

SUPPORT TO THE RICE SECTOR IN GHANA

PRESS RELEASE

Honourable Professor GYAN-BAFFOUR, Deputy Minister of Finance and Economic Planning, and Ms. Caroline PIQUET, Acting Resident Manager of the Agence Francaise de Developpement (AFD), signed on August 8th 2007 **two financing agreements for a cumulative amount of 13.8 million euros**. Honourable Clement ELEDI, Deputy Minister for Food and Agriculture, as well as his Excellency Mr. Pierre JACQUEMOT, French Ambassador to Ghana, witnessed the ceremony.

These agreements concern **the Support to the Rice Sector in Ghana**, which aims at developing lowland rice production in the Northern, Upper East, Upper West and Volta Regions. Around 6,500 hectares of lowland areas will be developed with water control infrastructures and technical support to the farmers. The project will also help to strengthen the professional organizations, targeting the different levels of the commodity chain (farmers, processors, marketers, service providers ...). It will provide some support to the existing financial institutions, in order to facilitate the access to credit by the various stakeholders. Finally, it will finance some research activities on rice production.

On the national level, the project will offer some support to the Ghana Rice Inter-professional Body (GRIB), to help the promotion of local rice: improvement of quality, advertisement campaigns, marketing, policy dialogue. This support to the GRIB is in continuation of previous programmes of the French cooperation. It will be gradually reduced over the course of the project, in order to facilitate the financial autonomy of this institution.

The project will be under the responsibility of the Ministry of Food and Agriculture (MoFA). MoFA staff at national, regional and district levels will be in charge of planning and monitoring the activities. MoFA will establish contracts with different partners (NGOs, private consultants, Non Formal Education services, contractors for works, microfinance institutions ...) to implement activities. Four regional coordination committees and a national steering committee will be put in place to monitor the project.

MoFA will receive some technical assistance, in the form of permanent and temporary expertise, including a programme for young professionals (Ghanaian and expatriate) in each region.

These activities, spread over a period of five years, will be financed with the following resources:

- **a soft loan from AFD of 12,5 million euros. for all the investments, the field activities and the support to the GRIB:**
- **a grant from AFD of 1.3 million euros. for the technical assistance to MOFA:**

- **the participation of the Government of Ghana, for an amount of 930 000 euros, essentially related to the cost of the staff involved in the project ;**
- **the contribution of the farmers, up to 790 000 euros, including: a contribution to the investments and the cost of the credit;**
- **the financial institutions (essentially the Rural Banks) are expected to provide around 1,5 million euros in credit.**

Through these financing agreements, France is showing its commitment to the implementation of the Growth and Poverty Reduction Strategy of Ghana (GPRS II), in particular in the agricultural sector. Agriculture is one of the three main areas of concentration for the French cooperation in Ghana, as defined in the Partnership Framework Document 2006-2010 that was signed in January 2006 between MoFEP and the French Ministry of Cooperation. This project also clearly reflects the policy of the Government of Ghana to improve the food security in the country, focusing on some key staple crops.