



# FEED THE FUTURE

The U.S. Government's Global Hunger & Food Security Initiative



## Feed the Future Enabling Environment for Food Security Project **AgCLIR Ghana Summary & Recommendations** September 2017



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The [Feed the Future Enabling Environment for Food Security](#) project is a global mechanism designed to assist Feed the Future focused and aligned Missions as they address legal, institutional, and market constraints affecting food security. For more information, contact Lourdes Martinez Romero (COR) at [lmartinezromero@usaid.gov](mailto:lmartinezromero@usaid.gov) or Nate Kline (COP) at [nkline@fintrac.com](mailto:nkline@fintrac.com).

## I. EXECUTIVE SUMMARY

This report addresses the legal, institutional, and social environment for doing business in Ghana's agricultural sector. Through close examination of agriculture-related policies, laws, institutions, and social dynamics, this report aims to inform strategies and decisions by government institutions, donors, nongovernmental organizations (NGOs), the private sector, and others with respect to developing agricultural enterprise and economic growth. From March 27 to April 7, 2017, a cross-disciplinary team of consultants convened in Ghana to conduct interviews across the agricultural sector. The team met with approximately 200 national and local officials; farmers and their associations; small, medium, and large agricultural enterprises; business associations; think tanks and other NGOs; educational and research institutions; the banking, lending, and investment community; donor representatives; and many others. Interviews took place in and around Accra, Kumasi, and Tamale.

This diagnostic culminated in a roundtable presentation and discussion in Accra on April 7, 2017, attended by more than 70 stakeholders. At the roundtable, team members introduced their preliminary observations, which were subjected to feedback and elaboration from the participants. This input helped shape the recommendations of the team, found in this report.

### GHANA'S AGRICULTURAL ENABLING ENVIRONMENT

Often touted as a stronghold for good governance in a traditionally fraught region, Ghana boasts many stabilizing factors that should encourage agriculture-led growth. Over the past 25 years, Ghana has had relatively peaceful transitions of power, through democratic elections perceived to be free and fair. Firms and farms identified the political stability and ensuing policy stability as key to Ghana's sound investment climate; political predictability helps investors to better estimate likely returns on investment. Ghana also boasts a diverse economy with abundant high-value commodities, including gold, oil, diamonds, and cocoa, as well as technology products and services.

Nonetheless, for the private sector in agriculture, performance has been mixed. According to the Policy, Planning, Monitoring and Evaluation Division (PPMED) of the Ministry of Forestry and Agriculture (MOFA), the overall growth rate for agriculture declined from 7.8 percent in 2008 to 2.4 percent in 2016. While the forestry and cocoa subsectors account for some of the decline, PPMED attributed most of the decline to other food crops. Prices for seed and other agricultural inputs have been rising, and the cost of finance skyrocketed between December 2011 and March 2017 as the policy interest rate increased from 12.5 percent to 25.5 percent, squeezing margins.

Farmers also face increasing challenges related to climate change. Agriculture in Ghana is primarily rain-fed, and lower overall rainfall and a later onset of the rainy season creates unpredictability and increases losses during production. Small-scale farmers lack proper on-farm storage facilities, and higher quality off-farm storage is unaffordable for most. With very little value-added processing, farmers often must sell at harvest when prices are lowest or suffer high postharvest losses because of improper storage.

To promote growth of the agricultural sector in a manner that helps mitigate likely risks, there is strong need for capital investments to address climate change and improve roads, energy infrastructure, storage, and agro-processing. Since 2008, a substantial portion of the MOFA budget has been spent on a high-cost fertilizer subsidy that prioritizes public investment in subsidized production. The new administration of President Nana Akufo-Addo has committed to tackling fiscal issues and increasing investment in agriculture. It is left to be seen if the new government's signature agricultural initiative, Planting for Food and Jobs, can follow through on that promise and deliver genuine transformation of the agricultural sector.

**Starting a Business.** Starting an agricultural business in Ghana is simple, straightforward, and low-cost, especially in comparison to the average in sub-Saharan Africa. Little data exists to indicate that business formation procedures pose a meaningful barrier to market entry. The time and procedures required to



start a formal business are not overly burdensome and the costs, at 19.7 percent of gross national income per capita, is relatively low.

However, when starting a business located in rural Ghana, especially in Northern Ghana, costs relative to household income increases dramatically. Costs to start a business in the economically depressed north exceed 50 percent of the median household income. Furthermore, access to requisite government services and business service providers is lacking, which increases the burdens of launching a formal firm or farm.

In fact, there are few incentives for establishing a formal business, for two reasons. First, few government support schemes require formal registration for firms or farms. Second, access to finance—often a major driver for business registration—remains out of reach for most formal agricultural firms in Ghana, providing little push for registration.

Skills and business training represent a significant barrier to growth in the agricultural sector. Paired with a small business lending program, agricultural enterprise support can serve as a leverage point to encourage increased formality and stronger agricultural entrepreneurship in underserved regions.

**Obtaining Seed.** The seed industry in Ghana has been slow to develop since the parastatal Ghana Seed Company was privatized in 1989—in fact, slower than peer countries under similar circumstances. The seed sector in Ghana is dominated by small-scale seed growers, many of whom began as contract growers for the Ghana Seed Company in the 1980s, source foundation seed from government institutions, and process and store their certified seed lots using government facilities. The cost of certified seed, which is controlled by committee, hovers at around three to four times the cost of grain for open-pollinated varieties (OPVs) and six times the grain price for hybrid varieties.

With a new seed law and the anticipated final adoption of new seed regulations by the summer of 2017, the legal framework for a modern seed sector that is aligned with Ghana’s regional commitments to the Economic Community of West African States (ECOWAS) will largely be in place.<sup>1</sup> In addition, an emerging group of 10–15 small seed companies have begun venturing into outgrower schemes, foundation seed production, branding, and even breeding. However, the industry faces several challenges that may still limit its development in the coming years, not least of which is a skepticism on the part of government institutions regarding private sector capacity and trustworthiness. How the government and development partners react to and support development of the private seed sector in the coming years will have a substantial impact on the structure and strength of the industry, as well as access to and affordability of modern technologies for farmers.

**Obtaining Fertilizer.** Fertilizer is a key input in agricultural production for increasing the productivity of small, medium, and large farms. Fertilizer use has historically been low in Ghana, particularly outside of the cocoa subsector. Following agricultural product and input price hikes in 2007–08, the government of Ghana decided to implement a fertilizer subsidy program, targeting maize, rice, soybeans, millet, and sorghum.

The regulation of fertilizer registration is clear and implemented impartially, though some national regulations are inconsistent with regional trade commitments. PPRSD, the Plant Protection and Regulatory Services Directorate of MOFA, is the lead technical agency in registering fertilizer products, issuing permits of fertilizer imports, testing and laboratory inspection of fertilizer products, and undertaking field trials to determine the efficacy of new fertilizer formulations. However, PPRSD remains under-staffed and under-equipped and has only two inspectors per region.<sup>2</sup>

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<sup>1</sup> A proposed plant variety protection bill also remains pending before Ghana’s Parliament.

<sup>2</sup> Anshah-Amprofi (IFDC, 2016) reported only 30 inspectors in 10 regions in mid-2016, with 10 at the PPRSD head office and 20 in the regions. A MOFA official reported 35–40 inspectors. Anshah-Amprofi notes that there should be

Moreover, the private sector views the costs of fertilizer testing and registration as onerous. Private sector actors comply with the requirement to test new imports in laboratories and field trials, even when modifications to existing NPK (nitrogen, phosphorous, and potassium) formulations are marginal, but they view these procedures as excessive.

Supporting institutions provide some soil mapping and research, but resource constraints limit the completeness and efficacy of this critical function.

**Promoting Mechanization.** An estimated 6,500–7,500 tractors exist in Ghana, but only about half of them are operational.<sup>3</sup> Most are used for land preparation, and also for some transport inputs and products. There are not enough tractors: the estimated deficit is at least 5,000 units.

Virtually no regulations exist that are specific to importing agricultural machinery, so imports are excessively burdened. Tractors represent the largest share of agricultural machinery imports. Combine harvesters are less prevalent, representing 16 percent of tractor imports by volume during the last decade. Few regulations apply to agricultural machinery, unless intended for use on public roadways, in which case emissions testing is required.

Few institutions support the growth and uptake of agricultural mechanization in Ghana beyond agricultural mechanization centers.

**Getting Credit.** Farmers and downstream agricultural market system actors have little access to financing in Ghana. Notably, macroeconomic conditions present a considerable challenge in trying to diagnose weaknesses in credit markets, because profligate public spending has soaked up much of the available credit in Ghana. Inflationary pressures have required the Bank of Ghana to maintain high prime interest rates, set at 25.5 percent as of March 2017. This markedly high interest rate has cascading impact on the competitiveness of agricultural enterprises throughout Ghana.

In addition to these problems, Ghana's legal framework for secured finance has numerous significant gaps, known to the Bank of Ghana, that further limit access to collateral-based credit in Ghana. Explosive growth in mobile payment services and point-of-sale stations create real opportunity to decrease the cost of accessing finance in rural Ghana, and to utilize this technology to spur rural growth.

**Paying Taxes.** Ghana favors the agricultural sector through reduced tax rates and subsidies. Government officials and private companies have been aligned in openly dismissed the idea of taxation on agriculture. This reaction is no doubt in part because 80–85 percent of Ghana's agricultural sector is made up of small farmers. On the other hand, taken together, these policies and statements reflect a government that views agriculture as a sector of poverty, rather than a source of potential growth.

Ghana has made significant strides in modernizing its tax system during the past 5–10 years. In 2015 and 2016, Ghana introduced a major overhaul of tax legislation.

Tax institutions in Ghana are generally strong. The Ghana Revenue Authority provides a clear, well-maintained, and consumer-friendly web portal that offers key tax information to the public. Tax administration is generally simple, and taxes can be paid online or in person.

**Accessing Markets and Transport.** In Ghana, three main divisions influence access to markets and transport as well as livelihoods and socioeconomic status throughout the country: (1) urban/rural, (2)

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one inspector per district and 10 at HQ, which would make a total of 226. An annex table to the report shows that the 20 field inspectors in the 10 regions are supposed to cover 178 distributors and 1,400 registered retailers.

<sup>3</sup> A 2010 estimate of *functioning* tractors in Ghana by Fonteh for FAO put the figure at 1,736 units. From 2003–16, the government imported 3,456 tractors, with almost half of them being Indian brands (mainly Farmtrac but also some Mahindra tractors). An ACIDI-VOCA census of tractors in northern Ghana in 2014 recorded 1,148 tractors.

north/south, and (3) male/female. Urban areas and southern areas have more advanced markets and transport conditions. In the agricultural sector especially, men have more access to information.

Ghana's agricultural sector is saddled with another significant dichotomy. On the one hand, commercial agribusinesses have precision production methods and modernized value chains, and sell to international markets. On the other hand, smallholder farmers use rudimentary methods to grow product for their own consumption or for sale in local markets. A more integrated policy framework is needed to address gaps in transportation, storage infrastructure, food safety, and market information for Ghana's agricultural market systems.

**Trading Across Borders.** In Ghana, one-third of exported goods are agricultural products. Ghana is the world's second largest producer of cocoa after neighboring Côte d'Ivoire; cocoa beans account for 60 percent of agricultural exports. The second largest export share (20 percent) consists of coconuts, Brazil nuts, and cashew nuts.<sup>4</sup> However, Ghana has a \$3 billion negative trade balance.

The country primarily imports manufactured goods such as motor vehicles, construction materials, and petroleum, but 12 percent of imported goods are also agricultural products, including rice, meat, and sugar.

Ghana has recently acceded to several trade agreements and has promulgated new laws and regulations to facilitate easier cross-border trade. Regulatory reforms and implementation efforts have propelled Ghana to a higher ranking in key international indices on cross-border trade.<sup>5</sup> Ghana ranks first in West Africa and 9<sup>th</sup> out of 47 in sub-Saharan Africa. Ghana has also improved its standing in the Logistics Performance Index from 100<sup>th</sup> in 2014 to 88<sup>th</sup> in 2016. Thus, if Ghana stays the course in implementing its current laws and its international trade commitments, then it should continue to observe gains in trade.

**Enforcing Contracts.** Ghana has an adequate legal framework to support commercial transactions in the agricultural sector, and has in the last decade adopted regulations to establish commercial courts as well as an alternative dispute resolution (ADR) system.

Although court reforms have improved the judicial system in recent years, automation, case management, and court statistics need to continue improving. Moreover, corruption scandals have eroded the public's trust in the judiciary.

Nevertheless, Ghana has an adequate commercial dispute resolution system to build on. The commercial courts are perceived to function relatively well, and there are ADR options inside and outside the court system. Therefore, well-established organizations and services are in place to support contract enforcement—but in practice, Ghana seems lagging. The legal education system fails to meet the growing needs for legal services. According to the World Bank's Doing Business Index (DBI), Ghana ranks 114<sup>th</sup> out of 189 economies in enforcing contracts. However, this DBI ranking may not be particularly illuminating or definitive, because the DBI measures the time, cost, and process for pursuing a small claim in district court rather than in the commercial court.

Ghana is similarly middling in other law-related metrics. The World Justice Project's Rule of Law Index, which measures the experience of rule of law worldwide via household and expert surveys, ranks Ghana 44<sup>th</sup> out of 113 economies. Ghana performs relatively well with respect to civil justice (41/113) and regulatory enforcement (39/114), but not as well with respect to corruption (76/113).

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<sup>4</sup> WTO Statistical Database, available at: [http://stat.wto.org/CountryProfiles/GH\\_e.htm](http://stat.wto.org/CountryProfiles/GH_e.htm)

<sup>5</sup> The World Bank Enabling the Business of Agriculture (EBA) Index Markets indicator covers three topics: Producer organizations, plant protection, and agricultural trade. Producer organizations are discussed in the Enforcing Contracts chapter, and plant protection in this chapter. The last topic on trade and contractual relations is covered in the Enforcing Contracts chapter, as well as phytosanitary certificates, which are covered in this chapter.

## 2. TABLE OF RECOMMENDATIONS

Recommendation	AgCLIR Chapter	Cost to Implement	Time to Implement
<p><b>PRIORITY RECOMMENDATION<sup>6</sup></b></p> <p>In coordination with the National Board for Small Scale Industries (NBSSI), coordinate to offer business skills training and extension services for smallholder farmers in the Savannah Accelerated Development Authority (SADA) region. Offer small business loans at sub-market rates through a local financial institution for participants who successfully complete skills training and formalize operations.</p>	Starting a Business	Low	1 – 3 years
Support capacity development of the commercial seed sector through capacity building and improved market linkages.	Obtaining Seeds	Medium	5 years
Increase capacity of the government of Ghana (GOG) to fulfill its role in effectively regulating the private seed sector and supporting farmer access to seed in accordance with National Seed Policy, National Seed Plan, and the Plants and Fertilizer Act, 2010 (the Act) and its implementing regulations.	Obtaining Seeds	Medium	1 – 2 years
Develop a multi-year strategy for the fertilizer subsidy program, with a clear exit plan. Strengthen monitoring and evaluation (M&E) of the program to provide empirically based input into the design and implementation of the program in subsequent years. Monitor the E-Soko subsidy registration and tracking system closely.	Obtaining Fertilizer	High	5 years
Strengthen the capacity of PPRSD to perform its mandated duties of fertilizer testing, field trials of fertilizer formulations on crops, fertilizer registration and licensing, and inspecting fertilizer in distribution systems and at points of storage and sale. MOFA should explore options for promoting private testing and inspection of fertilizer under PPRSD supervision.	Obtaining Fertilizer	Medium	3 – 5 years
Help expand soil testing throughout Ghana. Testing and analysis of soil samples is critically important for improving fertilizer targeting to different crops and soil conditions.	Obtaining Fertilizer	High	3 – 5 years

<sup>6</sup> Priority recommendations are identified based upon a lower than average estimated cost to implement the proposed recommendation, and a relatively brief timetable for the recommendation to achieve its desired impact. Lowest-cost recommendations with the shortest timeframe for reform are identified as priority reform recommendations.

Recommendation	AgCLIR Chapter	Cost to Implement	Time to Implement
Discontinue MOFA tractor import programs. Provide a positive enabling environment for private importers, distributors, and service providers to grow. Assist the private sector, where deemed appropriate, to provide training of mechanics and operators. Develop a tractor and agricultural machinery certification protocol, along with guidelines for certification of operators and mechanics.	Promoting Mechanization	Medium	2 years
Evaluate the recent performance and profitability of Agricultural Mechanisation Services Enterprise Centres (AMSECs) and, pending probable findings, be willing to allocate more resources to hiring and posting trainers and master mechanics to support the development of a reliable private sector tractor service capacity.	Promoting Mechanization	Medium	5 years
Based on the excellent research of the International Food Policy Research Institute (IFPRI) and the Food and Agriculture Organization (FAO), develop an agricultural mechanization strategy and action plan that supports the emergence of private sector-led importation, distribution, after-sales service and maintenance/repair, and custom hire tractor service capacities.	Promoting Mechanization	Low	3 – 4 years
Engage the Bank of Ghana, Ministry of Finance, the Ghana Microfinance Institutions Network (GHAMFIN), the Ghana Association of Bankers (GAB), the credit bureaus, and other industry associations to gauge stakeholder interests and concerns regarding e-money platform data for purposes of credit reporting.	Getting Credit	Low	2 years
Conduct a market analysis to gauge potential for cross-border mobile wallet services to build the technology infrastructure for entrepreneurs in the SADA region in order to expand economic activities servicing the high-value cross-border livestock trade along the corridor through Ghana. Build capacity for livestock service centers in northern Ghana to channel encroaching livestock transit routes, spur regional growth in SADA, and address growing land use tensions caused by informal livestock transit.	Getting Credit	Medium	2 – 5 years
<b>PRIORITY RECOMMENDATION</b> Repeal the new policy that suspends tax exemptions, or at a minimum provide relief for small and medium-sized businesses, until the review of existing exemptions is complete.	Paying Taxes	Low	>1 year
Improve and enforce food safety standards in domestic value chains.	Accessing Markets & Transport	Medium	+5 years



Recommendation	AgCLIR Chapter	Cost to Implement	Time to Implement
Improve conditions and ensure regular maintenance of feeder roads.	Accessing Markets & Transport	High	+ 5 years
Increase access to agronomic and market information for female value chain actors.	Accessing Markets & Transport	Low	+5 years
<b>PRIORITY RECOMMENDATION</b> Conduct a release time study for the Port of Tema.	Trading Across Borders	Low	1 year
<b>PRIORITY RECOMMENDATION</b> Conduct a checkpoint verification study for agricultural goods along the major trade corridors.	Trading Across Borders	Low	1 year
Review and expand the legal education system.	Enforcing Contracts	Medium	3 – 5 years
<b>PRIORITY RECOMMENDATION</b> Expand women’s access to justice in commercial disputes.	Enforcing Contracts	Low	1 – 3 years

### 3. DETAILED RECOMMENDATIONS

The following tables outline each of the AgCLIR recommendations, including the estimated timeframe for reform and proposed metrics for success.

#### STARTING A BUSINESS

STARTING A BUSINESS	
<b>Recommendation</b>	<p><b>In coordination with NBSSI, coordinate to offer regional business skills trainings and extension services for smallholder farmers. Offer a small business loan at sub-market rates through a local financial institution for participants who successfully complete skills training and who also formalize operations.</b></p> <p><b>With support of SADA to facilitate engagement within the Government of Ghana, pilot test this approach in support of community groups in northern Ghana seeking to establish formal livestock support facilities to serve what is primarily an informal livestock transportation corridor from neighboring countries into Kumasi and Accra. Use these livestock support centers to help coordinate feed markets to serve regional livestock trade.</b></p> <p><i>* Precondition: Coordinate with Registrar General to ensure that the web-based registration platform and payment system are fully functional.</i></p>
<b>Justification for the proposed intervention</b>	<p>Small-scale agriculture is a business. Many smallholder farmers and agricultural SMEs have sound technical skills, but have only rudimentary understanding of business planning tools. However, some discrete opportunities appear attainable with improved cash flow planning and simple bookkeeping skills. In the Savannah region in particular, community organizations have expressed interest in better tapping into the informal regional livestock trade.</p> <p>Recognizing that the considerable value and volume of the trade from West Africa, community groups expressed interest in the potential for starting a business in this market system. Notionally, an organized livestock support corridor could help to ease the relational strains between the foreign livestock traders and the communities upon whose lands the cattle graze without fees for land use. It could further help to organize the market for feed in the region.</p> <p>If undertaken in conjunction with a mobile payment system platform proposed as a reform under the “Getting Credit” chapter, then further opportunity will arise to leverage the payment system itself as a rudimentary bookkeeping and planning tool.</p> <p>Furthermore, many of these smallholders and SMEs operate informally. In Ghana, to the extent that public investments and private capital flow into agriculture, they are largely channeled into higher-value commodities with better organized market systems and where actors have basic business planning tools. Formalization can offer the Government of Ghana improved data on</p>

	<p>regional economic performance and underscore the need for public infrastructure funding in support of non-cocoa agricultural commodities.</p> <p>As a precondition, the Companies Register within the Registrar General’s office must have a fully functional web platform capable of accepting electronic payments. As of the date of publication, the web platform allows submission of documents, but the web-based payment platform does not function properly, with stakeholders reporting that payments debited from accounts do not reflect in the Registrar General’s system, and the platform does not create a clear record at the time of payment. This requires stakeholders to present themselves in person with their funds, limiting the time and cost savings associated with a web-based registration platform.</p>
<b>Metrics for success</b>	<ul style="list-style-type: none"> <li>• Increased number of formal firms registered in agricultural market systems</li> <li>• Income growth from improved operations and training</li> <li>• Increased income in grain and legume residuals, as well as new feed sources</li> </ul>
<b>Estimated time for reform</b>	<p>1 – 3 years. NBSSI has a program design based on a concept note supplied to a multilateral donor organization that has indicated approved funds for the Greater Accra region. Consider funding expansion of this program into the Savannah region.</p>

## OBTAINING SEED

OBTAINING SEED	
<b>Recommendation</b>	<b>Support the expansion of the commercial seed sector through capacity building and improved market linkages.</b>
<b>Justification for the proposed intervention</b>	<p>Development of a robust seed industry in Ghana will require the professionalization of actors all along the seed production chain, as well as improved collaboration and advocacy for the industry as a whole. Nascent seed companies, including existing small-scale seed growers who wish to expand their production, will need training in all aspects of running a seed company—from business skills to processing to branding and labeling guidelines. To be successful, these companies will need to develop strong commercial relationships with agrodealers, who will be the chief distribution network and primary point of contact with farmers for their products. Moreover, the industry will need a platform for ongoing collaboration and debate as the sector evolves, particularly as GOG implements the new seed regulations and the private sector takes on a more expansive role in seed production and distribution.</p> <p>Donors and the GOG should continue to invest in the domestic seed industry providing training and finance for small seed companies and strengthening the capacity of NASTAG as an advocacy platform for the industry. The design of the new seed subsidy under the Planting for Food and Jobs campaign should be revisited to ensure that the proposed mechanism for the procurement and</p>

	distribution of seed promotes and strengthens private sector linkages rather than inserting the government as a middleman in the distribution chain.
<b>Metric for success</b>	<ul style="list-style-type: none"> <li>• Number of seed varieties released by the private sector</li> <li>• Volume of certified and foundation seed produced by the private sector</li> </ul>
<b>Estimated time for reform</b>	The development of the seed industry will be a long-term process, but initial results can be achieved within five years. The redesign of the seed subsidy program should be targeted for the second year of its implementation.

### OBTAINING SEED

<b>Recommendation</b>	<b>Increase GOG capacity to fulfill its role in effectively regulating the private seed sector and supporting farmer access to seed in accordance with National Seed Policy, National Seed Plan, and the Act and regulations.</b>
<b>Justification for the proposed intervention</b>	<p>With the development and expansion of the private seed sector, the role of the GOG as regulator will take on renewed importance. To date, the GOG seed institutions have had insufficient resources to carry out their mandates, and confusion over the interpretation of the Act suggests the need for greater public-private dialogue and awareness-building regarding the new legal framework. With the expected passage of the draft seed regulations in summer 2017, training should be conducted for GOG staff and the private sector to outline the rights and responsibilities of all parties under the new rules. The relinquishment of various market-based functions should allow the GOG to free up resources previously spent on seed production and processing to invest in seed laboratories, variety trials, and certification inspections.</p> <p>As the private sector takes on more and more of the responsibility for seed research, production, processing, and distribution, the GLDB will need to develop a strategic plan for its own evolution. The National Seed Plan envisions a gradual phasing out of the GLDB from most seed production and processing, while retaining its role in promoting non-commercial crops and foundation seed for small-scale seed growers.<sup>7</sup> Donors should work with the GLDB leadership to develop a five- to ten-year strategy, including clear targets for when to cease production of foundation seed for commercial crops such as maize.</p>

<sup>7</sup> See National Seed Plan, Section 4.3: “An efficient organization for foundation seed will remain necessary for most crops and varieties. This plan proposes shared governance between the public foundation seed entity, the private sector, the research institutions, and the regulatory bodies. The GLDB can be developed to fit this role and several corporate options can be considered including the PPP option. The role of GLDB will be more appreciated in the future when some private companies develop their own foundation seeds of profitable crops. It will then be left to GLDB to ensure continuous production and supply of foundation seeds for crops which are less fancied by the private seed sector. Further, even for profitable seed types, smallholder seed enterprises will likely be fully reliant on GLDB or its equivalent for their foundation seed input. Again, accountability, production planning, cost recovery and incentive structures will be key to increasing the performance of the responsible agency.”

<b>Metric for success</b>	<ul style="list-style-type: none"> <li>• Number of trainings held and number of GOG and private sector attendees</li> <li>• GLDB Strategic Plan</li> </ul>
<b>Estimated time for reform</b>	Training sessions should be conducted within one to two years of finalizing the draft seed regulations. The GLDB Strategic Plan could be developed within a year but its implementation should be supported and monitored over the term of the plan.

## OBTAINING FERTILIZER

OBTAINING FERTILIZER	
<b>Recommendation</b>	<b>Develop a multi-year strategy for the fertilizer subsidy program, with a clear exit plan. Strengthen M&amp;E of the program to provide empirically based input into the design and implementation of the program in subsequent years. Monitor the E-Soko subsidy registration and tracking system closely.</b>
<b>Justification for the proposed intervention</b>	<ul style="list-style-type: none"> <li>• Fertilizer subsidies are not sustainable and have not significantly expanded agricultural productivity.</li> <li>• The subsidies distort the operation of the fertilizer market and provide a disincentive to private sector fertilizer distribution.</li> <li>• The subsidy program is not well-targeted, and there are significant leakages of subsidized fertilizer into secondary markets, including neighboring countries.</li> <li>• The budgetary cost of subsidies is high, with a very high opportunity cost in terms of foregone expenditure and investment in other priority areas, such as extension, irrigation infrastructure, rural roads, and enhanced public sector capacity to test fertilizer and monitor/inspect fertilizer distribution networks and facilities.</li> <li>• AGRA has conducted a cross-country study of fertilizer subsidies in African countries. AGRA has facilitated the creation of a Steering Committee under MOFA/CSD leadership to better organize and manage Ghana's fertilizer subsidy program. A key gap is inadequate M&amp;E of the subsidy program. USAID/Ghana could allocate resources to IFPRI, APSP or other entities to upgrade M&amp;E.</li> <li>• The critical stakeholders that must be engaged to facilitate stronger M&amp;E and a functional Steering Committee are MOFA senior officials and the CSD.</li> <li>• The new Administration in the GOG is strongly committed to its accelerated food production program to demonstrate that it intends to expand domestically produced food supplies, rural employment, and farm incomes. The GOG is planning to expand the subsidy program in 2017.</li> </ul>



	<ul style="list-style-type: none"> <li>• AGRA’s 10-country study of fertilizer distribution systems provides ample evidence of alternative practices to those applied in Ghana. Stronger M&amp;E, electronic voucher systems, clearer targeting, and gradual exit strategies show that subsidy programs can be phased out in a way that incentivizes the private sector to respond to farmers’ demands and specific fertilizer needs (by crop and for different soil types/characteristics).</li> </ul>
<b>Metric for success</b>	<p><b>Metrics for success include:</b> earlier announcement and publication of the details of the subsidy program each year; greater clarity in subsidy program objectives and targeting (if any); engagement of both importers and upcountry wholesale distributors and retailers in planning the subsidy program and its implementation details; earlier, timely distribution of fertilizer upcountry (following earlier importation); evidence of smallholder use of subsidized fertilizer that leads to productivity gains; successful pilot testing and adoption of e-registration and e-voucher systems used in the subsidy program.</p>
<b>Estimated time for reform</b>	<p>Five years or less to phase out the subsidy program. A better designed and implemented subsidy program will be rolled out in 2018.</p>

<b>OBTAINING FERTILIZER</b>	
<b>Recommendation</b>	<p><b>Strengthen the capacity of PPRSD to perform its mandated duties of fertilizer testing, field trials of fertilizer formulations on crops, fertilizer registration and licensing, and inspection of fertilizer in distribution systems and at points of storage and sale. MOFA should explore options for promoting private testing and inspection of fertilizer under PPRSD supervision.</b></p>
<b>Justification for the proposed intervention</b>	<ul style="list-style-type: none"> <li>• PPRSD is unable to fulfill its legislated mandate with the inadequate financial, material and human resources it receives in budgetary allocations.</li> <li>• PPRSD is a source of delay in fertilizer registration and licensing. The requirement that new imported fertilizer formulations require two cropping seasons of field tests is a disincentive to introduction of fertilizer products tailored to specific crops and soil conditions of different agro-ecological zones.</li> <li>• MOFA would need to advocate forcefully for greater budgetary resources with the Ministry of Finance. GOG expenditure on agriculture has been &lt; 5 percent since 1990, far below the CAADP target of 10 percent.</li> <li>• While MOFA will likely receive greater budgetary resources in 2017 due to the Planting for Food and Jobs program, it is not clear if the Ministry will be able to compete for greater MOF resource commitments to upgrade the capacity and human resources of its line directorates.</li> <li>• Ensuring that farmers have access to high-quality fertilizers that meet the standards laid out in the Plant Fertilizer Regulations is critical to raising agricultural productivity. Regulation of the agri-chemical industry is also</li> </ul>

	<p>essential for human health (in using chemicals and in the safety of the food supply).</p> <ul style="list-style-type: none"> <li>Private sector capacity in Ghana to test fertilizer (for chemical composition) and carry out inspection is not yet developed. This may be a function of heavy-handed public-sector regulation and carrying out of regulatory functions. Scope for outsourcing some of these functions should be explored. Note, however, that PPRSD, other MOFA department and the CSIR institutes would likely oppose such measures and view any funding going to private performance of what have been public sector roles as negative and a vote of no confidence in their capabilities.</li> </ul>
<b>Metric for success</b>	<b>Metrics for success include:</b> greater budgetary allocations to MOFA generally and to PPRSD in particular. How increased resources are used also needs to be tracked and examined for improvements in physical facilities (labs, testing facilities), staff numbers and training, and reduced time required for fertilizer registration, licensing, permits and importation cycles.
<b>Estimated time for reform</b>	MOFA advocacy for greater budgetary resources will be ongoing and is part of the budgetary allocation process. Higher expenditure of MOFA resources for PPRSD functions and capacity could take several years.

<b>OBTAINING FERTILIZER</b>	
<b>Recommendation</b>	<p><b>Promote soil testing on a far wider scale than currently carried out.</b></p> <p><b>Testing and analysis of soil samples is critically important for improving fertilizer targeting to different crops and soil conditions.</b></p>
<b>Justification for the proposed intervention</b>	<ul style="list-style-type: none"> <li>Blanket, one size fits all fertilizer recommendations that are based on outdated information lead to importation and use of urea and standard N-P-K (15-15-15) formulations that do not achieve good results in terms of higher crop yields.</li> <li>One fundamental issue is moderate to high acidity of most soils in Ghana. This limits the ability of plants to uptake certain nutrients efficiently. Applying lime to soils in many production zones will raise pH and lead to better results.</li> <li>In many cases the ratio of N, P and K in compound fertilizers needs to be modified for particular soil conditions (and crops).</li> <li>In many cases soil micronutrient deficiencies require addition of elements such as boron, zinc, manganese, copper, and iron to compound fertilizers to achieve satisfactory results for field and cash crops.</li> <li>Much of the fertilizer applied to crops in Ghana achieves poor results. This can discourage farmers from using fertilizer in future cropping seasons. By increasing soil testing and the availability of well-tailored fertilizers to growers, they will witness stronger productivity gains and be willing to</li> </ul>

	<p>purchase and apply fertilizer in the future. Indirectly, this would support phase-out of the subsidy program.</p> <ul style="list-style-type: none"> <li>• MOFA needs to allocate more resources for soil testing capability at key public sector laboratories (of CSIR Institutes, public universities, and PPRSD). Farmers need to be convinced of the need for more soil testing and to be willing to pay more for tailored formulations. The fertilizer import and blending industry needs to be willing to import and produce a variety of blends that increase productivity of multiple crops grown in different soil conditions. Fertilizer regulations should be modified to allow for blending “new” formulations (which may only require minor adjustments in macro-nutrient ratios and addition of small amounts of micro-nutrients) without long approval processes.</li> <li>• Current legislation and regulations require importers to have PPRSD test new fertilizer formulations in two seasons of field trials. It may prove very difficult to relax these regulations in the interest of faster introduction of better adapted fertilizers, though GOG flexibility would speed up adoption of better adapted fertilizer blends.</li> <li>• Soil testing is costly and MOFA or the Minister of Environment, Science and Technology (parent ministry of CSIR) need to allocate significantly greater resources to collecting and analyzing soil samples. The willingness of small farmers or FBOs to pay for some of the costs of soil testing might be limited initially, though willingness to pay would likely increase over time as the greater response to (modified) fertilizer applications becomes evident.</li> <li>• Use of fertilizer in SSA has not expanded sufficiently since 2006 to achieve the Abuja Declaration goal of increasing fertilizer application six-fold to 50 kg/ha in 2015. Productivity gains for major field crops (grains, oilseeds, legumes) have been modest and fertilizer subsidy programs remain in place in many SSA countries with no clear exit plan or timeline. In Asia, fertilizer use expanded dramatically during the Green Revolution, as farmers became convinced of the productivity gains that improved seed/fertilizer packages could bring.</li> </ul>
<p><b>Metric for success</b></p>	<p><b>Metrics for success include:</b> Mapping of soils by SRI in regions beyond Brong-Ahafo and Northern Region. Soil testing by both public laboratories and private firms, such as Envaserv Research Consult Ltd., expands. Capacity to analyze soil samples in public laboratories increases, as evidenced by increased numbers of samples tested and greater speed in performing tests. Over time, a higher proportion of testing is carried out by private firms.</p>
<p><b>Estimated time for reform</b></p>	<p>Donor funding will need to be secured by SRI to go beyond the soil mapping it has done with AGRA resources. Investments in greater laboratory capacity (requiring capital investment, investment in equipment and reagents, and increases in trained lab technicians) will likely require donor resources.</p>

## PROMOTING MECHANIZATION

PROMOTING MECHANIZATION	
<b>Recommendation</b>	<b>Discontinue GOG/MOFA tractor import programs. Provide a positive enabling environment for private importers, distributors and service providers to grow. Assist the private sector, where deemed appropriate, to provide training of mechanics and operators. Develop a tractor and agricultural machinery certification protocol, along with guidelines for certification of operators and mechanics.</b>
<b>Justification for the proposed intervention</b>	<ul style="list-style-type: none"> <li>• G2G import programs have led to a panoply of imported tractors, some of which have not had local dealer representation to provide after-distribution training and maintenance and repair services. It is likely many of these tractors are no longer operational, due to a lack of spare parts and mechanics trained to work on those brands.</li> <li>• The private sector is willing and able to import and distribute tractors. Many of the imported tractors are used. New tractors are being imported by three or more reputable firms that are providing attentive after-sales service support and training.</li> <li>• Imported tractors by MOFA/AESD have been distributed on heavily subsidized terms. Selection criteria are not clear, and there is virtually no monitoring of tractor use and profitability after distribution to private operators. This is not sustainable, leads to some crowding out of private tractor importation, and does not represent a good use of scarce MOFA funds (when other functions, such as research and extension remain under-funded and are far higher priority).</li> </ul>
<b>Metric for success</b>	<b>Metrics for success include:</b> Declining use of G2G tractor import arrangements, with far fewer tractors distributed by the public sector. Increased MOFA/AESD budget for other priority purposes. Track tractor importation, sales by major distributors, establishment of service providers, and access of small farmers to affordable tractor services (mainly field preparation, transport, but also evidence of expansion in use of tractors for a wider range of agricultural tasks, including shelling, seeding and weeding).
<b>Estimated time for reform</b>	MOFA will distribute the remaining tractors from the current G2G program by mid-2017. Shifting of MOFA/AESD expenditure to other functions may take one or more budget cycles. AESD will need to hire more trainers and mechanics and shift more expenditure to field training, inspections and certifications.

<b>PROMOTING MECHANIZATION</b>	
<b>Recommendation</b>	<b>Evaluate the recent performance and profitability of AMSECs and, pending probable findings, be willing to allocate more resources to hiring and posting of trainers and master mechanics to support the development of a reliable private sector tractor service capacity.</b>
<b>Justification for the proposed intervention</b>	<ul style="list-style-type: none"> <li>• AMSECs generally do not operate profitably and most have not been able to pay off the government loan for equipment within the required 3-5 years. No new AMSECS should be created, while ways to enhance the viability of already created AMSECs should be examined.</li> <li>• The private tractor hire service sector has been responsive to farmer demands for plowing, shelling and transport services. There are times of peak period operation when tractors are down awaiting spare parts or specialized mechanic services.</li> <li>• Most mechanics are not formally trained and are unable to do more than simple repairs. They could benefit from formal training in maintaining specific tractor types/brands.</li> <li>• The major private sector importers are doing their own training of mechanics, but these efforts could be expanded and supported by the public sector. A possible opportunity for a PPP might be a specialized Technical and Vocational Education and Training (TVET) institute for mechanics generally, including mechanics trained to work on agricultural machinery and implements.</li> </ul>
<b>Metric for success</b>	<b>Metrics for success include:</b> Conduct an assessment leading to concrete recommendations to discontinue AMSEC creation, selectively strengthen some (with high probability that they will be able to operate profitably), and discontinue supporting others. Public investment in vocational programs or short-term training courses to train more mechanics and operators needs to be done in collaboration with importers committed to building strong post-sales service and maintenance/repair capabilities in the private sector. Emergence of a more highly skilled cadre of trainers, mechanics and operators.
<b>Estimated time for reform</b>	Moving progressively away from government-subsidized AMSECs to a set of programs to support the emergence of a private sector-led tractor import and service industry will take time and political will. Government importation and distribution of tractors is politically popular, as it can be used as a vehicle for political patronage. Government officials will need to be convinced that there is a better way to modernize agriculture through expanded mechanization that responds to farmer and private sector demand in a cost-effective way.



PROMOTING MECHANIZATION	
<b>Recommendation</b>	<b>Based on IFPRI's and FAO's excellent research, develop an agricultural mechanization strategy and action plan that supports the emergence of private sector-led importation, distribution, after-sales service and maintenance/repair, and custom hire tractor service capacities.</b>
<b>Justification for the proposed intervention</b>	<ul style="list-style-type: none"> <li>• Significant recent research has generated evidence that current MOFA mechanization programs are not working well.</li> <li>• Selective additional research could inform policy-makers that will fill gaps in the knowledge base. Surveys of how recipients of AESD-distributed have used their tractors, and empirical measures of capacity utilization, profitability and repayment rates of AMSECs, could provide further convincing evidence that mechanization strategies and policies need to change.</li> <li>• Donors could support technical workshops with public and private stakeholders, selective studies, and specialized consultants to assist the GOG in developing a more coherent and better-informed mechanization strategy. Donors such as FAO and GIZ have experience in supporting mechanization.</li> <li>• MOFA/AESD's role and functions need to be redefined to support private sector-led mechanization.</li> <li>• Additional uses of tractors (for seeding, weeding, threshing, shelling, transport) need to be promoted. This will require increased acquisition of agricultural implements and attachments, education of owners and operators, and training in their use. Tractors can then be more fully utilized throughout the agricultural cycle from field preparation to postharvest processing.</li> <li>• A broader range of tractors (beyond the widely used four-wheel 60-100 HP tractors) should be considered for a) irrigated agriculture (where two-wheeled power tillers of ≤ 20 HP are more appropriate) and b) for lighter, more friable soils (where four-wheeled tractors of 30-60 HP might be suitable and durable enough).</li> </ul>
<b>Metric for success</b>	<b>Metrics for success include:</b> a formal MOFA policy and strategy paper on mechanization is drafted, vetted by Parliament, and approved. MOFA/AESD budgets are reprogrammed to reflect the new strategic thrusts. Stronger M&E of AESD programs to date (importation of tractors via G2G agreements and distribution on subsidized terms; performance of tractors used by private farmers and AMSECs). Put in place more rigorous and regular M&E going forward under the new mechanization strategy.
<b>Estimated time for reform</b>	Provided other donor support can be lined up, a 3-4 year time horizon is realistic. FAO, GIZ and USAID could collaborate in providing the necessary technical and financial resources.

## GETTING CREDIT

GETTING CREDIT	
<b>Recommendation</b>	<b>In the spirit of the financial inclusion policy, engage the Bank of Ghana, Ministry of Finance, GHAMFIN, GAB, the credit bureaus, and other industry associations to gauge stakeholder interests and concerns regarding e-money platform data for purposes of credit reporting.</b>
<b>Justification for the proposed intervention</b>	<p>Vendor and utility payments represent an established source of credit payment history in many countries. In particular, in the absence of past credit history, or in circumstances with a loan default, vendor and utility payments can serve as an important source of relevant data to assuage concerns over the relative risk of a loan applicant. Women are particularly disadvantaged when it comes to demonstrating good credit history.</p> <p>E-money platforms are scrutinized and verified through oversight of dedicated e-money issuers by the Bank of Ghana. These platforms must abide by know-your-customer requirements, providing proof positive of the identity of the e-money user. DEMIs maintain years of payment history data that can serve to allay concerns over the risk of loan applicant with no loan history.</p> <p>A review of credit history regulations, with specific focus on reporting and disclosure requirements as well as customer privacy requirements must be undertaken to determine whether regulatory modifications are required.</p>
<b>Metrics for success</b>	<ul style="list-style-type: none"> <li>• FTF regulatory reform indicator for policy change</li> <li>• Increased volume of loans</li> <li>• Increased volume of loans to women</li> </ul>
<b>Estimated time for reform</b>	2 years for regulatory reform

<b>GETTING CREDIT</b>	
<b>Recommendation</b>	<b>In conjunction with the forthcoming financial inclusion policy, conduct a review of banking regulations to identify the potential of mobile network operators with operations in Ghana to connect with their regional payment platforms to offer cross-border mobile wallet services. If deep-dive review demonstrates market, undertake a policy reform to enable foreign exchange through mobile platforms and build capacity for livestock service centers in northern Ghana.</b>
<b>Justification for the proposed intervention</b>	<p>Considerable regional livestock trade traverses northern Ghana to reach higher-value end markets in Kumasi and Accra along a central transit corridor. The majority of this trade is informal, with cash transactions in substantial volumes in a risky security environment with high incidences of theft according to 2015 ILRI study.</p> <p>While these livestock traders have historically utilized pastures held in customary title along this corridor, anecdotal references from community groups in Tamale indicate that the volume of livestock is increasing while at the same time demand for these lands by the community are increasing. This is leading to strains on relations between the traditional communities in northern Ghana and the foreign livestock traders. This represents a challenge, but also a potential opportunity.</p> <p>Without seeking to overregulate the informal livestock trade, mobile wallet payment systems offer a potential solution for organization through service providers. Mobile payment systems usage is beginning to spike in West Africa; in Ghana, the past 5 years have seen exponential growth, even in rural segments of Ghana. Notably, several organizations have been experimenting in linking mobile payment platforms with agricultural value chains in Ghana, with considerable success at smaller scales. This would propose to expand this style of support to livestock within the targeted region.</p> <p>Either stand-alone, or preferably in conjunction with the recommendation under the “Starting a Business” chapter, developing a regional e-money payment platform could help increase the safety and protection of funds while also helping to create better tracking for the size, value, and volume of livestock trade. If developed in tandem with dedicated livestock support facilities, traders could in time be channeled into a regional livestock corridor that could begin to ease tensions on the use of rural land in northern Ghana while providing dedicated livestock support services in a cashless corridor, facilitated by an organization like SADA.</p> <p>This would require revised rules on foreign exchange transfers among dedicated e-money issuers.</p>
<b>Metrics for success</b>	<ul style="list-style-type: none"> <li>• FTF regulatory reform indicator for policy change</li> <li>• Increased volume in rural mobile payments within the SADA region as a targeted zone of influence.</li> </ul>

	<ul style="list-style-type: none"> <li>• Increased income from livestock support services</li> <li>• Increased number of mobile payment vendors</li> </ul>
<b>Estimated time for reform</b>	2 years for regulatory reform 5 years for pilot program

## PAYING TAXES

PAYING TAXES	
<b>Recommendation</b>	<b>Lift the new policy that suspends tax exemptions, or at a minimum provide relief for small and medium-sized businesses, until the review of existing exemptions is complete.</b>
<b>Justification for the proposed intervention</b>	The recent blanket suspension of tax exemptions requires businesses to pay tax of up to 22.5 percent on previously exempt transactions and seek a refund along with documented justification for the exemption. This change in policy significantly raises costs for businesses, particularly for small and medium-sized businesses that lack the cash flow to front the tax without assuming a high-interest loan or line of credit. While the GOG goal of ending fraud in the exemption regime is admirable, a blanket policy against exemptions threatens to drive smaller and disadvantaged businesses out of the market altogether, a result that would be counter to the policy rationale for which many of these exemptions were enacted in the first place. The policy should be lifted, at a minimum for small and medium-sized businesses, or replaced with a more targeted approach based on the findings of the ongoing GOG review of the exemption regime.
<b>Metric for success</b>	N/A
<b>Estimated time for reform</b>	Immediate

## ACCESSING MARKETS AND TRANSPORT

ACCESSING MARKETS AND TRANSPORT	
<b>Recommendation</b>	<b>Improve and enforce food safety standards in domestic value chains.</b>
<b>Justification for the proposed intervention</b>	<p>Along the whole value chain there is a lack of focus on food safety standards for domestic consumers. Testing in the domestic market is much less common and infrequent.</p> <p>As Ghana is making efforts to formalize its economy, it should prioritize domestic food safety as a national health and economic issue. There should be testing done on a regular basis in the domestic market to ensure the maximum health and safety standards are applied.</p> <p>Numerous stakeholders need to come together on this issue, from the policy level such as MOFA and Ministry of Health/FDA, to the civil society level to increase consumer awareness. It would also require trader and agribusiness participation. GOG should leverage the success and knowhow of the commercial exporters and ask them to be involved in advancing food safety in domestic value chains. Suggest doing field days and for example, bring smallholder vegetable farmers to an export packing house to learn firsthand the procedures in place.</p> <p>At this stage, the main constraint is financial as the international markets pay price premiums for ensured food safety while that is not the case in the domestic markets. However, there are vegetables sold in plastic wrap in Accra supermarkets so there is clearly a growing market. It is recommended the food safety campaign and enforcement focus on both grains and fresh produce.</p>
<b>Metric for success</b>	<ul style="list-style-type: none"> <li>• Aflatoxin testing for in domestic maize markets</li> <li>• Agribusiness selling packaged and dated fruits and vegetables in domestic supermarkets</li> <li>• Relaunch Green Label Scheme with significant civil society, agribusiness, and producer associations buy-in</li> </ul>
<b>Estimated time for reform</b>	5 years and ongoing



<b>ACCESSING MARKETS AND TRANSPORT</b>	
<b>Recommendation</b>	<b>Improve conditions and ensure regular maintenance of feeder roads.</b>
<b>Justification for the proposed intervention</b>	<p>Feeder roads are in poor condition and lack regular maintenance. Only 23 percent of the roads in Ghana are paved. During the rainy season, potholes and poor conditions are even worse. Poor roads cause damage to vehicles and delay the time and cost of transporting goods. A large majority of the non-paved roads are crucial for transporting food from the farm to aggregation points and to markets.</p> <p>The key stakeholders to ensure rural roads receive the proper attention include the Ministry of Roads and Highways and the District Authorities.</p> <p>The main constraint is funding. Even though road construction and maintenance are expensive investments, they are crucial national infrastructure for connecting farmers to domestic and international markets.</p>
<b>Metric for success</b>	<ul style="list-style-type: none"> <li>• Increase in percentage of roads paved</li> <li>• Regular road maintenance plans</li> </ul>
<b>Estimated time for reform</b>	5 years and ongoing

ACCESSING MARKETS AND TRANSPORT	
<b>Recommendation</b>	<b>Increase access to agronomic and market information for female value chain actors.</b>
<b>Justification for the proposed intervention</b>	<p>Even though women are active farmers, they have limited access to information about good agricultural practices. Women are of strategic importance to agricultural value chains in Ghana as they are heavily involved in production, processing, marketing, and cooking/household consumption. Due to cultural norms, female farmers do not always benefit from government programs, including extension and subsidies, and have limited access to external resources.</p> <p>Good agriculture has to start at the farm-level and improving farming practices would result in higher yields, better prices, and quality assurance. Additionally, rural markets are dominated by female traders who lack accounting skills to formalize their businesses.</p> <p>The main stakeholders include MOFA, District Assemblies, donors, Ministry of Gender, and producer associations. The risks and constraints are recognizing that providing technical assistance to female farmers has to be culturally appropriate and changing farming habits can be slow to adopt. GOG and donors can facilitate access to credit and finance with specifically designed modalities for female borrowers, they can promote the hiring of female extension workers and female agronomists to enable communication with female farmers, train traders on basic business and accounting skills, and incorporate a gender-sensitive approach to value chain development.</p>
<b>Metric for success</b>	<ul style="list-style-type: none"> <li>• Extension models with gender focus</li> <li>• Promotion of appropriate technology and finance models for female borrowers</li> <li>• Agricultural trainings for women farmers</li> <li>• Business trainings for women traders</li> </ul>
<b>Estimated time for reform</b>	5 years and ongoing

## TRADING ACROSS BORDERS

TRADING ACROSS BORDERS	
<b>Recommendation</b>	<b>Conduct a release time study for the Port of Tema.</b>
<b>Justification for the proposed intervention</b>	<p>The release time in Port of Tema varies significantly and a considerable amount of consignments are physically inspected. The additional time it takes in port to clear goods, especially perishable goods, adds cost and uncertainty to the importation and exportation process in Ghana. Using data from the World Bank's Doing Business Indicators, one study found that "each day in transit for vegetables and fruit is equivalent to lowering their prices by 0.9 percent."<sup>8</sup></p> <p>Ghana has ratified the WTO's Trade Facilitation Agreement (TFA), which came into force in February 2017. The TFA recommends that member countries undertake and publish average release time studies as a tool to support implementation of the TFA. GCNet said to this team that they are interested in engaging a neutral international organization to conduct a time release study and are seeking financial support for such a study. Support from other key stakeholders including the GRA, the Port and Harbour Authorities, MOTI, MOFA etc. to conduct such a study will also be necessary. The World Customs Organization (WCO) has conducted time release studies throughout the world and in Sub-Saharan Africa. The GRA and other government organizations have already participated in numerous capacity building and training initiatives organized by the WCO.</p> <p>A time release study would pinpoint bottlenecks and opportunities for improvements in the consignment clearance process.</p>
<b>Metric for success</b>	Completed time release study offering data-driven constraints analysis.
<b>Estimated time for reform</b>	It would take about one year to build consensus, awareness and conduct a time release study.

TRADING ACROSS BORDERS	
<b>Recommendation</b>	<b>Conduct a checkpoint verification study for agricultural goods along the major trade corridors.</b>
<b>Justification for the proposed intervention</b>	<p>Unauthorized checkpoints and informal payments along major trade corridors increase the cost of doing business. For agricultural goods, additional transit time on the road can lead to increased postharvest losses. The Borderless Alliance's last verification trip in Ghana was in 2013.<sup>9</sup> The Ministry of Highways and Roads and other stakeholders noted that it appears that the number of</p>

<sup>8</sup> USAID, Calculating Tariff Equivalents for Time in Trade. 2007.

[http://www.nathaninc.com/sites/default/files/Calculating\\_Tariff\\_Equivalents\\_for\\_Time\\_in\\_Trade.pdf](http://www.nathaninc.com/sites/default/files/Calculating_Tariff_Equivalents_for_Time_in_Trade.pdf)

<sup>9</sup> Borderless Alliance, 24<sup>th</sup> Road Governance Report UEMOA. 2013

<http://borderlesswa.com/sites/default/files/resources/jun14/24th%20IRTG%20report.pdf>

	checkpoints has increased over the last couple of years. To verify the number of checkpoints, where they are located, and which government institutions have erected them, a new verification study is necessary. The Ministry of Highways and Roads expressed interest in such a study for the central and coastal trade corridors, especially within the framework of the Abidjan-Lagos Corridor Organization.
<b>Metric for success</b>	N/A
<b>Estimated time for reform</b>	A checkpoint verification study should take less than one year to conduct by Borderless Alliance. Depending on the findings from the study, additional training for personnel along the trade corridor might be necessary.

## ENFORCING CONTRACTS

ENFORCING CONTRACTS	
<b>Recommendation</b>	<b>Review and expand the legal education system.</b>
<b>Justification for the proposed intervention</b>	<p>The current system for legal education in Ghana puts significant restriction on how many lawyers there are in the country. Several observers believe there is a shortage of lawyers especially outside of the urban centers. One such notable example is that there are judges in the district courts who are not educated lawyers. The expansion of legal education is a debated issue and multiple reasons have been raised against a reform to expand the teaching capacity of the Ghana School of Law, or allow for other universities to educate lawyers. There is concern that the quality of education would be compromised, there is concern that there are not enough qualified professors, and even the lack of physical space has been raised as a concern. Moreover, it's possible that there are vested interests from the established legal community to restrict entrance to the bar.</p> <p>These concerns are legitimate and have to be addressed; expansion of legal education has to safeguard the quality of the education. To safeguard quality of education, there needs to be qualified professors. However, law professors have to hold a Master of Law (LLM) or PhD in Law to teach, but there is no LLM or PhD program in the country. Thus, such a reform program need to take a holistic approach to the legal education system. In addition, as already suggested by some on the legal education community, to authorize LLB graduates to carry out certain types of legal work would also ensure that people with valuable legal education are able to put it to good use.</p> <p>Given the complexity of the issue, and possible entrenched views and opinions, this is a topic that requires deeper examination, political support and close collaboration with the legal education and professional community. Yet it is a necessary reform to ensure that as the economy is growing there are sufficient legal professionals to support commercial transactions.</p>

<b>Metric for success</b>	Decreased costs of and increased access to legal assistance for commercial transactions.
<b>Estimated time for reform</b>	Greater than 5 years

<b>ENFORCING CONTRACTS</b>	
<b>Recommendation</b>	<b>Expand women’s access to justice in commercial disputes.</b>
<b>Justification for the proposed intervention</b>	<p>This assessment found that women, particularly in the northern regions rarely use formal courts to resolve commercial disputes. Instead, women in business appear to use informal mechanisms to enforce contracts, such as social pressure or public shaming. While this tactic can be effective in a close knitted community, it limits the opportunity for women entrepreneurs to expand their markets beyond arm-length transactions.</p> <p>To better understand women’s use of the formal court system including the court-connected ADR system for commercial disputes, a deep-dive assessment should be conducted. The study should examine the supply side of conflict resolution; court dockets, CCADR files, and interviews with judges, court clerks and mediators to better understand the current usage. Moreover, the assessment should investigate the demand side through interviews with women in business to understand what strategies and mechanism they are currently using, their perception of the formal court system and CCADR as well as what changes would be desirable. Considering that cultural norms varies in the country, the study should focus on one or more regions where agricultural trade and production is prominent, such as the Northern region. Based on the findings from the assessment, a targeted intervention should be designed to better meet the needs of women entrepreneurs’ need to resolve to commercial disputes.</p>
<b>Metric for success</b>	Clearer understanding of constraints facing women seeking redress in commercial disputes.
<b>Estimated time for reform</b>	1 year