



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
GHANA COMMERCIAL AGRICULTURE PROJECT
APPROVED ON MARCH 22, 2012
TO
REPUBLIC OF GHANA

AGRICULTURE AND FOOD GLOBAL PRACTICE

WESTERN AND CENTRAL AFRICA REGION

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ABBREVIATIONS AND ACRONYMS

GCAP	Ghana Commercial Agriculture Project
GHS	Ghana Cedi
IDA	International Development Association
PDO	Project Development Objective
PIU	Project Implementation Unit
SADA	Savannah Accelerated Development Authority
TF	Trust Fund



BASIC DATA

Product Information

Project ID P114264	Financing Instrument Investment Project Financing
Original EA Category Full Assessment (A)	Current EA Category Full Assessment (A)
Approval Date 22-Mar-2012	Current Closing Date 31-Dec-2020

Organizations

Borrower Republic of Ghana	Responsible Agency Ghana Irrigation Development Authority,Lands Commission,Irrigation Company of the Upper Region,Ministry of Food and Agriculture
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Project Development Objective (PDO)

Original PDO

The project development objective (PDO) is: increased access to land, private sector finance, input- and output-markets by smallholder farms from private-public partnerships in commercial agriculture in Accra Plains and SADA zone.

Current PDO

The objective of the Project is to improve agricultural productivity and production of both smallholder and nucleus farms in selected project intervention areas of the Recipient's territory.

Summary Status of Financing (US\$, Millions)

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
IDA-62540	31-May-2018	10-Oct-2018	04-Dec-2018	31-Dec-2020	50.00	23.51	24.92
IDA-50770	22-Mar-2012	25-Sep-2012	08-Apr-2013	31-Dec-2020	100.00	89.84	2.46



TF-A9432	05-Dec-2018	11-Jan-2019	11-Jan-2019	31-Jan-2019	10.97	10.97	0
TF-14170	13-Mar-2013	13-Mar-2013	08-Apr-2013	31-Jan-2019	5.98	5.98	0

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No

I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

1. The Ghana Commercial Agriculture Project (GCAP, P114264) was approved by the Board of Executive Directors on March 22, 2012 in the amount of US\$100 million and became effective on April 8, 2013. The project performance is rated Moderately Satisfactory for progress towards achievement of the Project Development Objectives (PDO) and Satisfactory for overall Implementation Progress (IP) as recorded in the most recent Implementation Status and Results Report (ISR, July 28, 2020). The project has met and surpassed the target for yield of maize, and rice (under rainfed conditions), and soya in the Savannah Accelerated Development Authority (SADA) Zone (hereafter referred to as Northern Development Authority Plus (NDA+) Zone). The estimated maize and rice yield were 2.8 mt/ha and 2.62 mt/ha compared to the target of 2.74 mt/ha and 2.14 mt/ha, respectively. The current yield for soya (3.7 mt/ha) has more than doubled the previous harvest session figure of 1.6 mt/ha. In the Accra Plains, the estimated rice yield (under irrigated conditions) which has increased from 2.75 mt/ha in 2018 to 2.95 mt in 2019 was still at 95 percent of target. Persistent bird attacks are responsible for lower than expected yield in the Accra plains. The team is exploring technologies to combat the birds attack. The yield of vegetables is also lower than the end of project target (7.11 mt/ha compared to 10.23 mt/ha). The gross margins for maize (GHC 2,785.28/ha), rice (GHC 1,892.27/ha) and soya (GHC 5,446/ha) in the SADA zone, respectively, are ahead of the end of project target while gross margin for rice in 2019 (GHC 1,786.40/ha) in the Accra Plains is at 95 percent of the end of project target. Area under formal commercial arrangements in the SADA zone (including out grower) is currently 5,945.80 ha, which is higher than the end of project of 5,500-hectare. The total area provided with improved irrigation and drainage services increased from 3,571 hectares as of June 30, 2020 to 4,457.8 ha as of November 10, 2020 and comprised 1,017.38 and 3,440 new and rehabilitated hectares, respectively. Total number of project beneficiaries to-date stand at 12,950 (representing about 93 percent of the target of 14,000) of which 4,407 are female (representing 105 percent of target of 4,200).

2. The disbursement rate for the IDA credit shows that as of November 10, 2020, US\$113.35 million has been disbursed, representing 80.56 percent of the total credit (US\$150 million). There is no overdue audit. With respect to safeguard performance, the project is rated Moderately Satisfactory. The project has made substantial progress in addressing notable safeguards challenges and demonstrated commitment to ensuring safeguards due diligence as reflected in progress of implementation of safeguard actions. Also, the Project Implementation Unit (PIU) has put in place some measures to ensure compliance with national COVID-19 protocols.



3. The rationale for the extension of the project closing date to December 31, 2021 is to compensate for the significant delay caused by COVID-19 pandemic and related lockdowns and restriction to offshore manufacturing schedule of critical automation equipment and its shipment, and deployment of consultant and contractors from abroad, and daily schedule for civil works

II. DESCRIPTION OF PROPOSED CHANGES

4. The project closing date has been extended two times. The first extension of closing date was done during a level-one restructuring that was approved in November 2015. This restructuring extended the closing date for two years; from September 30, 2017 to September 30, 2019. The project was restructured because of poor performance (project performance was rated Unsatisfactory for IP and Unsatisfactory for PDO) which was mainly due to overambitious project design, lack of clarity regarding specific activities to be financed, lack of private sector interest in major investments in the construction of irrigation and drainage infrastructure in the Accra Plains, and weak project management. The second extension of the original closing date was processed as part of the Additional Credit for the project in the amount of US\$50 million for fifteen (15) months from September 30, 2019 to December 31, 2020. The rationale for the additional financing was to meet a cost overrun on the three irrigation schemes rehabilitation. The financing gap/cost overrun resulted from: (i) the reduction in the trust funds (TF) resources; (ii) higher costs for irrigation schemes rehabilitation (based on current technical designs and bidding documents) compared to the appraisal estimates; and (iii) an exchange loss variation of about 7.7 percent of the original project.

5. The current request for restructuring is to extend the closing date for another one (1) year from December 31, 2020 to December 31, 2021. The total cumulative extension for the project would be four (4) years three (3) months which will bring the age of the project to eight (8) years from the date of approval. The proposed restructuring is for the extension of the additional financing that was approved in May 2018 since out of the US\$100 million from the original credit, there remain an undisbursed balance of only US\$2.44 million. Out of the US\$50 million of the AF, 49 percent of the credit is not yet disbursed but all the resources are committed, contracting has been completed and execution of the contracts are underway. The extension will allow adequate time for the completion of all ongoing project activities and additional works associated with the reinstatement of damaged Tono spillway.

6. The team confirms that: (i) the PDOs of the project remain achievable; (ii) the performance of the Borrower remains satisfactory; and (iii) the World Bank and the Borrower agree on actions that will be undertaken by the Borrower to complete the Project. The detailed work plan has been submitted to the World Bank.

III. SUMMARY OF CHANGES

	Changed	Not Changed
Results Framework	✓	



Loan Closing Date(s)	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
PBCs		✓
Components and Cost		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
Disbursement Estimates		✓
Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Implementation Schedule		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

IV. DETAILED CHANGE(S)



LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IDA-50770	Effective	30-Sep-2017	30-Sep-2019, 31-Dec-2020	31-Dec-2021	30-Apr-2022
IDA-62540	Effective	31-Dec-2020		31-Dec-2021	30-Apr-2022
TF-14170	Closed	30-Sep-2017	30-Mar-2018, 31-May-2018, 31-Jan-2019, 29-Jul-2019		
TF-A9432	Closed	31-Jan-2019	13-Aug-2019		



Results framework

COUNTRY: Ghana

Ghana Commercial Agriculture

Project Development Objectives(s)

The objective of the Project is to improve agricultural productivity and production of both smallholder and nucleus farms in selected project intervention areas of the Recipient's territory.

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Improve productivity of smallholder and nucleus farmers (Action: This Objective has been Revised)								
Yield per hectare - maize in SADA zone disaggregated by gender (Metric ton)		1.96	20.00	40.00	70.00	100.00		2.74
<i>Action: This indicator has been Revised</i>								
Yield per ha - rice in SADA zone disaggregated by gender (Metric ton)		1.53						2.14
<i>Action: This indicator has been Revised</i>								
Yield per ha - soya SADA zone disaggregated by gender (Metric ton)		1.26						1.76



Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Action: This indicator has been Revised								
Yield per ha - rice in Accra Plains disaggregated by gender (Metric ton)		2.47						3.09
Action: This indicator has been Revised								
Yield per ha - vegetables in Accra Plains disaggregated by gender (Metric ton)		8.18						10.23
Action: This indicator has been Revised								
Increase in area under formal commercial arrangements (disaggregated by nucleus farms, outgrower farms and gender), SADA zone (Hectare(Ha))		0.00	1,000.00	1,000.00	1,050.00	1,850.00	2,500.00	5,500.00
Action: This indicator has been Revised								
Increase in area under formal commercial arrangements - on nucleus farms		0.00						1,000.00



Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
disaggregated by gender (Hectare(Ha))								
Action: This indicator has been Revised								
Increase in area under formal commercial arrangements - on outgrower farms disaggregated by gender (Hectare(Ha))		0.00						4,000.00
Action: This indicator has been Revised								
Direct project beneficiaries (Number)		0.00	5,000.00	10,000.00	20,000.00	30,000.00	50,000.00	14,000.00
Action: This indicator has been Revised								
Female project beneficiaries (Number)		0.00						4,200.00
Action: This indicator has been Revised								
Gross margins of selected crops - maize in SADA zone disaggregated by gender (Amount(USD))		582.00					100.00	815.00
Action: This indicator has been Revised								



Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Area provided with improved irrigation and drainage services - new (Hectare(Ha))		0.00						2,000.00
<i>Action: This indicator has been Revised</i>								
Area provided with improved irrigation and drainage services - existing (Hectare(Ha))		0.00						8,000.00
<i>Action: This indicator has been Revised</i>								

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Component 1: Facilitating Investment Promotion in Commercial Agriculture								
Number of staff trained for GIDA and ICOUR (Number)		0.00						100.00
<i>Action: This indicator has been Revised</i>								
Percentage of projects and/or sub-projects complying with		4.00						97.00



Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
environmental and social safeguards (Percentage)								
Action: This indicator has been Revised								
Protocol/framework for dealing with investors at agricultural sector level established (Yes/No)	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Action: This indicator has been Revised								
Land information database established and made part of the GIDA Digital Library, Lands Commission and Town and Country Planning Department (Yes/No)	No							Yes
Action: This indicator has been Revised								
Private Investment Mobilized (Amount(USD))	0.00							15,000,000.00
Action: This indicator has been Revised								
Percentage of warehouse capacity being utilized (Percentage)	0.00							50.00
Action: This indicator has been Revised								



Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Framework for out-grower scheme developed (Yes/No)		No	No	Yes	Yes	Yes	Yes	Yes
Action: This indicator has been Revised								
Formal jobs directly created in inland valley (Nasia-Nabogo) (Number)		0.00	500.00	1,000.00	2,000.00	4,000.00	8,000.00	600.00
Action: This indicator has been Revised								
Farmers in GCAP intervention areas who have applied improved technologies or management practices (disaggregated by technology) (Percentage)		0.00	20.00	40.00	60.00	80.00	80.00	75.00
Action: This indicator has been Revised								
Model lease agreement developed (Yes/No)		No	No	Yes	Yes	Yes	Yes	Yes
Action: This indicator has been Revised								
Increase in storage capacity resulting from GCAP interventions (Metric ton)		0.00	77,000.00	85,000.00	100,000.00	120,000.00	135,000.00	23,000.00
Action: This indicator has been Revised								



Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Value of incremental sales (collected at farm-level) attributed to GCAP implementation (in million GHc) (Amount(USD))		0.00						20.00
Action: This indicator has been Revised								
Length of canals rehabilitated (in km) (Kilometers)		0.00						340.00
Action: This indicator has been Revised								
Investor Tracking System installed and operational (Yes/No)		No						Yes
Action: This indicator has been Revised								
GIDA reform completed (Yes/No)		No						Yes
Action: This indicator has been Revised								
Number of person days of training sponsored for staff of GIDA (Number)		0.00						3,000.00
Action: This indicator has been Revised								



Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Number of person days of training sponsored for staff of ICOUR (Number)		0.00						750.00
Action: This indicator has been Revised								
ICOUR reform completed (Yes/No)		No						Yes
Action: This indicator has been Revised								
Proportion of irrigation services charges that is actually collected - as a percentage of total ISC expected (disaggregated by schemes) (Percentage)		20.00						75.00
Action: This indicator has been Revised								
Operational WUAs established and functional at Branch Canal level, and at Scheme level (Number)		0.00						48.00
Action: This indicator has been Revised								
Number of Irrigation Schemes that have private scheme management entities (Number)		0.00						4.00



The World Bank

Ghana Commercial Agriculture (P114264)
