributors currently supplying the animal-feed business. The system will enable buyers and widely disseminated farmer groups to exchange and consolidate basic supply chain messages concerning crop production and harvest data for specific marketing programs. If successful, this approach could be mainstreamed to other crops such as vegetables, cashews, and mangoes.

Benchmarks:

- 4 supply chain management modules developed and implemented
- LMI farm-to-pack house module developed

Collaborating Partners: FAGE, SPEG, financial institutions, BDS provider, nucleus firms, smallholder farmers, FBOs

Enhance Financial Management and Facilitate Investment Support

In many cases, agribusinesses are unable to produce business plans to attract the required funding from financial institutions to meet their expansion targets, capital investments, or working capital needs. By the same token, financial institutions do not seem to have the requisite expertise or skills to analyze, evaluate, or make informed decisions about providing funding for these types of businesses.

To address this constraint, TIPCEE will develop a number of tools in collaboration with industry stakeholders to enable financial institutions to make informed judgments about providing support to agribusinesses. A business plan due-diligence framework has been created and tested with the objective of ensuring that business proposals are thoroughly researched and evidence-based, can easily be reviewed by potential partners, and address the lenders' due diligence requirements. Through interaction with several lead firms and associations, a series of crop-specific financial templates for both nucleus estates and smallholder farm businesses have been developed and provide a clear understanding of the financial drivers for both types of operation. In Year 4, TIPCEE will ensure that the understanding and dissemination of these tools will lead to widespread use by financial institutions in assessing proposals from businesses. Key tasks will be to identify stakeholders to participate in the development of the templates and to organize a series of forums to create awareness among the banking and financial services community.

To ensure successful utilization, TIPCEE will monitor the adoption by financial institutions and other stakeholders. During the past three years, TIPCEE staff have shepherded key supply chain firms to appropriate financial institutions, working with the International Finance Corporation (IFC), African Development Foundation

(ADF), commercial banks, as well as international investors to help them fully understand the market opportunities and capacity of local firms to follow through with export transactions and delivery and processing functions.

Benchmarks:

- 2 guides associated with the due-diligence framework and standard business plans for the horticulture sector published
- 4 stakeholder seminars on financial management organized

Collaborating Partners: FAGE, SPEG, financial institutions, BDS provider, nucleus firms, smallholder farmers, FBOs

Strengthen Associations

To affect the wide range of participants along value chains, a mechanism must be in place to engage the entire industry cluster. In this regard, collaboration with associations enables resources, innovation, and key skills to reach a wide range of farmer groups with minimal effort. To ensure that associations are able to provide the range of services and opportunities which bring members together, TIPCEE will continue to build their capacity in a number of areas to ensure that they maintain their relevance and become effective networking partners who can ensure sustainable activities after assistance ends. Consequently, TIPCEE intends to implement key activities to boost the relevance of associations, including capacity building, strengthening linkages, and obtaining certification in a number of areas.

To build associations' capacity, TIPCEE will focus on organizational and technical competencies, especially in GAPs and IPM techniques that ensure increased quality and volume of products. Underpinning technical skills will be training in business management, recordkeeping, costing, marketing, group dynamics, information management, contract negotiation, and operation of databases developed through GIS for production planning — some of these trainings will be carried out in collaboration with other programs, such as GTZ/MOAP.

To ensure the sustainability of skills introduced during Year 4, a number of templates, guides, and manuals will be developed for training sessions and to maintain key practices. Training programs will include both workshops and field demonstrations and will emphasize the YiPoCoMa model (described earlier) that promotes high field profitability at low unit costs. To recognize farmers' efforts to increase their skills through such trainings, TIPCEE developed farmer passports to document their participation and new knowledge.

Building the capacity of associations to provide services to members has been a successful option, as demonstrated by organizations such as SPEG providing logistics services, by the recent success of GLOBALGAP certification of smallholder farmers, and by recent association-led mango market test shipments. TIPCEE will promote demand-driven service supply approaches by linking farmers — through the association — to BDS providers such as financial services, input suppliers, certification bodies, importers, local traders and processors, and other services based on group requirements.

To ensure that smallholders remain active members of export value chains, TIPCEE will continue to promote group certification under GLOBALGAP Option 2, Fair Trade and Organic. Associations will be assisted to prepare Quality Management Systems (QMS) and will be trained in areas required by these trade standards to access lucrative export markets, either as groups or as part of the export supply chains of larger firms.

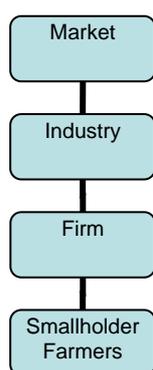
Benchmarks:

- 4 FBOs and associations trained according to their needs
- FBOs conducting GIS mapping
- At least three linkages facilitated between service providers and FBOs/associations

Collaborating Partners: FBOs and associations, MOFA, GTZ/MOAP, buyers

B. Deepen Outreach and Dissemination Activities

Over the last 3 years, the TIPCEE project has focused on improving the performance of value chains including mango, pineapple, vegetables, papaya, citrus, cashew, and selected food crops for processing. The project pursued initiatives that led to the dissemination of critical knowledge and development of tools that were tested and proved to be effective in improving the competitiveness of the horticulture sector. In numerous pilot efforts and demonstrations, various activities were implemented to address the underlying causes of low productivity, inconsistency in quality, and poor general business practices. The guiding principle in Year 4 will be to consolidate the positive changes that have been achieved in the first 3 years of the project, upscale them in a coordinated manner to expand coverage in terms of numbers and geography, and target strategic points in each commodity value chain to further strengthen the industry's ability to respond to market demands. TIPCEE will maintain its commodity focus in pineapple, papaya, Asian export vegetables, mango, citrus, cashew, maize, onions, tomato, and medicinal plants.



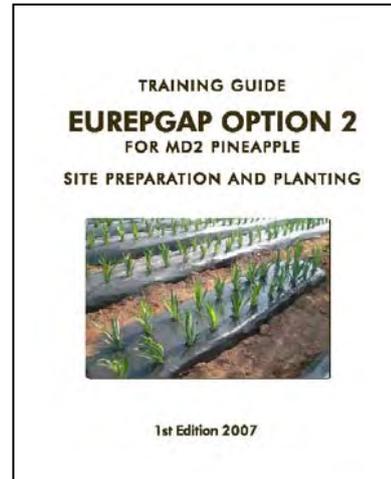
Fresh Pineapple

Fresh pineapple remains a major nontraditional export from Ghana. The role of small producers who formerly contributed over 45% of the total export volume was seriously undermined with the shift in market preference from Smooth Cayenne to MD2, threatening the livelihood of thousands of smallholder farmers. To reverse the situation, the Government of Ghana, through the Ministry of Food and Agriculture (MOFA), sponsored the development of group-owned nurseries for the multiplication of the MD2 planting material for distribution to smallholder farmers. In collaboration with TIPCEE, MOFA has established 82 MD2 nurseries that are currently at various stages of the multiplication process. The challenge in the next few years will be the transformation and organization of the smallholder base into competitive supply networks that can naturally connect with the rest of the value chain in an integrated manner. Over the next 12 months, activities will focus on developing a sustainable

smallholder production network around the MOFA-sponsored MD2 nursery sites to build the capacity of smallholders and link them with exporting firms.

GAPs: In order to bring the smallholders to a high level of production practices to guarantee export quality, TIPCEE will conduct structured peer training and field demonstrations. Training modules developed with MOFA, SPEG, and GTZ/MOAP will be used to train lead farmers within the networks, and TIPCEE will provide support to deliver the training to other smallholder farmers in neighboring communities. TIPCEE will also train farmers in the use of MD2 pineapple specification sheets and quality requirements posters.

Certification: The extensive smallholder farmer base in the MD2 pineapple sector remains under pressure to obtain GLOBALGAP certification and demonstrate that they have integrated production practices that are consistent with the European market's expectations in matters of food safety and sustainable production practices. Over the last 2 years, TIPCEE has collaborated with GTZ, MOFA, SPEG, and the GLOBALGAP secretariat on a pilot scheme that resulted in the certification of farmers under Option 2. TIPCEE has also supported the certification of an exporter-led smallholder scheme, also under Option 2. In Year 4, these two scenarios will be promoted with the objective of covering all producer groups within the MD2 pineapple network — focusing on developing the relevant skills to enable groups and nucleus exporters to lead the certification process with minimal involvement by TIPCEE. These skills will be enhanced through training and dissemination of the tools and knowledge developed in the pilot. Specifically TIPCEE will build group and exporter capacity in establishing Internal Quality Control Systems (ICS), GAPs, recordkeeping, pesticide application and management of plant protection products, health and safety of farmers, and hygiene and food safety. Through this program, TIPCEE will provide the opportunity to build additional capacity of local personnel within the industry to provide training and internal audit services to certified groups.



Financial and supply chain management: The competitiveness of the MD2 pineapple value chain is linked to strong financial and supply chain management systems. Especially at the smallholder level, access to finance remains a key challenge for farmers. In order to ensure the networks' ability to connect with sources of finance, TIPCEE has developed basic smallholder financial templates that can be used to develop attractive business plans to source funding. As part of the development of the MD2 pineapple network, in Year 4 TIPCEE's activities will be aimed at training smallholder farmers in business planning and use of the financial templates.

Marketing: The demand from the EU market for MD2 pineapple has been growing over the last few years and this trend will likely continue. Lead exporters are under pressure to expand production, which is proving difficult to achieve in the short- to medium-term. With smallholders achieving GLOBALGAP compliance, lead exporters can now source produce from smallholders who demonstrate the capacity to meet the stringent quality requirements. In the next 12 months, TIPCEE will assist

smallholder producer groups and lead exporters to establish contractual relationships to facilitate fruit sourcing from the farmer groups. This will involve field visits to smallholder farms with nucleus firms, facilitation of farmer group–exporter match-making sessions, capacity building in production planning, monitoring, training, dissemination of Market Information Reports (MIR) and other market intelligence products, and building capacity of farmers to receive and use market information.

Benchmarks:

- 20 Quality Management Systems (QMS) audited and certified
- 500 farmers trained and linked to export firms

Collaborating partners: SPEG, FBOs, certifying bodies, exporters, MOFA, GTZ/MOAP, rural banks, Export Development and Investment Fund (EDIF), and microfinance institutions

Pineapple for Processing

Pre-cut and juice processing are growing industries in Ghana, and demand is high for these products on the world market. The lack of export markets for Smooth Cayenne pineapple has led to some smallholders and medium-sized companies abandoning their pineapple farms and growing less profitable crops such as cassava and maize for survival. Smallholders contribute about 40% of the pineapple supply; thus with the drop in production, juice processors who buy export rejects of Smooth Cayenne for processing will be hard hit. For processors to stay in business, their source of raw materials should be from well-developed supply sources that are *not* linked to exports, but instead geared to serving the processing industry.

GAPs for fresh pineapple are aimed at producing fruit of specific weight, shape, color, crown size, etc. GAPs for growing pineapple for processing, on the other hand, aim to produce the highest yield at the lowest cost with requisite characteristics such as sugar/acidity ratio and volume/quality of pulp. Smooth Cayenne is the most suitable for processing because of its specific qualities in terms of sugar and acidity balance. A concept paper has been developed to establish the basis for implementing a program with pineapple farmers to grow Smooth Cayenne for processing. TIPCEE will partner with GTZ/MOAP and processing firms during implementation.

GAPs: In Year 4, TIPCEE and other partners will assist smallholders and nucleus firms to establish Smooth Cayenne demonstration plots by developing a technical guide for GAPs for Smooth Cayenne production for processing and subsequent training of farmers.

Norms and Standards: Industry-wide norms and standards will be developed and disseminated. Processor-smallholder networking sessions will be conducted to ensure proper coordination of the value chain. Such sessions, following the YiPoCoMa approach, will lead to the establishment of productivity objectives that are compatible with both a competitive unit price for the processors and an adequate income for the farmers. As an input to this dialogue, pineapple producer groups participating in the demonstration program will be supported to establish a GIS database of their planted acreage as well as their land availability for future expansion.

Benchmarks:

- GAPs for Smooth Cayenne developed
- 5 processor–smallholder linkages established
- 500 smallholder farmers trained

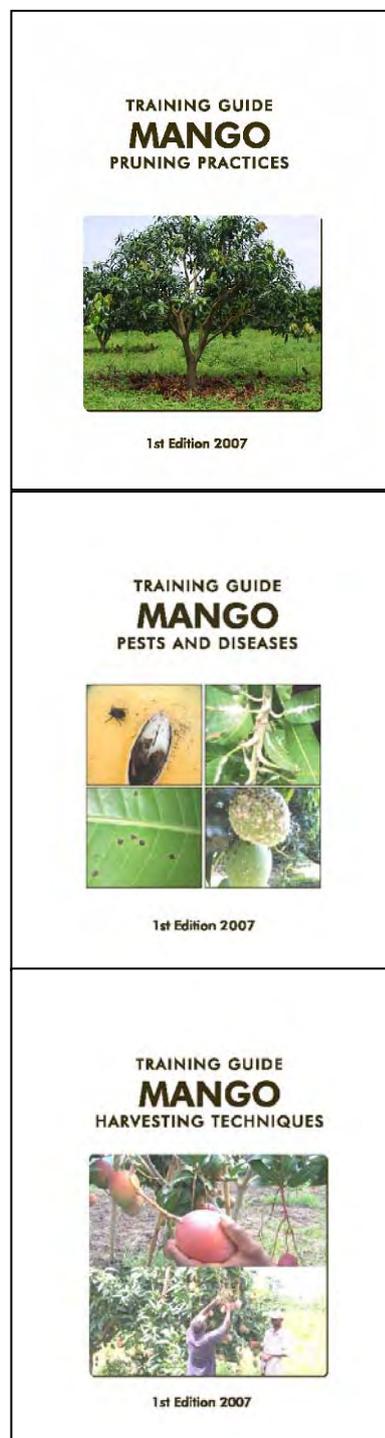
Collaborating Partners: MOFA, GTZ/MOAP, processors, and farmers

Mango

Ghana has been trailing other West African countries such as Côte d’Ivoire, Mali, and Senegal in capturing a share of the growing European market for fresh mangoes. This situation is about to change as the industry is positioned to take advantage of the country’s unique ability to produce export grade fruit in three different geographical zones: the northern savannah, the Brong Ahafo transitional zones, and the southern coastal savannah — the latter zone having the unique advantage of producing fruit in two distinct seasons, December–February and May–July.

The main area of intervention in the industry has been to improve the quality of mango through best practices in field management, pest and disease control, and post-harvest management of fruits. In the first 3 years of the project, TIPCEE supported the demonstration of these best practices and established GIS maps of the entire mango belt in the south and assisted two associations to achieve EurepGAP (GLOBALGAP) certification under Option 2. In Year 4, the emphasis will be on further training in GAPs, training and dissemination of export norms and standards, expansion of the GIS program to include supply base management and field scouting modules, increasing the number of farms under GLOBALGAP certification, establishing export market linkages, and dissemination of market intelligence. Specifically, the following activities will be carried out in Year 4.

GAPs: The main task in GAPs/IPM training is to improve farmer practices in pesticide spraying, fruit fly control, and post-harvest management. TIPCEE will support trainers within the mango association networks in the south and Brong Ahafo, as well as the Integrated Tamale Fruit Company (ITFC) in the north. An extensive train-the-trainers scheme will lead to the development of field-level resource persons who will have the skills and knowledge to train other farmers within the networks. This activity is expected to lead to an expanded and shared knowledge base in GAPs/IPM and in turn, to an overall improvement in fruit quality.



Norms and Standards: TIPCEE, in collaboration with GSB, industry associations, and stakeholders, has developed norms and standards to help the industry monitor quality from production to shipment. These norms and standards have been published in illustrated and easy-to-read posters. The purpose is to provide a practical mechanism for easy evaluation of quality requirements and build that mechanism into the operation of all production activities. In Year 4, TIPCEE will collaborate with FBOs, harvesters, packers, and exporters to train and disseminate the norms and standards posters within the three networks. Following on technical approaches and lessons learned from the pineapple inspection program in Year 3, TIPCEE will develop the capacity of associations and exporting firms to implement product inspection programs at the pack house level. Quality assurance forms, processes, and databases will be developed, and pack house inspectors will be trained and monitored.

GIS: During the first 2 years of the project, TIPCEE supported the GIS mapping of mango farms in the three networks. This mapping has generated geographical and some attribute data for farms within these networks. In Year 4, TIPCEE will continue to support the mapping of farms by training farmers selected from within the networks and assist them to train others. The cadre of trained farmers will be organized to collect GIS data of all farms. In addition, TIPCEE will build the capacity of the FBOs, exporters, and lead firms to use the GIS database in day-to-day supply management. This objective will require the development of specific modules to improve production monitoring and field scouting, pest control and treatment, as well as traceability modules based on field-collected GLOBALGAP records.

Certification: During Year 3, TIPCEE provided technical assistance to FBOs in the southern mango network that resulted in the certification of two farmer associations under GLOBALGAP Option 2. In Year 4, TIPCEE will expand this activity and provide training to expand the number of farms that achieved GLOBALGAP certification. The existing associations will recruit additional candidate farms that will undergo the established training curriculum and launch programs with other associations seeking GLOBALGAP certification in all three producing regions. Specifically, TIPCEE will build the capacity of farmers groups in the networks and support them to set up Internal Control Systems which will become part of the Quality Management Systems for the groups. The farmer groups will receive coaching and training to carry out internal inspections and prepare for external audit and certification. TIPCEE will work with the more advanced groups in order to adapt their existing QMS in the context of achieving Fair Trade certification, which could provide a significant price premium.

Marketing: Increasing availability of reliable, up-to-date market intelligence and securing attractive market linkages along the mango value chain will remain a major activity in Year 4 of the TIPCEE project. TIPCEE will work with industry players within the three regional mango networks to disseminate market intelligence tools that have been developed in the last 2 years. These tools will include Market Intelligence Reports (MIR), fresh produce newsletters, and other market-related publications. TIPCEE will support match-making sessions to bring together producers, nucleus exporters and importers of mango. This activity is expected to generate viable business transactions between growers and exporters. TIPCEE will provide training

towards participation in international trade fairs and the use of Web-based tools to generate leads and associated information.

Benchmarks:

- 1500 farmers, harvesters, packers, and exporters trained in export norms
- Production planning and scouting modules developed for GIS database
- 2 new QMS established
- 1 GLOBALGAP Option 2 certification obtained
- 1 Fair Trade certification obtained

Collaborating partners: MOFA, GTZ/MOAP, FBOs, FAGE, NHTF, exporters

Papaya

Papaya is a high-value crop for which Ghana's equatorial climate is well suited. Initially Ghana's papaya exports grew swiftly, fueled by comparatively lower air-freight costs adapted to the fragile Solo variety, which was grown under rain-fed conditions by small farmers. Unfortunately, Ghana's exports plummeted, despite double-digit growth in European imports, when the Brazilian competition introduced the Golden cultivar and sea-freight, pre-cooling practices. TIPCEE's approach includes promoting Golden papaya production to better meet this growing demand, ensure market access through GLOBALGAP compliance of small farmers, and develop post-harvest practices that will allow sea-freighting to reduce costs.

GAPs: During the last 3 years, TIPCEE has developed training guides in GAPs, IPM, harvesting and post-harvest handling for papaya, and training for papaya growers has been ongoing. Training will continue for both nucleus firms and selected outgrowers at the farm level. In Year 4, TIPCEE will focus training on nursery development and management, farm maintenance, IPM, and post-harvest management for papaya farmers and nucleus firms to increase their production of quality papaya for export.

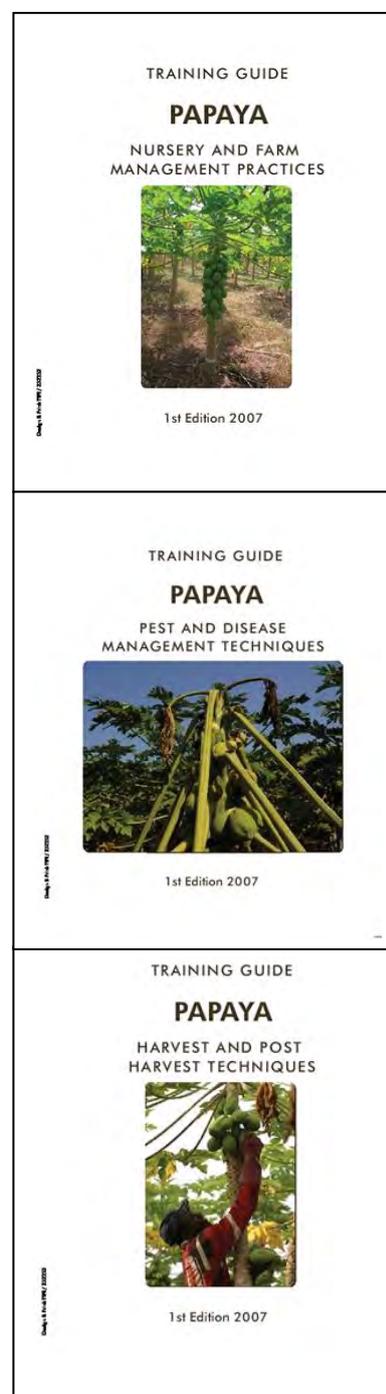
During the past few years, TIPCEE has developed and set up demonstrations of low-pressure irrigation systems that are adapted to smallholder papaya production. These demonstration sites will serve as field schools to train other farmers on installation, management, and use of low-pressure drip-irrigation, through on-farm trainings and farmer exposure tours.

As part of the outreach strategy in the southern horticulture belt, TIPCEE has identified six production zones to be developed for papaya production. These include the areas surrounding Nsawam, Bawdjiase, Akatsi, Kpandu, Hohoe, and Akuse. Farmers and FBOs are being mobilized in these areas to engage in the commercial production of quality papaya for export. Lead farmers with the requisite motivation, technical background, and community leadership will be identified and trained to produce papaya according to export standards. These community-level demonstrations will serve as a basis for the mobilization and training of other farmers in adjacent communities. Through these demonstrations and trainings, motivated farmers will be encouraged to form groups which will receive basic training in group dynamics and group cohesiveness. These groups will then be supported to acquire the skills for the GLOBALGAP certification process, either as a stand-alone group or as participants in an exporter-led QMS.

In the north, with technical support from TIPCEE, Global AI Mas Limited has established a 1-ha papaya demonstration plot with 10 smallholder outgrowers. TIPCEE is supporting the company with papaya seeds and GAP guides. The company is providing the outgrowers with extension services and inputs (e.g., compost, inorganic fertilizer, and agrochemicals) on a credit basis. The company will also provide the outgrowers with market access services (both local and export) with TIPCEE's assistance. Concurrently, the Integrated Tamale Fruit Company (ITFC) is producing organic mangoes for export and local markets. The company has an outgrower scheme with 1,300 smallholder farmers. Under the ITFC/TIPCEE collaboration, ITFC will establish a papaya demonstration plot which will serve as a model papaya farm for smallholder farmers interested in diversifying their crops by producing papaya for the local and export markets.

Certification: In Year 3, TIPCEE led the papaya farmers engaged in the drip-irrigation pilot through the GLOBALGAP certification process. The resulting field documentation templates adapted to papaya farming, coupled with the GAP training guides, will serve as the basic training tools to support the expansion of export-ready GLOBALGAP-certified papaya farmers. In addition, TIPCEE will build on GLOBALGAP skills to develop protocols for Fair Trade certification of papaya farmers, creating a new opportunity for enhanced income. As a preliminary step, TIPCEE will collaborate with the West African Fair Fruit (WAFF) initiative and its partners to establish links with Fair Trade Label Organizations International (FLO) to define a protocol for Ghana's papayas. Subsequently, TIPCEE will support the development of training materials for the specific skills required by GLOBALGAP-certified farmer groups to market their produce under the Fair Trade label.

Norms and Standards: Industry norms and standards have been developed for papaya to ensure a supply of quality papaya to high-value markets. During this year, farmers will be trained on the use of these norms and standards as part of their quality management systems. Based on technical approaches and lessons learned from the pineapple inspections program carried out in Year 3, TIPCEE will develop the capacity of exporting firms to implement product inspection programs at the pack house level. This activity will involve the development of quality assurance forms, processes, and databases, as well as capacity building and monitoring of pack house inspectors.



Finance: The year-round production of high quality, long shelf-life, export-grade papaya requires the use of irrigated production methods, even at the small farmer level. Even though expected rates of return on basic low-pressure drip systems are expected to yield financial returns in excess of 100%, access to agricultural finance remains a major problem for small producers of papaya. In the coming year, TIPCEE will promote the use of comprehensive yet concise smallholder business plan templates for papaya farmers interested in investing in irrigated production. These templates will enable them to source funding from both banks and non-banking financial institutions for their farming activities.

Marketing: During the past 3 years, TIPCEE's marketing team has developed a number of market intelligence tools for papaya. In the coming year, these tools will be launched to sensitize stakeholders in the industry and create awareness on the use of these tools. Buyer visits will also be organized to facilitate business interactions between producers and buyers of papaya. TIPCEE will also continue to facilitate farmer attendance at trade shows, enabling farmers to interact with buyers in selected target markets.

Benchmarks:

- 200 farmers and farm workers trained in GAPs
- 1 papaya outgrower group certified in GLOBALGAP Option 2
- Fair Trade protocols for papaya established
- 50 farms mapped
- Business plans developed for 2 outgrower schemes
- 2 market linkages established
- 1 market intelligence awareness event organized

Collaborating Partners: FBOs, nucleus firms, certifying bodies, Fair Trade Label Organizations International, industry associations, lead farmers, MOFA, GEPC, exporters

Export Vegetables

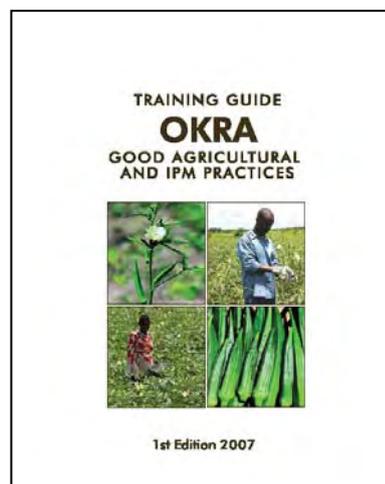
With low air-freight rates into Europe and tropical growing conditions, Ghana has been able to develop a sizeable exotic vegetable export business, supplying Europe's Asian population with an array of specialty produce. Based mainly on rain-fed smallholder production and using bootstrap post-harvest methods, Ghanaian exporters have positioned themselves in the low-cost wholesale market. Today, this niche is encountering competitive pressures from other sources in terms of produce diversity, quality, and shelf-life. Furthermore, European food safety regulatory requirements are being strictly enforced, imposing new constraints on Ghana's vegetable farmers if they want to remain in the market.

TIPCEE has been working with smallholder vegetable farmers, vegetable producer associations, and nucleus firms to carry out demonstrations of new varieties, promote GAPs, and develop norms and standards for export vegetables including okra, baby corn, and chilies. The focus has been to build capacity in export-oriented production techniques and to establish nodes or bulking/pooling points along the value chain that can better organize smallholder farmer efforts as the sector develops into well-organized networks. In Year 4, TIPCEE will aim to consolidate the lessons learned

and disseminate the best practices through integrated networks, linking smallholders, associations, nucleus farms, industry, and markets.

GAPs: In the coming year, TIPCEE will continue to focus on building and strengthening commercially viable smallholder producer groups in the vegetable sector into networks that respond to the supply needs of the market. To achieve this, TIPCEE will provide training in GAPs, IPM, and harvest and post-harvest techniques through the selection of demonstration sites and community-based lead farmers. TIPCEE's role will be to support these lead farmers and MOFA extension personnel to deliver the trainings through field demonstration events.

Diversifying the current agricultural product range is also key to raising smallholder incomes and enhancing competitiveness. High-value crops such as okra, chilies, and French beans, which have good market prospects — especially in the EU and regional markets — will be introduced to farmers under the lead farmer demonstration program. This demonstration program will be carried out in the southern horticultural belt as well as the drip-irrigated pilot sites established by the project in the Northern and Upper East regions. Pilot technologies will improve yields and quality of production, helping to secure smallholders' integration into the supply chain.



Norms and Standards: In order to meet the stringent quality demands of the global market place, TIPCEE will continue its collaboration with the private sector and the Ghana Standards Board to develop norms and standards for selected vegetables. TIPCEE will then convert the appropriated standards into illustrated easy-to-use posters that will serve as the first reference on quality for producers, packers, and exporters of vegetables. Finally, inspection programs will test key exporters' compliance with the norms and standards. The inspections of selected pack houses and exporter-members of the Ghana Association of Vegetable Exporters (GAVEX) will occur over a 3-month period.

New Technologies: Application of the right amount of water is critical to optimum production. In Year 3 TIPCEE introduced low-pressure drip-irrigation and family drip systems on a limited pilot basis for small-scale vegetable production. Productivity, in terms of yield and produce quality, has been impressive. Under the program, TIPCEE deployed a low-pressure drip-irrigation system covering 1-ha demonstration plots for the production of vegetables, melon, and papaya. In addition, in Year 4, family drip-irrigation systems covering 5,000 square meters will also be installed at other demonstration sites as an option for farmers interested in single unit (low investment) technology. In Year 4, TIPCEE will also conduct farmer schools around all irrigation sites to train large numbers of small-scale vegetable producers. The training will focus on increasing smallholder understanding of irrigation technology, cost and revenue implications, and how to optimize sustainable results once the technology is installed.

Certification: To ensure that the vegetable networks become fully integrated in the vegetable value chain, TIPCEE will continue to support the development and

implementation of farmer group-level Internal Control Systems (ICS) geared toward GLOBALGAP certification of farmer groups operating within the export networks. After the selected smallholder groups receive training in basic GAP and IPM skills, they will be supported to prepare their own Quality Management System (QMS), and go through internal inspection and finally an external audit for certification.

Benchmarks:

- 6 farmer groups GLOBALGAP Option 2 certified
- 1,500 farmers trained in GAPs and/or drip-irrigation technology
- 20 additional demonstration sites established
- 50 district extension officers trained

Collaborating Partners: GAVEX, VEPEAG, GSB, FBOs, MOFA, SARI, GIDA, nucleus firms, certifying bodies

Cashew

Cashew consumption is on the rise worldwide. African countries such as Côte d'Ivoire have developed an export sector totaling 200,000 tons of raw nuts in a little over a decade, generating annual farmer revenues of more than U.S. \$50 million in the process. Now the challenge for African exporters is to develop competitive processing, which will rely first and foremost on a high-quality supply base. Ghana has launched several cashew promotion initiatives over the last 10 years and is slowly increasing its production of raw nuts, although processing is still geared toward supplying a narrow local market. The country can, however, accelerate the development of its supply base by ensuring that key productivity and quality drivers are understood by farmers at the outset.

TIPCEE's support of the cashew industry has been focused on laying the ground work to ensure that future growth will develop on a sound understanding of market quality requirements as well as a structured and well-monitored farmer base. Activities thus far have resulted in the establishment of a GIS database, in collaboration with MOFA's Cashew Development Project and CAPEAG, and in the development of industry product norms that were subsequently disseminated through an extensive training exercise in 22 districts in Northern, Brong Ahafo, Eastern, Greater Accra, Central regions.

In Year 4, TIPCEE intends to bring these concepts closer to the community level and empower grassroots organizations, as well as district-level trading networks, in the use of GIS technologies and the application of product norms and standards in day-to-day collection activities. This objective will entail simplifying post-harvest guidelines to be communicated to semiliterate farmers. The GIS mapping initiative will also transfer some database development activities (e.g., surveying, data quality assessment) to community groups.

Benchmarks:

- 3,000 farmers trained in post-harvest practices and norms
- 2,000 farms added to the cashew database
- 50 field surveyors and community-level technical resource persons trained

Collaborating Partners: CAPEAG, MOFA/CDP, cashew buyers, community groups

Citrus

Ghana's citrus growers benefit from the presence of three citrus juice processors — Pinora, Athena, and Coastal Groves. All three have standing export contracts, but suffer underutilized capacity due to supply constraints. Orchard productivity is very low, which often inflates expected farm-gate price expectations beyond what is required for competitive processing. The dispersion of the farms, as well as the lack of precise statistics, precludes any organized sourcing or structured extension initiatives. During Year 3, TIPCEE collaborated with GTZ/MOAP, MOFA-Ajumako district and Cape Coast municipal MOFA directorate, CIGMAG, ADRA, and CGL to carry out a successful pilot citrus GIS-mapping program. Data on current production, cultivated acreage, and location of farms were collected and compiled into a database to assist with monitoring production. In Year 4 TIPCEE will collaborate with its partners to extend the mapping program to cover other communities and districts.

GAPs/IPM: Preliminary analysis of field data collected during the pilot mapping indicates that the Mediterranean fruit fly is one of the major citrus pests in Ghana, causing extensive damage to citrus fruits and reducing yields dramatically. In order to have direct impact on the citrus industry, TIPCEE will partner in Year 4 with other institutions and industry to organize training sessions for smallholders on controlling the Mediterranean fruit fly. Working with the University of Ghana Agricultural Research Centre at Kade, TIPCEE will facilitate the establishment of sentinel sites for pest monitoring.

Along the citrus supply chain, one of the weak links identified by industry players is the poor post-harvest handling of citrus fruits. To ensure the supply of quality fruit, TIPCEE will partner with MOFA and the citrus association to organize training and develop a guide for smallholders on GAPs for the post-harvest handling of citrus fruits.

Norms and Standards: Using templates and processes established thus far, work with GSB will focus on the development of standards for industrial citrus. Activities will include holding technical committee meetings, appropriating the standards, and then in Year 5 creating illustrated norms for distribution.

Benchmarks:

- 2,000 farms mapped
- 2 training workshops organized
- 20 sentinel sites established
- Citrus post-harvest handling guide published
- 500 farmers trained in norms and standards and post-harvest practices
- 2 firms assisted to establish supply chain management system using GIS

Collaborating Partners: ARC-Kade, CIGMAG, MOFA, GTZ, GSB, processing firms, farmer groups

Maize

Launched in Year 3, TIPCEE's maize program, based on the successful Uganda experience funded by USAID, is focused on developing a structured supply network for industrial white and yellow maize in the "maize triangle" zone of Brong Ahafo and Ashanti regions. To date, 125 community-level demonstration sites are being monitored by a team of 21 site coordinators in 10 districts. The program has captured the interest of leading maize importers and distributors who collaborate with TIPCEE to develop and link these demonstration sites with trained communities of producers capable of achieving competitive yields and meeting industrial quality requirements, mainly for Ghana's animal feed industry.

GAPs: In Year 4, the program will pursue the field demonstration of simple technologies that will result in dramatic yield increases in industrial-grade maize. Demonstration and capacity building activities will hinge on mainstreaming quality seeds of both white and yellow maize, the latter being the preferred choice for the poultry industry. The demonstration will also focus on getting associated communities to adopt GAPs in terms of land preparation, seed spacing, fertilization, and weeding. To this end, partnerships with input suppliers will be sought. Following the YiPoCoMa approach (see I&K section), the maize program is not



TIPCEE is introducing weighing and moisture analysis to the maize post harvest process to improve the quality of the product and the price the farmers can receive for it.

limited to field demonstrations of agronomic practices but includes improved practices in post-harvest (bagging, weighing, storage, drying), logistics (development of collection point networks and inventory management) and marketing systems (performance contracts, quality grades, and pricing schemes) — leading to the delivery of a competitively-priced, quality product to the distributors. The network of demonstration sites will be expanded from one cycle to the next, with the objective of bringing it to 300 communities with a total outreach potential of 30,000 farmers by the end of Year 5. These will be integrated into a network GIS-database format which will gradually be transferred to the participating trading partners.

Marketing: TIPCEE will engage in the conversion of this demonstration network into an integrated supply system. Partnerships with buyers will be facilitated with participating communities to realize large-scale production programs. Lead farmers will be trained to become network contact points and provide coordination services, enabling the effective linkage of community farmers to a broad sourcing program. TIPCEE will facilitate the development of buyer relationships at the community level, linking with lead farmers and site coordinators who will be responsible for establishing planting programs, producing and distributing seed and input,

coordinating land preparation, monitoring practices, and organizing post-harvest logistics. As the success of the maize program expands the quality and quantity of maize flowing to the animal feed industry – and displaces current importation of maize for this industry – TIPCEE will explore export market opportunities in the subregion for the feed industry.

New Technology: In parallel to the network initiatives, TIPCEE will collaborate with a processing firm operating in the producing region to establish a small laboratory capable of performing basic quality testing. The collaboration will involve the development of an industrial maize specification based on the existing GSB norm, the development of testing protocols, and the contribution of specialized equipment.

Benchmarks:

- 300 community-level demonstration sites established
- 20,000 farmers trained
- 1 marketing program completed
- GIS maize network database developed
- 1 maize testing lab established
- 1 regional market study conducted

Collaborating Partners: MOFA, input suppliers, maize distributors and processors, farmer groups

Tomato and Onion

The major challenge facing the tomato and onion industries in Ghana is the erratic supply of these two commodities. The situation has been attributed to lack of high-yielding and disease-tolerant varieties suitable for processing and fresh market actors, poor agronomic practices by farmers, lack of access to and/or adoption of new technologies, high cost of production caused by inefficient practices, all resulting in uncompetitive prices of fresh produce.

TIPCEE's overall objective is to improve the productivity of smallholder tomato and onion farmers and integrate them into the value chain to create a network that feeds into both processing and fresh markets.

GAPs: In Year 4, TIPCEE will set up demonstration sites in the Brong Ahafo, Northern, and Upper East regions. These demonstrations will serve as field schools for the training of farmers and extension officers. The training will be organized with lead farmers in the various FBOs who will become trainers of other farmers. The demonstration will provide smallholders with adaptable technological options, such as high-yielding and disease-tolerant tomato and onion varieties, drip-irrigation systems (low-pressure and family drip systems), GAPs and IPM.

TIPCEE will also focus on addressing the yield and cost issues, which are essential to success, by training farmers in the YiPoCoMa approach that provides low- and high-input scenarios of maximizing income through the effective management of yield, cost, post-harvest, and marketing elements.

Norms and Standards: To make quality tomato and onion conform to unified specifications, TIPCEE will collaborate with industry partners to develop tomato and onion specification sheets. These spec sheets will provide salient characteristics of quality tomato and onion, basic industry and market information, and industry dynamics. TIPCEE, together with the collaborating partners, will embark on extensive training and dissemination across the tomato and onion networks.

New Technology: To reduce post-harvest losses, eliminate costs associated with the replacement of wooden crates, and reduce disparities in volumes traded, TIPCEE will collaborate with traders, processors, and local crate manufacturers to pilot the introduction of plastic crates and weighing scales. This will transfer best practices from competitor producing countries. Once crates are developed and samples manufactured, TIPCEE and its collaborating partners will carry out an extensive training program to ensure adoption of the new crates by the main actors — thereby reducing losses.

Included in the GAP demonstration sites for tomato will be the testing of family drip systems. The network of larger-scale (1-ha) drip-irrigation sites implemented in the Northern and Upper East regions will apply this technology to high-yield onion production. Both systems should have a dramatic effect on yields and increase farmer incomes.

Marketing: TIPCEE's Year 4 market-level interventions in tomato and onion will focus on linking tomato smallholders to processors such as Afrique Link Ltd and Northern Star Ltd. TIPCEE will also seek to strengthen linkages between smallholders and nucleus organizations such as local onion assemblers and trade groups, including Ghana National Tomato Traders Association (GNTTA) and other affiliated bodies of the Ghana Agricultural Producers and Traders Organization (GAPTO) on onions. A market monitoring system will be developed to give smallholders and industry intermediaries the opportunity to jointly evaluate the impact of current production and post-harvest handling technologies on the quality of tomato and onion for both the processing and fresh markets.

Benchmarks:

- 3,000 tomato farmers trained
- 2,000 smallholder onion farmers trained
- Plastic crates for tomatoes introduced
- 2000 traders and transporters trained

Collaborating partners: FBOs, GNTTA, MOFA, ICOUR, IDA, SARI, FBOs, processing firms, market women, GSB, plastic manufacturers

Medicinal Plants

In Year 3 TIPCEE collaborated with GSB and Agribusiness in Sustainable African Plant Products (ASNAPP) to develop illustrated norms and standards posters on voacanga and griffonia. TIPCEE's intervention for Year 4 will focus on training and dissemination of the norms and standards to improve compliance with the standards.

Benchmark:

- 1,000 collectors trained

Collaborating partners: ASNAPP, exporting firms

C. Market Access and Strategic Partnerships

With the overall goal of ensuring long-term market access and opportunities for Ghanaian produce in international markets, the market access team will continue to increase availability of reliable, up-to-date market intelligence information to the fresh produce industry in Ghana and secure strategic partnerships with downstream partners. These activities will ensure that the Ghanaian horticulture industry targets growth market segments and uses relevant market information products and tools within existing and newly identified sustainable channels.

The timely and widespread dissemination of market information within the horticulture cluster remains a challenge. Today, with the widespread use of the Internet, e-mail, and the World Wide Web, Internet-based information transfer and sharing mechanisms can improve the industry's awareness of current market trends and contribute to firm and industry decision-making. In Ghana, public and private entities have yet to become efficient market intelligence providers; however, the success of the www.mangoweek.gh.com Web site in Year 2, set up to support the Mango Week event (200 persons registered through the Web site), is an indication of the potential of the Internet to improve industry access to information. Furthermore, an e-readiness survey carried out in Year 3 revealed opportunities for the deployment of computer- and Web-based applications throughout the industry. This approach will factor in the results of an extensive needs analysis that was performed on FAGE with support from GTZ and its eventual implementation plan. These tools will help bridge the information gap that currently limits exporters' ability to transact business with international buyers, while they strengthen exporter associations' ability to provide relevant market information to their members. The adoption of such applications by GEPC and apex organizations such as FAGE will provide another level of visibility, particularly for potential trading and investment partners looking for up-to-date information on the Ghanaian horticulture sector.

Enhance Ghana Fresh Produce Web site

To ensure the timely and widespread dissemination of market information within the horticulture cluster, TIPCEE tested a Weekly Market Intelligence Update to circulate market information and industry news through an internal e-newsletter in Year 2. This tool was upgraded in Year 3 to a Web version of a newsletter, hosted by FAGE at www.ghanafreshproduce.org, expanding the circulation to industry stakeholders and providing continuous updates on current market prices for selected commodities, industry news, and relevant horticultural events. This new configuration attracted more than 100 registered subscribers who receive the weekly e-newsletter. In Year 4 we will improve and enhance the technical efficiency and capacity of the site to upload and download technical documents and industry statistics. The technical enhancement will take into account feedback received from existing subscribers, to

ensure that it meets the needs of users, with the goal of ensuring efficient information sharing and brand loyalty.

In addition to our local audience and target groups (registered subscribers), TIPCEE will build on momentum from participation in Fruit Logistica 2007 in Berlin, where the Web site was advertised in most of Ghana's promotional materials to project Ghana as an emerging but authentic supplier and exporter of fresh produce. As part of the sustainability effort, FAGE will house the editorial team in Year 4. TIPCEE will train new FAGE staff and other industry stakeholders to maintain and further enhance the Web-based products.

Over the planning year, TIPCEE will work with FAGE to expand the e-newsletter with a set of Web-based tools for the industry, taking into account the findings from the e-readiness survey. The following applications are examples of what is envisaged.

Market monitor: TIPCEE will commission a reputable BDS provider in Europe to monitor the market and provide real-time market-trend analysis, as well as retail and wholesale price developments, which will serve as a useful market intelligence tool for decision-making on seasonal opportunities and on market-entry decisions. This real-time market information will complement other important market information captured in the Ghana Fresh Produce e-newsletter such as trends, seasonality, etc., which though useful, is more historical than real-time intelligence on market shifts from week to week. The market monitor will position the industry in Ghana to respond appropriately to the volatile and unpredictable nature of the fresh produce sector. To demonstrate its effectiveness as a decision-making tool, TIPCEE will pilot this service in selected commodities such as mango and pineapple in Year 4 and will transfer it to industry in Year 5.

Logistics bulletin board: The Internet is an ideal medium to disseminate real-time information to a widespread user base. One domain in which the horticulture industry requires this kind of responsiveness is shipping logistics, since knowledge of shipping schedules is critical when dealing with highly perishable produce. Following the outcome of the e-readiness survey conducted in Year 3, a Web-based logistics bulletin board will be implemented to provide real-time information on freight availability, departure and arrival times of the airlines and shipping vessels, and other relevant logistics information. The bulletin board will be developed in collaboration with FAGE and the shipping industry as a service they can provide to the horticulture industry. To ensure efficient dissemination, we will explore the effectiveness of providing this information through cell phone text-messaging and the Web, and create the necessary platform. Thus, the information will be directly accessible and will also be linked to www.ghanafreshproduce.org and other relevant national Web sites.

Benchmarks:

- Ghana Fresh Produce Web application upgraded and transferred to FAGE
- One Web-based information tool implemented

Collaborating Partners: FAGE, GTZ, NHTF

Disseminate Market Intelligence

Performing profitably and competitively in global produce markets requires that players in the industry operate with up-to-date market information. Access to world markets like the European Union, the United States, or the Middle East is severely handicapped by limited or unreliable information on the dynamics of these markets. Information detailing the latest trade figures, import evolution, market shares, growth rates, and market opportunities is business intelligence that must be widely and readily available to industry operators as a tool for decision-making. Decisions on everything — from what to plant, volumes to target, infrastructure to invest in, and packing materials to order — are dictated by market trends and predictions.

A key TIPCEE activity in this area has been the Market Intelligence Report (MIR). The MIR team, comprising representatives from the public and private sectors that have collaborated since Year 2, will be revitalized. Having mastered the techniques of extraction and analysis of market data using Eurostat Comext, this team is well-placed to lead industry efforts on market information dissemination. Two MIRs, which proved to be useful tools to assess the performance of Ghana's horticultural produce on world markets vis-à-vis its competitors, were published in Year 3. In Year 4, the team will take into account feedback from industry players on the content, structure, and design of the first two publications (MIR1 and MIR2), with a view to enhancing its appeal and making it suitable to the needs of the majority of subscribers. It may be necessary to segment the publication to fit the needs and profiles of identifiable audiences.



Once redesigned, two activities will take place. First, stakeholders will be oriented to how best to use the MIR information for business decision-making. Second, FAGE staff will be trained to lead the editorial team in the data analysis and production of future MIRs. The editorial team, comprising FAGE, GEPC, MOFA, MOTI, GTZ, and TIPCEE, will be housed in FAGE offices.

Benchmark:

- 2 Market Intelligence Reports (MIR) produced

Collaborating Partners: FAGE, GEPC, MOFA, MOTIPSD/PSI, GTZ, NHTF

Build on E-readiness of Horticulture Sector

A key to the success of Web-based information dissemination is proficiency in the use of electronic technology, that is, the user's "e-readiness." To establish a baseline of the industry's current use of information and communication technologies (ICT), a preliminary survey was conducted in Year 3 to identify existing hardware and software, current use of ICT tools, and common ICT gaps throughout the horticulture

industry. This preliminary survey was administered to a sample of about 70 horticultural exporters and key cluster participants who are the main players within the industry, controlling about 80 percent of the export activity. This exercise was



carried out in collaboration with NHTF and FAGE, which will use the study's findings to design the implementation plan for the Export Resource Center. This survey will inform the development of industry ICT tools and suggest training programs and appropriate interventions for disseminating industry information.

Together with collaborating partners, such as FAGE and GTZ/MOAP, TIPCEE will facilitate dissemination workshops where the survey results and recommendations

Ghana Exporter's Directory distributed at trade fairs.

will be shared with the members of the NHTF to gather further input and ideas to inform and determine the strategic next steps. A series of market intelligence tools will then be proposed for implementation through pilot operations. Test results will be debriefed with industry, and operations of successful applications will be housed in stakeholder institutions or firms.

Benchmarks:

- 1 workshop held for dissemination of survey results
- 1 workshop for dissemination of tools

Collaborating Partners: FAGE, NHTF, MOFA, GTZ/MOAP, exporters

Establish and Strengthen Market Linkages

Ghana's participation in Fruit Logistica 2006 and 2007 in Years 2 and 3, respectively, were extremely successful and provided an important platform to reinforce to the Ghanaian industry participants the need for expanded certification of farms and improvement in infrastructure, especially the use of cold chain facilities. Through conversations with buyers, it also reinforced the importance of maintaining consistency of quality and delivering on volumes. These findings were disseminated annually at the subsector association level and to a wider industry audience at an event that received good publicity in the Ghanaian national press. As a result of TIPCEE's sponsorship of young associations to the fair — such as the Yilo Krobo Mango Farmers Association (YKMFA) and Ghana Associations of Vegetable Exporters (GAVEX) — their members have become strong proponents of quality, both within their associations and within the horticulture industry as a whole.

In Year 4, as part of the effort to determine whether the industry is well-positioned to do business with importers, TIPCEE will lead an effort to test industry associations' export readiness through a "mystery shopping" exercise. The exercise will test specific competencies such as timely responsiveness to emails from buyers and other

customer service parameters to be decided by the industry as a whole. The results will be shared with the wider industry audience and form the basis for training on good customer relationships and contractual compliance.

TIPCEE will work closely with GEPC, GTZ, and FAGE to support Ghana's participation at Fruit Logistica 2008. FAGE will organize Ghana's Fruit Logistica delegation, and TIPCEE will assist with both concept and creation of promotional materials, including MIRs and the 200 edition of the Exporters' Directory. TIPCEE will sponsor selected association members for participation at the fair.

Over the past year, potential trading partners were impressed with carefully designed and branded information tools such as *Ready for Take Off* (a publication highlighting the cluster and competitiveness approach to growing the horticulture industry in Ghana), Exporters' Directory, Mango Week DVD, Fresh Produce Sector Investor Brief, GIS industry maps, and illustrated norms posters and technical guides.



FAGE's Ready for Take Off publication explains the competitiveness framework for horticulture in Ghana.

Such documents are easily disseminated in-country, raising awareness of the potential of the industry as well as the challenges it faces. Over the coming year, this activity will seek, in particular, to ensure that all technical trainings are fully documented in training guide formats and are distributed to concerned stakeholders and industry newcomers. TIPCEE will also support FAGE to publish another journalistic publication with the style of the *Ready for Take Off* publication. This edition will focus on the variables that ensure competitiveness in the processing sector.

Benchmark:

- 2008 Exporters' Directory produced and disseminated

Collaborating Partners: FAGE, NHTF, GEPC, MOFA, MOTIPSD/PSI, GTZ/MOAP, industry associations

Investor/Buyer Missions and Investor Programs

TIPCEE's support to MOTIPSD/PSI in organizing key visits by high-profile buyers has yielded good results. Such missions require tight organization and tailored information tools as well as close coordination with the government to ensure access to high-level officials. TIPCEE will continue to collaborate with FAGE and MOTIPSD/PSI to facilitate visits for international buyers interested in investing in Ghana by helping them make contact with exporting firms and associations. Over the coming year, TIPCEE will also facilitate roundtable discussions with industry players. A pilot operation to supply the industry with continuous transactional intelligence from the EU market over the duration of an export season for selected commodities will be explored.

CHEMONICS INTERNATIONAL INC.

Benchmark:

- 1 buyer visit facilitated

Collaborating Partners: MOTIPSD/PSI, firms and associations, buyers

III. ENABLING ENVIRONMENT COMPONENT

The Enabling Environment (EE) component is designed to achieve results that improve the ability of the private sector to grow, attract private investment to Ghana, and compete in world markets. Through improved policy analysis, formulation, implementation, and monitoring; enhanced public-private dialogue; and capacity building of key policy units, the EE component will achieve significant policy changes to improve the private sector operating environment.

The EE component focuses on three sectors that are considered most important to achieving the TIPCEE goals and objectives: trade, financial markets, and agriculture. In addition, a lower level of activity is planned to complete projects in labour and information and communication technology (ICT). The focus on these areas is based on the overriding need to achieve and sustain macroeconomic stability; enact effective trade policy; improve the efficiency of factor markets, particularly financial and agricultural markets; and improve the regulatory frameworks across multiple sectors. The strategy of the EE component is informed by our work with GOG counterparts and interaction with TIPCEE's Export Business Development component.

The EE component work plan agenda falls into three main categories of activities:

- 1.) Policy and regulatory reform work begun under the previous USAID policy project — Trade and Investment Reform Program (TIRP) — that requires follow up, such as monetary policy and implementation of the Financial Sector Strategic Plan (FINSSP), the Labour Act, and the Regulatory Impact Assessment and Programme Intervention and Evaluation Template (RIA/PIET).
- 2.) Policy and regulatory issues that impact nontraditional agricultural exports, specifically TIPCEE's focus commodities. Specific constraints, particularly in trade and financial sectors, have been identified and solutions are proposed in this work plan. Additional constraints will be identified and appropriate solutions implemented throughout the life of the project.
- 3.) Other policy and regulatory changes identified on a case-by-case basis over the life of the project that significantly impact the competitiveness of the Ghanaian private sector.

Technical assistance, training, and public-private dialogue will be the principal tools used to achieve results. In addition, TIPCEE has placed resident "embedded" advisors in two key ministries, the Ministry of Trade, Industry, Private Sector Development and Presidential Special Initiatives (MOTIPSD/PSI) and Ministry of Finance and Economic Planning (MOFEP). These advisors provide day-to-day assistance to the ministers on issues related to improving Ghana's competitiveness, as well as train and mentor public sector staff for improved policy analysis. The expectation is that over the life of the project, in each of the selected areas, there will be a significant, measurable, sustainable improvement in policy and regulatory frameworks and their implementation, which includes supporting institutional structures.

A. Trade Sector Policy

Ghana has crafted a trade policy within the context of its long-term strategic vision of achieving middle-income status by 2015 and becoming a leading agro-industrial country in Africa. The Ghana Trade Policy provides broad guidelines for efficient regulation of the trade sector, as well as carefully designed interventions to overcome infrastructure bottlenecks, and the effective use of policy instruments to facilitate growth of the productive sectors. The Ghana Trade Policy further acknowledged that in view of Ghana's relatively small market, economic growth must necessarily come through increased international trade. This will depend primarily on adding value to Ghana's national resources and enhancing the competitiveness of local production, which in turn can be achieved only through industrialization.

To implement these policy prescriptions, the Ministry has developed a 5-year Trade Sector Support Programme (TSSP), which spans 2006–2010, based on in-depth analysis of the current support interventions in the Trade Sector across various ministries, departments and agencies (MDAs) and the private sector. The TSSP covers 10 thematic components, comprising a total of 27 projects, which aim to increase Ghana's competitiveness in international and domestic markets and improve the legal and regulatory environment for business and consumers.

The TSSP is designed to ensure a consistent and stable policy environment within which the private sector and consumers can operate effectively and with certainty. The fundamental principle underlying trade policy is that the private sector is the engine of growth, with government providing a trade-enabling environment to actively stimulate private sector initiatives. This is to be achieved through the full spectrum of trade policy instruments across the following thematic areas:

- Import-Export Regime
- Trade Facilitation
- Production Capacity
- Export Trade Support Services
- Standards
- Intellectual Property Rights
- Multilateral Trade
- Domestic Trade and Distribution
- Competition and Government Procurement
- Consumer Protection
- Management and Coordination

Each of these thematic areas has been analyzed on the basis of its policy context, policy objectives, and policy prescriptions. From these areas, 27 stand-alone but interrelated projects have been designed by the Government of Ghana (GOG) to systematically implement the Ghana Trade Policy and deliver rapid and strategic expansion of Ghana's productive base. The TSSP is informed by the practical experience of rapid economic change in other countries and tailored to Ghana's context. The TSSP takes a new approach to international trade capacity building in

that it is centered on strengthening local capacity in the public and private sectors to deliver long-term, sustainable change.³

In this context of promoting Ghana's international competitiveness, TIPCEE has continued to collaborate with MOTIPSD/PSI and other MDAs to implement aspects of the TSSP. TIPCEE had numerous technical discussions with members of the TSSP teams to identify and develop appropriate projects during TIPCEE's first 3 years. These discussions are ongoing as work on particular projects progresses. Synergies and expertise are most evident in two areas: Import-Export Regime and Trade Facilitation. Consequently, in Year 4, TIPCEE will continue to support, or in some cases, commence support of, the following activities in these components of the TSSP. One additional project will be supported under the Trade Support Services component.

Import-Export Regime: Tariff & Non-Tariff Measures

The primary objective of TIPCEE's collaboration on this component of the TSSP is to create a fair and transparent import-export regime that will enhance Ghana's competitiveness. The TSSP has acknowledged that tariffs and other non-tariff and fiscal measures to control trade, including quotas and subsidies, distort international trade and may have adverse repercussions on Ghana's international competitiveness. Measures to protect growing industries in Ghana, including tariffs, must be proportionate to the needs and timescale for developing these industries, without imposing undue costs on consumers or manufacturers in Ghana who need to import raw materials and components.

At present, tariffs are seen primarily as a means to raise revenue, and the impact on production or prices for consumers is often not fully considered when setting tariff levels or deciding on other aspects of the import-export regime. To improve the regime, these tariff and non-tariff measures must be streamlined to ensure a level playing field for all economic operators through effective and systematic application of a transparent tariff regime. Furthermore, these tariff and non-tariff measures must comply with agreed international rules to which Ghana has subscribed, in order to avoid retaliatory trade measures or dispute proceedings in the World Trade Organization (WTO). TIPCEE will support this goal by collaborating on the following projects.

Establish a Tariff Board to ensure that tariffs are set in accordance with national economic development goals and balance the needs for revenue generation with the benefits from trade facilitation, and to improve transparency and predictability in the import-export regime. During Year 3 TIPCEE completed a best practices review of the structure and functions of the proposed board and supported the dialogue for the key government stakeholders to review options and lessons learned from other countries. MOTIPSD/PSI has decided on the structure and functions of the Tariff Board, which will be an advisory body for the Minister. During Year 4 TIPCEE will support the drafting of regulations and operating procedures for the Tariff Advisory Board (TAB), consultations with other MDAs on these regulations and operating

³ Key indicators to measure the overall performance of the TSSP will include increased volume and value of exports, improved performance of domestic firms and SMEs in targeted sectors, increased flows of domestic and foreign direct investment, and increased sector competitiveness relative to other countries.

procedures, and a workshop for the Parliamentary Committee on Trade and Industry to sensitize the Members of Parliament (MPs) regarding the new TAB. Following the adoption of regulations and operating procedures, a concept paper will be drafted on issues related to contingency trade measures. After consultation with MOTIPSD/PSI, a stakeholders' forum will be convened to discuss the paper. Feedback from this dialogue will inform the drafting of contingency trade legislation. A second forum will be held to discuss the draft bill before it is finalized and submitted to MOTIPSD/PSI near the end of Year 4.

Benchmarks:

- Regulations and operating procedures for the TAB
- Concept paper on contingency trade measures
- Stakeholders' forum on concept paper
- Stakeholders' forum on draft trade contingency legislation
- Final draft bill submitted to MOTIPSD/PSI

Collaborating Partners: MOTIPSD/PSI, MOFEP, CEPS, Parliamentary Committee on Trade and Industry

Build Capacity of the Tariff Advisory Board and the Technical Secretariat to enable the Board to operate in an efficient and transparent manner. The first major activity will be a study tour to Washington, DC, to visit agencies that perform similar functions to those proposed for the TAB. A pre-trip seminar will provide background material and an orientation to the activities scheduled during the study tour. The objective of this trip will be to gain technical knowledge, and participants will primarily consist of newly designated members of the Technical Secretariat. Two additional capacity-building seminars will be presented to the TAB: a discussion of the effective rate of protection, and a tutorial on the differences between free zones, free ports, and bonded warehouses. Following the completion of the regulations and operating procedures for the TAB, TIPCEE will support the training of the Technical Secretariat, board members, and other relevant MDAs on these regulations and procedures. Similarly, awareness training will be conducted for the private sector and MDAs on contingency trade measures prior to commencing specialized training to be undertaken in Year 5.

Benchmarks:

- Study tour to determine best alternatives for Ghana
- Three training modules for TAB Secretariat
- Awareness training for MDAs and private sector on contingency trade laws

Collaborating Partners: MOTIPSD/PSI, other MDAs, private sector

Design an Effective Rates of Protection Methodology that will be the basis for evidenced-based tariff programs. The structure of tariffs affects producers, consumers, and government. High tariffs may protect local industries from competition and may increase government revenues. High tariffs also increase the price of goods in the domestic market through high import costs to consumers and inputs to production. TSSP seeks to ensure that resources are allocated efficiently, and competitive sectors are promoted in order to stimulate growth in domestic manufacturing over the longer term. To support this effort, TIPCEE will continue to support MOTIPSD/PSI's

development of a suitable methodology with transparent criteria for calculating the effective rate of protection (ERP) as a basis for tariff policy.

During Year 4, TIPCEE will collaborate with MOTIPSD/PSI to finalize work on the ERP model/template and complete data input from the tariff study completed in Year 3. A report summarizing the study will be drafted, and a stakeholders' forum to disseminate the results will be held.

Benchmarks:

- 1 Effective Rate of Protection (ERP) template
- 1 tariff study report
- 1 public-private dialogue to disseminate results

Collaborating Partners: MOTIPSD/PSI, MOFEP, and private sector

Develop Reference Materials on Rules of Origin to facilitate the private sector's access to foreign markets and preferential trade agreements. Currently Ghana enjoys preferential access to most developed country markets through the Generalized System of Preferences (GSP) and similar schemes including the U.S. African Growth and Opportunities Act (AGOA) and the Cotonou Agreement. Rules of origin are also important in the ECOWAS arrangement and are determined by the protocol of the ECOWAS Trade Liberalization Scheme (ETLS). Understanding the rules of origin is important, as free trade areas or preference systems require that origin rules function properly to avoid circumvention.

Although some of these preferential trading schemes have been around for many years, exporters have limited knowledge of them. The main determinants of rules of origin are substantial transformation, change of tariff classification, and increased *ad valorem* percentage due to processing or manufacturing operations. MOTIPSD/PSI has asked TIPCEE to support the production of reference materials for private sector use. These materials will focus on the major trading partners and the significant export sectors and will include directions for computing value-addition. The target audience will be small and medium enterprises.

Benchmarks:

- 1 public-private dialogue to discuss draft materials
- 1 handbook and CD-ROM

Collaborating Partners: MOTIPSD/PSI, GEPC, and private sector

Import-Export Regime: Import-Export Incentives

The goal of these activities is to ensure the operation of an efficiently managed incentives regime to facilitate increased domestic production, especially for onward exporting. Ghana's exports competitiveness will be enhanced by reducing costs, including those that arise from inefficiencies in the administration of the incentive regimes, such as duty drawback and refunds, VAT exemptions on imported inputs, and multipurpose free zones. TIPCEE will support this goal by collaborating on the following projects.

Streamline Duty-Drawback Scheme, followed by an education and awareness program for exporters and agents. Positive steps in recent years have modernized the duty-drawback scheme, but private sector operators still criticize the procedures and time required. The duty-drawback facility is administered manually from the CEPS Headquarters because the duty-drawback module, available within the GCNet-GCMS system, is not yet operationalized. In addition, signatories from three institutions — CEPS, MOFEP, and Revenue Agencies Governing Board (RAGB) — must sign the refund check, further delaying its issuance. Application documentation needs to be streamlined. The Customs refund account is inadequately funded, causing further delays. Presently, the account is used to service not only duty drawbacks, but also refunds in overpayment of tariffs and rewards for reporting malfeasance in international trade transactions. Stakeholders do not appear to be conversant with the requirements and procedures relating to the duty-drawback facility. For all these reasons, working capital of enterprises is unavailable, reducing competitiveness.

In line with international best practice, the TSSP has recommended that:

- the drawback administration be decentralized and automated;
- a system of monitoring and post-audit be utilized to verify check payments, thereby avoiding delays in processing drawbacks;
- administration of drawbacks, including authorization and payments, be made the sole responsibility of the Customs administration;
- the sources of funds include budgetary allocations and retained income, usually a percentage of the Customs administration's collections; and
- Customs administration provides information to drawback users through media, publications, and training programs.

TIPCEE will support discussions with stakeholders — including MOFEP, RAGB, CEPS, Bank of Ghana, and MOTIPSD/PSI — to ensure that the duty-drawback facility is managed efficiently to enhance the competitiveness of private sector exporters. After new procedures have been finalized, TIPCEE will support the development of training materials (for the CEPS Web site) and will hold a workshop to disseminate the training program to exporters and agents. After the new procedures have been in operation for six months, a public-private dialogue will be held to evaluate the effectiveness of the new procedures.

Benchmarks:

- 1 training program (for online use) in duty-drawback procedures developed
- 1 workshop to disseminate training program
- 1 public-private dialogue to monitor progress in implementation

Collaborating Partners: MOTIPSD/PSI, CEPS, MOFEP, RAGB, BOG, and private sector

Increase Efficiency of Multipurpose Free Zones System to reduce costs and enhance the competitiveness of Ghanaian exporters. TIPCEE will provide technical assistance to support the decentralization of free-zone operations. Customs controls, procedures, and practices in the free zones will be brought in line with international best practices, that is, through reduced and more strategic physical inspections and emphasis on the examination of documents and post-audit controls.

At present, CEPS procedures and controls for free-zone transactions mirror the procedures for imports for home use. Consequently, they lack the flexibility required for facilitating free-zone transactions.

This situation is particularly critical for agricultural enterprises that want to take advantage of free-zone status. Greenfield agricultural projects may take some time to develop the technical skills necessary to export 70% of their produce, the current threshold. In such instances, they may be forced initially to sell more than 30% of their produce in the domestic market. For example, high-value horticulture may not meet international standards but may nevertheless be fine for domestic consumption. However, the cost of the necessary paperwork sometimes makes it more economical to throw the fruit away rather than sell it to local market women.

Consequently, the TSSP has recommended that current systems be revised and brought in line with the revised Kyoto Convention, which recommends a reduction in physical inspections, examination of documents, flexible Customs controls, post-audit controls, and automation of GFZB operations. In addition, a more effective monitoring, evaluation, and reporting system should be developed within GFZB, and operations should be decentralized to regional centers. Finally, GFZB should target strategic outputs for setting up within an Export Processing Zone (EPZ).

To achieve these goals, in Year 4 TIPCEE will provide technical assistance to support the decentralization of free-zone operations and the development of new procedures. Specifically, customs controls, procedures, and practices in the free zones will be brought in line with international best practices.

Benchmarks:

- Public-private dialogue to discuss proposed changes
- Final draft proposal to be submitted to MOTIPSD/PSI and CEPS

Collaborating Partners: MOTIPSD/PSI, CEPS, MOFEP, FZB

Trade Facilitation: Customs Clearance Procedures

Ghana's export-led growth strategy will be greatly enhanced by the smooth passage of goods and services across Ghana's borders. Thus, the primary objective for this activity is to ensure speedy and efficient goods clearance, thereby reducing costs. TIPCEE will support this goal by collaborating on these projects.

Review of Fee Structure for Goods Clearance to determine Ghana's competitiveness vis-à-vis its competitors. Ghana's goal is to be the port of choice in West Africa, and this necessitates having competitive fees for customs operations and port and airport services. The TSSP has recommended a review of the cost structure of fees with a view to setting a ceiling. It is anticipated that results of the review will simplify procedures and lead to a fair, competitive fee structure that reduces costs for private sector operators.

In Year 4, TIPCEE will provide technical assistance to gather information on the types and levels of fees in Ghana and several other West African countries; these fees will be compared with those of a Central or South American competitor in the

horticulture industry. Results of the study will be shared at a forum with stakeholders from the public and private sectors.

Benchmarks:

- Fee structure analysis
- Public-private dialogue to discuss fee structure study

Collaborating Partners: MOTIPSD/PSI, CEPS, MOFEP, RAGB, and Ghana Ports and Harbours Authority (GPHA)

Provide Technical Assistance to CEPS for the Development of a Project Plan to assist in implementing the roadmap developed in Year 3. This project will build on the work completed in Year 3 to assess the consistency (with the WTO Agreement) of the valuation procedures currently used by CEPS. The final report contained a roadmap to assist CEPS in transitioning from the use of “destination inspection companies” (DICs) to having CEPS perform the core functions of valuation and classification. TIPCEE will provide technical assistance to CEPS to transform the roadmap into an implementation plan. The plan will identify primary issues, key decisions, timelines for all activities, resources required, and potential sources of funding. A successful transition from the DICs to CEPS is expected to lower the cost of importation for the private sector.

Benchmarks:

- Project plan document
- Public-private dialogue to discuss plans for implementation

Collaborating Partners: MOTIPSD/PSI, CEPS, MOFEP

Assist CEPS to Justify the Level of Fees as Compliant with WTO Rules. This project will also build on the WTO valuation project completed in Year 3 which identified the need for a study to ascertain whether the fees charged to importers were supported by the level of services provided. To comply with WTO Article VIII, fees collected must be related to the cost of services provided. The first step is to assess whether the inspection fee (1%) currently paid to inspection companies approximates the cost of services rendered. CEPS seeks to continue collecting fees when they resume the valuation and classification functions. If current fees cannot be justified, then appropriate fees that conform to WTO regulations should be determined.

Benchmarks:

- Analysis of fees study
- Public-private dialogue to discuss findings of study

Collaborating Partners: MOTIPSD/PSI, CEPS, MOFEP

Trade Support Services

The primary objective for this activity is to provide a full range of effective support services to the export sector to achieve growth and expansion in export markets. TIPCEE will support this goal by collaborating on this project.

Support a Best Practices Study of Export Promotion Agencies to provide MOTIPSD/PSI with options from which to design an effective export promotion agency for Ghana. The successful implementation of export promotion activities under the TSSP (and any other trade promotion activities) requires a national champion for export promotion to drive the process and offer relevant services to exporters and potential international buyers. THE Ghana Export Promotion Council (GEPC) is primarily responsible for this role in Ghana. This study will examine best/successful practices in a number of countries similar to Ghana in terms of size and export products. These may include, for example, Chile, Ecuador, Malaysia and Costa Rica. The second step will be to compare GEPC to the export promotion agencies studied and recommendations provided for enhancing GEPC's effectiveness.

Benchmarks:

- Study on export promotion agencies including gap analysis of GEPC
- Proposal to restructure GEPC

Collaborating Partners: MOTIPSD/PSI, GEPC

Provide Advisory Services to MOTIPSD/PSI and Other MDAs

The embedded advisor at MOTIPSD/PSI, Dr. Augustine "Fritz" Gockel, will provide technical advice to MDAs whose activities impact the private sector. This will entail analysis of MDAs' policies and programs and their implications for private sector competitiveness. He will participate in deliberations to enhance the implementation of the Private Sector Development Strategy (PSDS), such as the joint review meetings with private sector participants and MDAs, to evaluate the implementation status of policies and programs.

The advisor will mentor MOTIPSD/PSI junior staff in policy formulation and analysis. The advisor will also supervise and review the work of short-term consultants preparing policy documents. At the request of the minister or other senior officials, the advisor will offer suggestions on policy formulation and related issues. The advisor will also act as a resource person at public-private dialogues (PPDs) or other such stakeholders' forums.

B. Financial Sector Policy

One of the most important drivers of economic development is a sound financial system. A high-functioning financial system provides a mechanism for the mobilization of savings and their allocation to productive economic activities. Additionally, the financial system provides a myriad of ancillary services, such as payment systems and market information, which enhance the efficiency of the private sector. Competitiveness of private sector firms is reflected in their ability to be profitable in open markets. Other things being equal, firms operating in countries with more efficient financial services will have better access to short- and long-term capital, and other financial services at a lower cost, and will have a competitive edge. TIPCEE's financial sector activities are designed to improve the delivery of more efficient financial services to the private sector, thus enhancing competitiveness. All activities support the Ministry's Financial Sector Strategic Plan (FINSSP).

The major issues facing the financial sector are:

- Low rate of savings
- Lack of access to long-term capital, especially for small and medium enterprises (SMEs)
- High intermediation costs reflected in high interest-rate spreads
- Poor access to financial services in rural areas
- Weak regulatory systems

The following activities are designed to address these constraints.

Analyze Interest-Rate Spread

At the request of the Minister of Finance and Economic Planning, the TIPCEE policy team undertook a study entitled “Commercial Bank Interest Rate Spread in Ghana: Determinants and Policy Implications.” During Year 2, TIPCEE prepared a policy brief and presented the study’s findings to the minister. A Year 3 activity researched issues emerging from the study to provide additional input into banking sector policy. Policy research focused on:

- Competitive structure of the banking industry
- Economies of scale in the banking industry and their impact on bank operating costs
- Components of operating costs (e.g., staffing costs) and how they affect the interest-rate spread of commercial banks
- Incidental policy factors relevant to narrowing the interest-rate spread.

In Year 4, the follow-up study will be discussed at a stakeholders’ forum. A policy brief will be prepared to guide the formulation of banking sector policy.

Benchmarks:

- 1 public-private dialogue to disseminate results
- 1 policy brief summarizing results of study and policy implications

Collaborating Partners: MOFEP, BOG, and Centre for Policy Analysis (CEPA)

Enhance Public-Private Dialogue through an Annual Financial Literacy Week

FINSSP notes that low financial literacy in Ghana is a hindrance to financial intermediation. Low financial literacy means that savers and borrowers are not knowledgeable about opportunities available to them as well as the actual costs and potential pitfalls. Financial literacy programs will educate savers and businesses on available financial products, how to access them, and their rights and obligations under the regulatory framework. Accordingly, FINSSP has recommended an annual Financial Literacy Week. In Year 3, TIPCEE supported this by conducting a baseline study to establish the level of financial literacy in Ghana.

In Year 4, TIPCEE will disseminate the results of the baseline survey at a stakeholders’ forum and provide technical assistance for the organization of Financial Literacy Week with MDAs and development partners. The week’s activities are aimed to educate the general public and businesses on financial services and increase

their participation in financial markets. The dissemination of survey results will also inform financial institutions as they develop new financial products and delivery mechanisms aimed at new opportunities in the SME and agricultural sectors.

Benchmarks:

- 1 public-private dialogue to disseminate results of study
- Educational materials for Financial Literacy Week developed

Collaborating Partners: MOFEP, Securities and Exchange Commission (SEC), BOG, financial sector industry associations (Association of Bankers, Ghana Insurers Association, Ghana Securities Industry Association), International Finance Corporation (IFC) Leasing Program, GTZ/DANIDA Support Programme for Enterprise Empowerment and Development (SPEED)

Provide Regulatory and Institutional Framework on Unclaimed Assets

Unclaimed assets are monies in financial institutions that have been untouched by their owners for a considerable period of time. These assets include bank accounts, insurance benefits, pensions, dividends, interest payments, and redemption proceeds of bonds. Many countries have legal frameworks for putting these assets to productive use. There are many reasons for assets going unclaimed, including changes of address without notification, death, emigration, and illegible or incomplete records. In a country like Ghana, the unclaimed assets problem is compounded by the lack of national identification and readily identifiable residential addresses.

Mismanagement of unclaimed assets can undermine confidence in the financial system, especially among population groups that are relatively unsophisticated. For example, investors who are unable to trace their assets after a significant amount of time has elapsed are likely to lose confidence in the financial system. Additionally, a vast pool of unclaimed monies is a misallocation of assets. Institutions may use financial resources that are not officially assigned to them, taking risks that they would not otherwise take.

In the 2007 Budget Statement, the Government of Ghana announced an initiative to establish an unclaimed assets program which would have measures to ensure that individuals and organizations are able to reclaim their assets and create mechanisms for their efficient use when unclaimed.

In response to a technical assistance request from MOFEP, TIPCEE initiated an unclaimed assets study in Year 3. When completed, the study will provide the government with information on the size and scope of unclaimed assets in Ghana and legal and institutional options for an unclaimed assets program.

Benchmark:

- 1 report on unclaimed assets in Ghana and institutional and legal options

Collaborating Partners: MOFEP, BOG, SEC, National Insurance Commission (NIC), and bank and non-bank financial institutions

Provide Advisory Services to MOFEP

The Financial Sector Division of MOFEP was established in 2006. Prior to the establishment of the Financial Sector Division (FSD), financial sector work within the ministry was fragmented with various divisions handling different items.

Additionally, MOFEP tended to cede to Bank of Ghana key policy decisions on the financial sector. Currently the ministry is trying to mainstream all financial sector work through the FSD. Thus, as much as possible, all financial sector work, even when supported by donors, will be led by divisional staff.

During Year 3 TIPCEE supported the creation of the Financial Sector Division with the project's embedded Financial Sector Advisor, Dr. Sam Mensah. Dr. Mensah has been an active member of the division: advising on divisional design, structure, functions, and operating procedures and systems; training divisional staff on policy research and analysis; and drafting policy memoranda for the minister and Cabinet. Examples of recent policy initiatives that have been mainstreamed through the division with oversight from the embedded technical advisor are:

- Rationalization of government participation in the banking sector
- Recapitalization of ARB Apex Bank
- Financial Literacy Week
- Unclaimed assets

During Year 4, in addition to coordinating the activities described above, TIPCEE's embedded advisor will continue to provide technical advice to MOFEP in the following areas:

- Privatization policy and transaction advice
- Budget preparation and implementation
- Project and financial analysis
- Financial market development
- Capital market access

Collaborating Partner: MOFEP

C. Agriculture Policy

Agriculture continues to dominate economic activities in Ghana in terms of its contribution to GDP, foreign exchange earnings, and employment. The sector is also key to Ghana's food security. A strong agricultural sector is driven by a clearly articulated policy and regulatory framework as well as transparency. This provides unambiguous guidance and direction for government, the private sector, and development partners for greater effectiveness, sustainability, and equitable impact. Explicit policies, strategies, and regulatory systems result in lower transaction costs and better performance.

The major issues affecting the agricultural sector as delineated in the Food and Agricultural Sector Development Policy (FASDEP) include:

- Inadequate human resource and management skills
- Inadequate regulatory frameworks

- Institutional weaknesses
- Poor infrastructure
- Financial constraints
- Insufficient development, dissemination, and adoption of improved technologies
- Absence of norms and standards
- Inadequate irrigation development and management

The goal of TIPCEE's support to the agricultural sector is to enhance competitiveness by improving transparency in policy formulation and private sector regulation. These activities support the government's agricultural modernization and commercialization efforts and the U.S. Presidential Initiative to End Hunger in Africa (IEHA) goal of modernizing agriculture and opening up markets to agricultural trade.

Assess Access to Agricultural Finance

Agriculture is heavily underserved by financial institutions, despite being the prime economic activity and engine of growth in the rural areas in Ghana. Agricultural financing is poorly understood within the financial institutions and is associated with failed public sector interventions and underdeveloped and risky subsectors. Nonetheless, there has been remarkable improvement in agricultural production sectors, notably in export horticulture. This progress has been catalyzed by adoption of new technologies by farmers and ongoing technical assistance through MOFA, development projects, improved market linkages, infrastructure improvements, and better access to inputs. Banks and non-banking financial institutions maintain the view that agriculture is risky and are thus reluctant to include, or reintroduce, agriculture finance products in their portfolios. Both MOFA and MOFEP recognize that this productive sector is underserved by financial services and these ministries seek new approaches to expanding access to agricultural credit without resorting to subsidies that distort the market.

To support this inquiry, during Year 4 TIPCEE will prepare a financial "map" of the value chains for three commodities — two horticulture and one staple food crop — detailing the finance needs along the value chain, existing financial services, opportunities for the introduction of services, and examples of similar successful financial products implemented in other developing countries with similar regulatory environments. The report will also analyze the impact of Ghanaian financial sector regulation on the provision of agricultural credit. A presentation to public and private stakeholders will present analysis and recommendations based on international best practices.

Other development partners such as MiDA, IFAD, AfDB, World Bank, and GOG ministries have microfinance or rural finance projects on the ground or in the planning stages. TIPCEE participates in a microfinance forum or working group through MOFEP to coordinate project activities in this area with the other GOG and donor partners. A two day workshop is planned for March 2008 to bring all stakeholders together on this subject. TIPCEE will plan to present its findings of this study at this forum to leverage resources for technical assistance to financial institutions for development of new financial products or services.

Benchmarks:

- 1 study on agricultural credit and finance
- 1 public-private dialogue to discuss results

Collaborating Partners: MOFA, MOFEP, BOG, development partners, financial institutions, private sector

Support the Development of the Seed Sector

Ghana is now described as a transformational economy, and it is seen by most development professionals as a model for making the shift from reliance on subsistence farming to an increasingly efficient commercialized agricultural sector. Policies that were oriented toward achieving national food security have been reshaped toward building a sector that is a major source of export earnings and provides the basis for an expanded value-added processing industry. Seed and agricultural production technologies not only increase production, but can also provide opportunities for new industries.

Seed is the most important determinant of agricultural production potential, on which the efficacy of other agricultural inputs depends. Sustained increase in agricultural production and productivity is dependent, to a large extent, on the development of new and improved seed varieties and an efficient system for the timely supply of quality seeds. The Seed Act (1972) forms the basis for promotion and regulation of the seed industry. Far-reaching changes, however, have taken place since existing legislation was drafted. The new challenges and opportunities must therefore be understood and addressed. A critical review of the Seed Act reveals that it cannot address problems related to commercial seed supply. The drafter of the Act did not envision a diversified (multi-tier) seed production and supply system to address the needs of the market.

In Year 4, in response to a request from MOFA, TIPCEE will support an assessment of commodity subsectors in which improved varieties and seeds make a real difference in their operations. This activity will occur in phases:

1. The first part of the phased study will cover the various seed subsectors — roots and tubers, cereals, legumes, fruits, vegetables, nuts, forage crops, and industrial crops (e.g., palm oil).
2. The second phase will cover regulatory areas: varietal development and plant variety protection, seed production, quality assurance, seed import and export, and promotion of the domestic seed industry.
3. Consultation with policy makers and technical experts regarding the findings of the study will constitute the third phase. The goal of this phase is to determine a direction for the seed sector that conforms to FASDEP II.
4. The study findings and discussions will culminate in the revision of the existing seed law to make it more market-oriented while it accommodates the non-market-oriented farmers' seed system.

This activity responds to a request from MOFA to find new ways to modernize and commercialize agriculture.

Benchmark

- 1 public-private dialogue to discuss results
- 1 study report on the seed sector

Collaborating partners: MOFA–Crop Services Directorate, Plant Protection and Regulatory Services Directorate (PPRSD), and Policy Planning, Monitoring and Evaluation Directorate (PPMED)

Create a Pineapple Industry Plan

Pineapples have become Ghana’s leading nontraditional export and are the vanguard product in the development of Ghana’s horticultural sector. Several domestic trends are converging to advance Ghana’s pineapple industry to the next level of industry development. At the same time, there are broader trends in the international pineapple marketplace that favor growth in demand for Ghana’s pineapple output. These trends present Ghana’s pineapple industry with attractive opportunities, but not certain benefits. The development of Ghana’s pineapple industry into a world-class horticulture player depends on how pineapple producers respond to these trends, both as individual companies and as a coherent industry.

Preliminary to the development of a successful industry strategy, it is important to assess where the international pineapple (and pineapple product) market will be in the medium- to long-term with respect to product volume, product scope, geographic supply (Ghana’s competition), and demand (potential markets, including regional markets). Domestically, Ghana’s ability to take advantage of these market opportunities should be assessed through an examination of the raw potential of Ghana’s pineapple production, the factors needed to bring such production to its full potential, and an analysis of the broader industry “cluster” elements such as the pineapple-logistics chain and the value-added chain for a possible expansion of the pineapple-processing industry.

This study will provide the baseline assessment that can be used to develop an appropriate industry strategy in which Sea-Freight Pineapple Exporters of Ghana (SPEG) is well-positioned to take a leadership role with other stakeholders.

Benchmarks

- 1 comprehensive report, including a matrix that aligns the challenges and opportunities facing Ghana’s pineapple industry in the medium- and long-term
- 1 executive summary for a general audience
- 1 public-private dialogue to discuss results

Collaborating Partners: SPEG, MOFA, Ghana Investment Promotion Centre (GIPC), MOTIPSD/PSI and GTZ/MOAP

Conduct Economic Benefit Assessments of the Rice and Mango Sectors

Policy decisions in the agricultural sector have rarely been evidence-based, but it is time to inform such decisions with detailed analytical results, as was done for the banana sector in Ghana. To provide government and prospective investors with an understanding of the potential for banana production in Ghana following the change

in the EU tariff regime, TIPCEE provided technical assistance to examine three key components of the banana sector in Year 3. After viewing the results of this study at a stakeholders' forum, MOFA asked TIPCEE to support a similar analysis of other crops. This information will enable MOFA to improve policy-making in the sector by using evidence-based research consistent with the mandate of the recently completed FASDEP II.

During Year 4, TIPCEE will support an economic benefit assessment of two crops — rice and mango — to demonstrate their comparative and competitive advantages in the use of public resources. The study is aimed at achieving two objectives. The first is to illustrate the use of such a tool for conducting in-depth economic analyses. Secondly, the results of these studies will assist MOFA and the Government of Ghana to make informed choices in the allocation of scarce resources. TIPCEE will coordinate with MOFA and development partners currently implementing programs in these sectors to build on exiting data.

Benchmarks:

- 1 comprehensive report including models and spreadsheets for each sector
- 1 public-private dialogue to discuss results

Collaborating Partner: MOFA and development partners

Provide Advisory Services to MOFA

During Year 4 the Agricultural Policy Specialist, Dr. George Kwadzo, will continue to participate in Agricultural Sector Development Partners meetings. These monthly meetings provide a forum in which development partners share information on activities and provide inputs to government through MOFA on policy, regulatory, and implementation issues. Similarly, members are called upon occasionally to comment on agricultural sector technical and policy documents (e.g., project documents, appraisal reports, and evaluation reports) emanating from MOFA and development partners.

Dr. Kwadzo will work closely with MOFA management and staff to provide technical assistance on an ad hoc basis through meetings, e-mail, and/or telephone conversations. He will serve as a resource person for public-private dialogues organized by TIPCEE and/or MOFA in the agricultural sector, facilitating discussions and providing technical inputs. When FASDEP II is implemented in the coming year, the Agricultural Policy Specialist will serve as a resource person in the preparation of strategic and district plans where appropriate.

Collaborating partners: MOFA and DPs

D. Other Sector Activities

Macroeconomic, Monetary and Fiscal Policy

Ghana has set a goal for per capita income of U.S. \$1,000 by 2015. Although there are many policy issues that affect the growth potential of a country, both theoretical and

empirical analyses suggest that macroeconomic stability is crucial. Macroeconomic instability distorts price relativities and discourages long-term investment. Not surprisingly, both policymakers and private sector agents agree that a stable macroeconomic environment is a necessary condition to ensure competitiveness. Macroeconomic stability is defined by a sufficiently prolonged period with:

- A clear and predictable nominal anchor for inflationary expectations and a monetary policy that is flexible enough to respond to external shocks
- A price-stabilizing monetary policy
- A predictable and transparent monetary policy regime
- Stable real exchange rates
- Moderate to low inflation rates
- Attractive real interest rates for effective intermediation
- Build-up of the nation's international reserves to an acceptable level
- Sustainable budgetary and external current account deficits

In recent years Ghana has made significant progress toward macroeconomic stability, but the economy is still fragile and vulnerable to external shocks. For the country to achieve sustainable poverty reduction facilitated by accelerated economic growth, the country must sustain the modest gains made. However, macroeconomic policy-making is not sufficiently informed by reliable studies in areas such as monetary policy, exchange rate management, disinflation trade-offs, and monetary integration. TIPCEE's Year 4 plan will continue to support various studies to enhance evidenced-based policy-making in Ghana.

Conduct Exchange Rate Studies

Ghana is currently pursuing an export-led development strategy designed to enable the country to achieve middle income status by 2015. Achieving these goals requires a supportive exchange rate regime. Such a regime should encourage exports and private sector development. The evidence indicates that since 2002, Ghana's real exchange rate has been appreciating. Protracted appreciation in real exchange rate shifts relative incentives away from exports to import trade, thus dampening economic growth. However, the extent to which such appreciation is affecting the growth of export- and import-competing sectors has not been well documented. An analysis of the impact of the exchange rate on the export- and import-competing subsectors would inform a policy debate on the appropriateness of the country's current exchange rate policy and management. To support this analysis, TIPCEE is undertaking two studies:

1. The Microstructure of Ghana's Foreign Exchange Market
2. An Appropriate Exchange Rate Regime for a Competitive Export-Led Growth Strategy in Ghana

The objective of the microstructure study is to identify the characteristics of the market in order to identify the underlying causes of large and persistent movements in exchange rates that cannot be explained by fundamentals. The results of this study will inform key market reform areas such as regulation, trading mechanisms, and information dissemination.

The second study will focus on the impact of existing exchange rate policy and management on the competitiveness of domestic production and the private sector,

and provide policy recommendations on an exchange rate regime that will facilitate an export-led economic growth strategy.

Benchmarks:

- 1 study on exchange rate microstructure
- 1 study on appropriate exchange rate regime
- 2 public-private dialogues
- 2 policy briefs

Collaborating Partners: MOTIPSD/PSI, MOFEP, BOG, and CEPA

Labour Markets

Ghana's economic growth rate and competitiveness in the global economy continues to be constrained by a number of factors, including the need to improve the enabling environment with flexible labour markets. The labour market plays an important role in alleviating the macroeconomic policy shocks and structural reforms aimed at economic growth through flexible wages. In 2003, with USAID support, a new labour bill was passed. Labour Act 651 was expected to reduce weaknesses in the labour market, making labour a more competitive factor of production. Two features of the Act stand out, namely, consolidation of all previous labour laws into one document for ease of reference, and increased flexibility in labour practices. To instill continuous transparency and strengthen the rule of law on labour relations, the government created the National Labour Commission (NLC) and National Tripartite Committee (NTC).

The major issues facing the labour sector include:

- Insufficient awareness among stakeholders that the Labour Law calls for new procedures in the labour market
- Lack of resources to implement Act 651
- Insufficient coordination within the government related to wage and contract negotiations for public sector employees
- Inadequate capacity for analysis of issues such as income and productivity

Support the NLC to Strengthen Its Case Management System

During Year 4, TIPCEE will support the NLC to automate its core activities, specifically through the development of a computerized database, document control, and reporting system. The primary objective of this support is to enable the NLC to accelerate labour petition handling, facilitate documentation of claims, and track NLC activity. A simple electronic records management system is required to facilitate and improve NLC claims handling operations. The system will allow for logging claims and recording contacts, and will provide standard response templates to facilitate rapid and consistent claims processing and reporting, secure records management, and documentation of the work and rulings of the NLC. Proposals were evaluated by a team from TIPCEE and the NLC at the end of Year 3. When implemented, this new system will permit the NLC to act expeditiously to resolve disputes, thus increasing the confidence of disputants and the efficiency of NLC's operations.

Benchmark:

- A computerized database, document control, and reporting system developed

Collaborating Partner: NLC

Information, Communication, and Technology Sector

Access to ICT infrastructure, connectivity, and services is critical to sustained long-term economic growth. Development of the ICT sector reduces costs for businesses relying on ICT-related services and makes it feasible to extend coverage to economically active rural communities.

During Year 2, TIPCEE supported the drafting of four bills — Telecommunications, National Communications Authority, Electronic Transactions, and National Information Technology Agency. With the launch of the World Bank’s e-Ghana project and its focus on public sector support for ICT issues, TIPCEE now focuses on activities with private sector partners, namely GISPA, in Year 4.

Facilitate the Advocacy of GISPA with NCA and Ghana Telecom

Many private sector participants would like better dialogue with the relevant public sector agencies regarding a number of regulatory issues. In Year 4, TIPCEE will continue support begun in Year 3 to the Ghana Internet Service Providers Association (GISPA) and other industry groups to negotiate with the National Communications Authority (NCA) and Ghana Telecom (GT) for improved access to SAT-3 cable. This support has included the services of a communications expert to conduct research and help formulate an evidence-based advocacy strategy paper, including proposals for resolving identified issues. A draft report has been submitted to GISPA for their review and discussion. Following their feedback, the report will be finalized in Year 4, and an advocacy strategy paper will be drafted. In collaboration with GISPA, TIPCEE will support a public-private dialogue with the Select Committee of Parliament on Communications to sensitize them to the key issues highlighted in the research. Follow-on advocacy activities may include training to strengthen the capacity of industry to dialogue with government for policy reforms that encourage private sector development. These activities will result in ICT providers’ improved access to SAT-3 cable, leading to lower costs.

Benchmarks:

- 1 report
- 1 advocacy strategy paper
- 1 public-private dialogue with Select Committee of Parliament

Collaborating Partners: Ministry of Communications (MOC), GISPA, NCA, Select Committee of Parliament on Communications

Other Policy-Related Activities

Support the Implementation of RIA/PIET

A key component of the enabling environment for private sector development is the presence of transparent policy and program management procedures. During Year 2, TIPCEE supported the development of an implementation plan for the Regulatory Impact Assessment (RIA) and Program Intervention and Evaluation Template (PIET) frameworks recently developed by government. This plan was passed by Cabinet, and the implementation of the RIA was included in the Budget Statement and Economic Policy of the Government of Ghana for 2007. Previously housed in the Ministry of Private Sector Development, this program now resides in MOTIPSD/PSI.

Previously funds for implementing a RIA training program for MDA staff were allocated through the MDBS process when the program was housed in the Ministry of Private Sector Development. It is unclear whether these funds are still so allocated since the merger of the Ministries of PSD and Trade and Industry. In collaboration with other donors during Year 4, TIPCEE plans to explore the feasibility of activities outlined in the implementation strategies. When fully operational, these frameworks will lead to more efficient government program interventions and an improved policy and regulatory environment to promote private sector development.

Collaborating Partners: MOTIPSD/PSI, MOFEP, and development partners

Support the Design of Efficient Regulatory Structures

Regulatory effectiveness is required to facilitate private sector development. The capacity of regulators to make appropriate rules and enforce them — and promote development of their respective sectors — remains a challenge in Ghana.

A cross-cutting issue identified by a number of TIPCEE's expert panels was the lack of MDAs' capacity to implement bills or enforce regulations due to the lack of financial or human resources. As part of the effort to enable the business environment in Ghana, TIPCEE will initiate a dialogue in Year 4 on regulatory effectiveness for private sector development. Specifically, TIPCEE will support the drafting of a concept paper to recommend a study of regulatory structures in Ghana relative to international best practices, and provide suggestions for improved efficiency and design. This paper will be discussed with MOFEP and the Ministry of Justice. If approved, TIPCEE will sponsor the study and present a report of findings and recommendations to government. This will be followed by a public-private dialogue with key stakeholders to review the report and build consensus on the way forward. This study is expected to raise the awareness of public and private sector individuals regarding best practices and the need to consider new approaches to make regulation more efficient in Ghana.

Benchmarks:

- 1 concept paper submitted to MOFEP
- If approved, study report
- 1 public-private dialogue

Collaborating Partners: MOFEP, MOTIPSD/PSI, and Attorney General

Review Business Licensing Regimes to Reduce the Cost of Doing Business

In order to improve regulatory effectiveness in Ghana, in Year 4 TIPCEE will support a study to identify licensing regimes affecting private sector activity in Ghana. After these regimes have been identified, the next step will be to determine key sectors for a more detailed study of regulatory procedures. These studies will include licensing regimes (requirements, time, and costs involved for businesses) and how they impact business entry, and the costs of compliance with continuing license obligations. The results of the study will be discussed with MOFEP, the Ministry of Justice, and other stakeholders to build consensus on the way forward. This study is expected to raise awareness among public and private sector actors regarding the impact of regulation and the need to streamline licensing regimes for private sector development in Ghana.

Benchmarks:

- 1 public-private dialogue
- 1 final report with recommendations

Collaborating Partners: Institute of Statistical, Social and Economic Research (ISSER), MOTIPSD/PSI, MOFEP, Attorney General, and Private Enterprise Foundation

Support the Development of Customized Doing-Business Indicators

Private sector development and reducing the cost of doing business in Ghana is a key focus of the GOG's development agenda. Over the years, a number of indicators have been used to measure the cost of doing business in Ghana as a result of legal, regulatory, institutional, infrastructure, and other constraints. However, stakeholders from the private and public sectors have viewed the survey results of some of these indicators as misleading or lacking credibility.

In order to assess the ease of doing business in Ghana, the government intends to pioneer a national doing-business index based on a set of indicators using criteria and assumptions that are acceptable to all stakeholders. Results of surveys based on these indicators are expected to form the basis of frank discussions and public-private dialogues to advance the agenda for reform of the business environment.

In Year 3, TIPCEE supported the development of a customized methodology — as well as a pilot survey to validate the methodology — for determining the ease of starting a business and trading across borders in Ghana. A full survey of these two indicators is planned for Year 4.

TIPCEE will continue to support this activity and, in particular, help complete the design of the phased project and support stakeholder discussions to finalize the methodology developed for Ghana. TIPCEE will support the revision of the methodology, if necessary, following input from stakeholders. TIPCEE will provide further support as needed for the follow-on main survey, which will establish the baseline for these indicators, and other related activities as appropriate.

Benchmark:

- Final methodology for starting a business

Collaborating Partners: MOTIPSD/PSI, MOFEP, DPs, and CEPA

Annex A. Project Strategy

The Trade and Investment Program for a Competitive Export Economy (TIPCEE) seeks to achieve exponential growth in sales of agricultural exports over the 5-year life of the project by increasing the competitiveness of Ghana's private sector in international and regional markets. Working with policy makers and private sector stakeholders, the project aims to improve the legal and regulatory environment for private sector operation and investment and build private sector capacity at the individual farm and firm level, and at the same time, develop cluster competitiveness within the private sector.

To address the constraints to growth, the project is divided into two components. The Export Business Development (EBD) component addresses private sector constraints by increasing the performance, value, and innovation of Ghana's export industries through strengthening selected commodity supply chains from farm to market. The Enabling Environment (EE) component addresses public sector constraints by linking government officials, policy research institutes, business associations and other private sector groups to improve key policies and regulations that currently constrain business development in Ghana. By combining EBD and EE under a single project umbrella, the activities of each component can inform the other. For example, activities in the areas of revising pesticide regulations, arranging public-private partnership agreements for cold store facilities, and developing commodity-specific norms and standards involve EBD and EE teams working jointly.

Export Business Development Approach

Market demand drives the approach of the EBD component – *produce what you can sell, not sell what you produce*. With our private sector partners, TIPCEE identifies and develops opportunities and addresses challenges across the value chains in selected commodities with growing markets. The EBD team designs and implements activities focused on the supply chains' four major levels: smallholder farmer, nucleus export firm, industry, and market linkages.

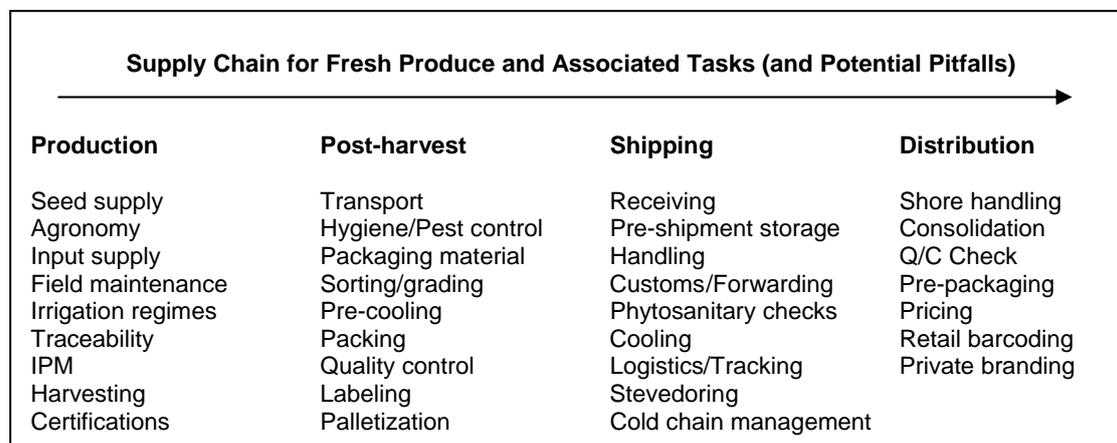
Starting with market opportunities, the EBD team bolsters the strengths and shores up the weaknesses in commodity-specific supply chains. The streamlining and integration of supply chains in target markets requires producers and exporters to attain high performance standards in terms of product consistency, tight planning and logistics, quality assurance, food safety and traceability. To this end, TIPCEE is introducing a new set of skills involving enhanced training systems, ICT-based traceability and production planning, tight financial management systems and an ability to keep abreast of market requirements in terms of product variety, packaging and processing. This update in management skills is especially critical to keep smallholder farmers in the loop as their size and dispersion pose special challenges for monitoring, financing, and general information management. The transfer of new skills will strongly leverage Ghana's many comparative advantages —

Culture of Innovation

In addition to catching up with current industry practices, TIPCEE also aims, through these activities, to develop a culture of innovation within the industry cluster. This means that the introduction of new concepts and technology must be carried out through the industry associations and institutional support agencies and supply chain players. The objective is not only the sustainability of the new practices, but in the end the sustainability of the innovation process itself – to recognize when market and industry changes are coming and to adapt to meet them.

including climate, dual growing seasons, port facilities, and a growing cadre of exporters — and will portray Ghana as an attractive alternative to Central and South America.

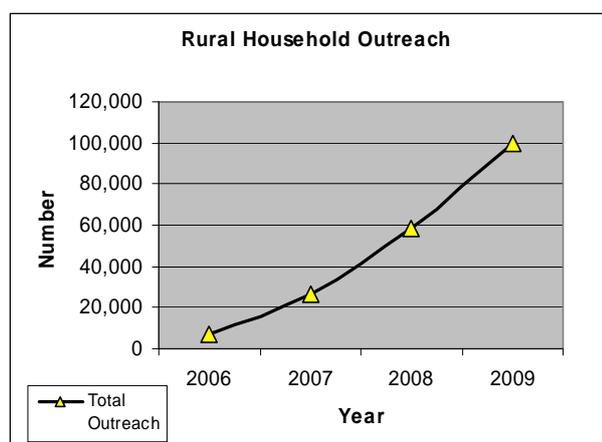
EBD activities seek to streamline and improve the multiple steps in the supply chain as illustrated in the diagram below.



Project Targets

The EBD component’s goal is to increase export sales volume and value while facilitating the inclusion of rural households in the development of commercially focused value chains. The management of this dual objective requires analyzing all activities in terms of their impact on farmer outreach and volume/value of sales. The graphs presented here illustrate the expected life of project levels of outreach and volume/value of commercial activities which will result from current and anticipated future activities.

Current activities are expected to translate into total rural household outreach of 100,000 by the end of the project. Most of these households are in high poverty areas — in the Northern, Upper East and Brong Ahafo Regions — that focus on vegetable crops, cashew, maize, and tomato. In the case of the more established export crops such as pineapple and mango, the project’s current activities use the existing production base; however, the number of farmers involved in marketing these fruits is expected to increase with the inclusion of nontraditional growing areas in Central, Ashanti, and Brong Ahafo Regions.

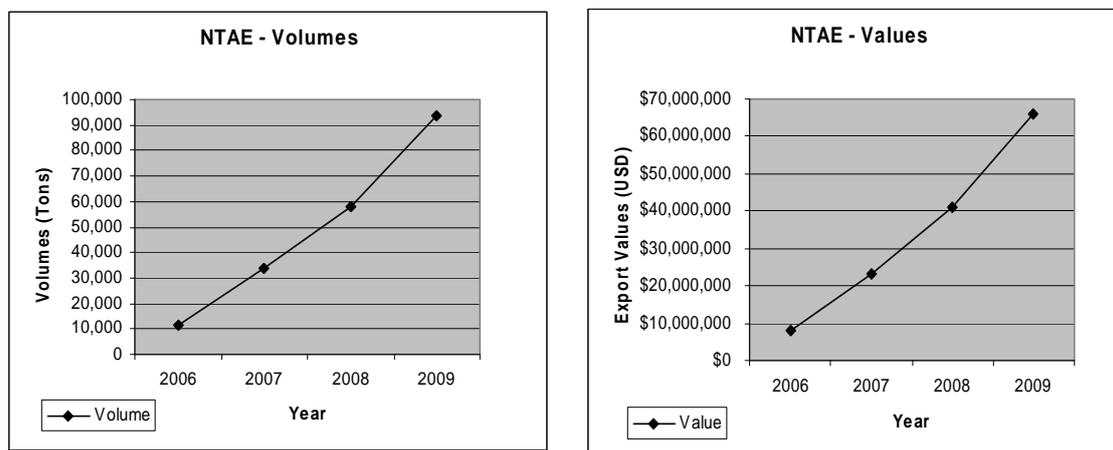


To broaden the farmer base, the EBD component expanded its scope of intervention in 2007 to include commercial production of food staples for the regional and domestic market. For each of these products — citrus (fresh and processed), tomato

(fresh and processed), onion, and industrial maize — EBD staff and potential partners implement activities to improve supply chain flows and foster enhanced market integration. Emphasis is on access to improved, market-compatible seed varieties; improved field productivity; introduction of safe food-production practices; and value-enhancing post-harvest and logistics systems.

Regarding export sales volumes, TIPCEE's current approach will contribute substantially to developing and consolidating supply chain linkages, translating into solid growth in the sectors initially targeted by the project. As detailed below, the horticulture industry will benefit greatly from activities related to smallholder access to improved planting materials and practices, introduction of stringent quality norms, and full GIS- and ICT-enhanced traceability technology — all delivering a proactive message to buyers.

Current market trends and the observed industry response to the challenges indicate that life of project expectations for the targeted export crops could significantly exceed targets. The graphs below are based on the expected cumulative impact of initiatives launched in the first half of the project.



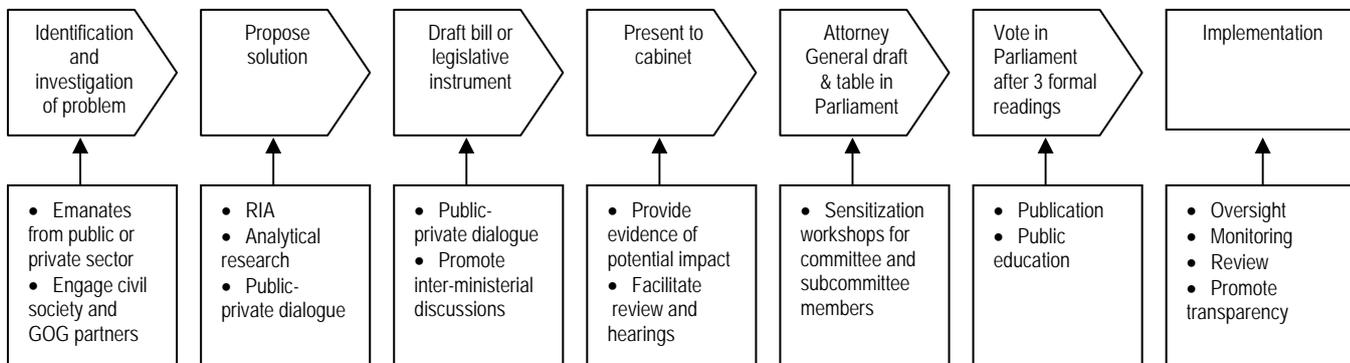
Approach to Improving the Enabling Environment

The EE component is focused primarily on three key sectors that are most critical to achieving the TIPCEE goals and objectives: financial markets; trade and other private sector policies; and agriculture. In addition, specific projects have focused on macroeconomic, monetary and fiscal policy, ICT, and labour sectors. The attention to these areas is based on the overriding need to achieve and sustain macroeconomic stability through monetary and fiscal policy, improve the efficiency of factor markets – particularly financial, agricultural and labour markets – and improve the regulatory frameworks for key infrastructure sectors such as ICT. Technical assistance, training, and public-private dialogues are the principal tools used to achieve results.

The diagram below illustrates Ghana's policy development process. In each activity, TIPCEE supports the process early by responding to an identified need; midterm, by providing analysis to decision makers or facilitating a public-private dialogue; or later, by sensitizing Parliamentarians to the potential impact of the proposed legislation or regulatory change. In all cases, EE advisors play a facilitator or advisory

role — all regulatory content and decisions are established by the decision makers themselves.

Policy Development Process



Supporting actions by TIPCEE and others

In some cases, the EE component is charged with building the capacity of selected policy analysis units with the government. While capacity building is integrated into all activities with counterpart agencies using local consultants in tandem with international experts, embedded experts in the Ministry of Finance and Economic Planning and the Ministry of Trade, Industry, Private Sector Development and Presidential Special Initiatives also build capacity in their respective units on a day-to-day basis.

The strategy of the EE component continues to be informed by the GPRS II, GOG sector-specific strategies, our work with GOG counterparts, interaction with other donor projects, and the Export Business Development component. Additionally, sector-specific expert panels convene annually to evaluate our work-to-date and inform the next year's strategy.