

AFFORDABLE AGRICULTURAL FINANCING FOR RESILIENT RURAL DEVELOPMENT (AAFORD) PROJECT



TARGETING STRATEGY

PROJECT COORDINATING UNIT (PCU)

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1.0 INTRODUCTION

The Affordable Agricultural Financing for Resilient Rural Development (AAFORD) project aims to support the food security and improve living standards and resilience of smallholder farmers, with special focus on the poor and vulnerable women and youth. These objectives are to be achieved through improved marketing linkages, sustainable and climate change adapted agricultural intensification, skills, enterprise development in agricultural value chains, increasing access to affordable finance and supporting inclusive policy engagement. The project also seeks to improve the nutritional status of beneficiaries within the selected areas. The outreach target for AAFORD is 50,000 women, men, and youth in 12 districts in the six target regions of Ahafo, Bono, Bono East, Northern, North-East and Savannah.

2.0 THE TARGETING APPROACH

In keeping with IFAD's 2023 targeting policy, AAFORD will focus on people living in poverty in rural areas as well as vulnerable populations at risk of falling into poverty in rural geographies, with a continuing priority on the poorest and most excluded, including those who are food insecure. As AAFORD is a demand-driven value chain project with a strong focus on access to affordable finance, the project will also engage value-chain actors with sufficient assets to engage with markets, and to act as role models, early adopters, or lead farmers. Investment in these value-chain actors is designed to support the poorer smallholder farmers.

3.0 GEOGRAPHICAL TARGETING

AAFORD will concentrate its operations in the northern and the central belt of the country in six regions and 12 districts. The selection of these two belts is based on poverty levels and levels of crop production in the value chains selected.

3.1 Selection of the Regions

The prevalence of poverty, income inequality and access to financial institutions were the key considerations for the selection of the regions for the project. Based on these elements, the project is expected to be implemented in 6 regions of Ghana divided into two zones, namely the northern and central zones. The northern zone covers the old Northern Region comprising of Savanna, Northern and Northeast regions. The central zone covers the old Brong Ahafo region comprising the Bono, Bono East and Ahafo regions. The rationale for the selection of the two zones are that there is a high incidence of poverty as well as youth and women unemployment that need to be addressed. There is the presence of prior IFAD interventions to take advantage of for the successful implementation of AAFORD and the realization of IFAD's COSOP for Ghana. Above all, the two zones constitute the food basket of the country especially for maize, rice, soyabean and groundnuts, which are the value-chains AAFORD plans to support.

In view of the fact that the project is expected to reduce poverty, the Multi-Dimensional Poverty Index (MDI) was a key criterion used in the selection of the regions. The MDI profile of the selected regions is presented in the Table below:

Table 1: Poverty levels in the regions

Zone	Regions	Multidimensional Poverty Incidence	Total Number of Districts in Region	Rural Population	Number of Districts selected in Region
	Ahafo	53	6	289,754	1
	Bono	43.8	12	500,168	2

Zone	Regions	Multidimensional Poverty Incidence	Total Number of Districts in Region	Rural Population	Number of Districts selected in Region
Brong Ahafo Zone	Bono East	60.2	11	570,145	1
	Northern	75.9	16	1,215,131	4
Northern Zone	North East	77.6	6	444,000	2
	Savannah	76.6	7	459,687	2
	Total		58	3,478,885	12

3.1.1 The Northern Zone

The northern zone consisting of the Northern, North-East and Savanna regions, has the highest multidimensional poverty in Ghana, with an MPI of 0.491. This is twice the national MPI (0.24) and 0.389 percentage points higher than the Greater Accra region, which has the lowest poverty. This zone has the highest MPI among the rest of the other Northern regions. The incidence of multidimensional poverty in the Northern zone is 80.8 percent which is also the highest among all the regions and greater than the national figure (45.6%). This estimate implies that 8 out of every 10 people living in this zone are multidimensionally poor. The intensity of poverty in this zone is about 60.7 percent, meaning that the multidimensionally poor person is deprived, on average, in 7 of the 12 weighted indicators. In Ghana, the average multidimensionally poor person is deprived in six of the weighted indicators; hence, the intensity of deprivation is higher in the zone than nationwide.

The cases of malnutrition and malnourishment in the zone are rampant with up to 16% considered food insecure; and about 72% of its land is vulnerable to desertification. Production of surplus depends a great deal on natural characteristics of the zone. Farm sizes tend to be relatively small and are arid with only one rainy season.

3.1.2 Central Zone

The Central zone consisting of the Ahafo, Bono and Bono East regions, has multidimensional poverty index of 0.255. This is just a little over the national MPI of 0.24. The incidence of multidimensional poverty in the Central Zone is also 49.4 percent. This estimate implies that 5 out of every 10 people in the zone are multidimensionally poor. The intensity of poverty in the Central Zone is about 51.6 percent, meaning that the multidimensionally poor person in the region is deprived, on average, in 7 of the 12 weighted indicators; this also implies that among those that have been identified to be multidimensionally poor in the region, they are deprived, on average, in 6 of the weighted indicators. This is similar to the national average. The cases of malnutrition and malnourishment are also rampant in the Central Zone. It is also estimated that 11% considered of the people are food insecure; and estimated 35% of its land is vulnerable to desertification. Production of surplus depends a great deal on natural characteristics of the zone. Farm sizes in the zone also tend to be relatively small and dependent on rainfall which is bimodal in some areas within the zone. The Table 2 below shows the multi-dimensional poverty index, poverty intensity and incidence for Ghana, including the Northern and the Central Zones, identified as Northern and Brong Ahafo regions as shown below.

Table 2: Multi-dimensional Poverty Index

Region	MPI	Incidence (%)	Intensity (%)
National	0.236	45.6	51.7
Western	0.235	47.6	49.4
Central	0.239	47.6	50.1
Greater Accra	0.102	22.5	45.5
Volta	0.306	58.2	52.7
Eastern	0.217	44.0	49.3
Ashanti	0.147	31.1	47.5
Brong Ahafo	0.255	49.4	51.6
Northern	0.491	80.8	60.7
Upper East	0.359	68.1	52.8
Upper West	0.348	65.5	53.1

Source: *Multidimensional Poverty Report, Ghana Statistical Service, 2020.*

3.2 AAFORD Supported Value Chains

The main crops targeted by AAFORD are maize, rice, groundnut and soyabean. The selection of these value chains is generally based on AAFORD's intended support to pro poor, profitable economic opportunities relevant to the districts selected under the project. Within this framework, investments will focus on supporting value chain activities for these pro-poor field crops. The selection of these crops and related enterprises is also based on their potential to improve food security, nutrition, especially among women, youth, and vulnerable groups in the targeted geographic areas. In addition, these crops provide the opportunities for value addition based on their suitability as raw materials for industries. The geographic areas are also known to have comparative advantage for the growing of these crops. Soyabean and groundnut are crops that are mostly grown by women and sometimes describe as women's crops.

The production levels of these crops in the targeted regions are presented in Table 3 below:

Table 3: Production levels of Selected Crops by Regions

Region	Crop	Groundnut (MT)	Soyabean (MT)	Maize (MT)	Rice (MT)
Ahafo	Maize, Rice	-	-	105,243	7,041
Bono	Maize, Rice	3,857	-	369,442	16,981
Bono East	Groundnut, Rice, Maize	25,535	-	248,128	42,644
Northern	Groundnut, Soya, Maize and Rice	59,749	118,030	240,868	269,904
North-East	Groundnut, Soya, Maize and Rice	49,806	45,803	71,349	105,580
Savannah	Groundnut, Soya, Maize and Rice	99,812	29,314	104,776	36,279

Source: *Regional Departments of Agriculture, 2023*

According to MoFA (Facts and Figures, 2022), the Bono region is the largest producer of maize in the country and Bono East is the 5th largest producer. Northern region is the leading

producer of rice and soyabean. The North East is the 4th largest producer of soyabean. The Savannah region is the 5th largest producer of soyabean in the country.

3.3 Target Districts

AAFORD will be implemented in 12 districts to maximize efficiency and effectiveness. The following criteria were used to select the districts in each of the six regions (See table 4 and 5):

1. Level of production in selected value chains: as a way of ensuring that there is potential for improved productivity as well as increased food production and income.
2. Level of poverty: to improve the poverty profile of the selected districts through enhanced consumption and the generation of market surplus.
3. Contiguity: to reduce the cost of delivering interventions and also increase the concentration of impact.
4. Ease of access: to ensure efficiency of resource use and convenience in reaching selected location.

Table 4: Selected Districts for AAFORD

No	Region	District/Municipal	MDP	Poverty ranking in Ghana	Poverty Ranking within Region	Production Volumes in metric tonnes			
						Maize	Rice	Groundnut	Soyabean
1	Ahafo	Asutifi South	26.6	139	6/6	15,558	24,627.00	-	-
2	Bono	Banda	35.7	195	12/12	6,342.50	1,863.54	2,123.55	-
3	Bono	Sunyani West	17.6	66	7/11	81,569.43	4,685.07	-	-
4	Bono East	Nkoranza South	18	67	3/11	61,841.92	2,515.90	5,205.32	-
5	Northern	Karaga	50.5	240	12/16	19,240.26	23,579.50	4,201.00	2,891.90
6	Northern	Savelugu	41.1	221	5/16	16,596.57	29,022.00	6,530.00	11,774.40
7	Northern	Kumbungu	45	256	8/16	11,881.50	35,700.00	1,420.00	3,388.00
8	Northern	Mion	53.4	245	15/16	40,827.00	26,115.00	5,669.00	16,060.00
9	Savannah	East Gonja	38.8	210	3/7	16,017.60	17,119.20	10,588.80	3,823
10	Savannah	West Gonja	39.7	214	2/7	35,420.80	3,324.80	20,295.20	11,170
11	North East	East Mamprusi	54.7	251	5/6	5,112.66	5,819.10	9,123.90	10,946.00
12	North East	West Mamprusi	41.5	223	4/6	13,314.48	25,172.40	11,944.30	6,168.00

Sources: Ghana Statistical Services, 2020; Ministry of Agriculture, 2022.

Table 5: Selected Districts and Disaggregated Data on Rural Population.

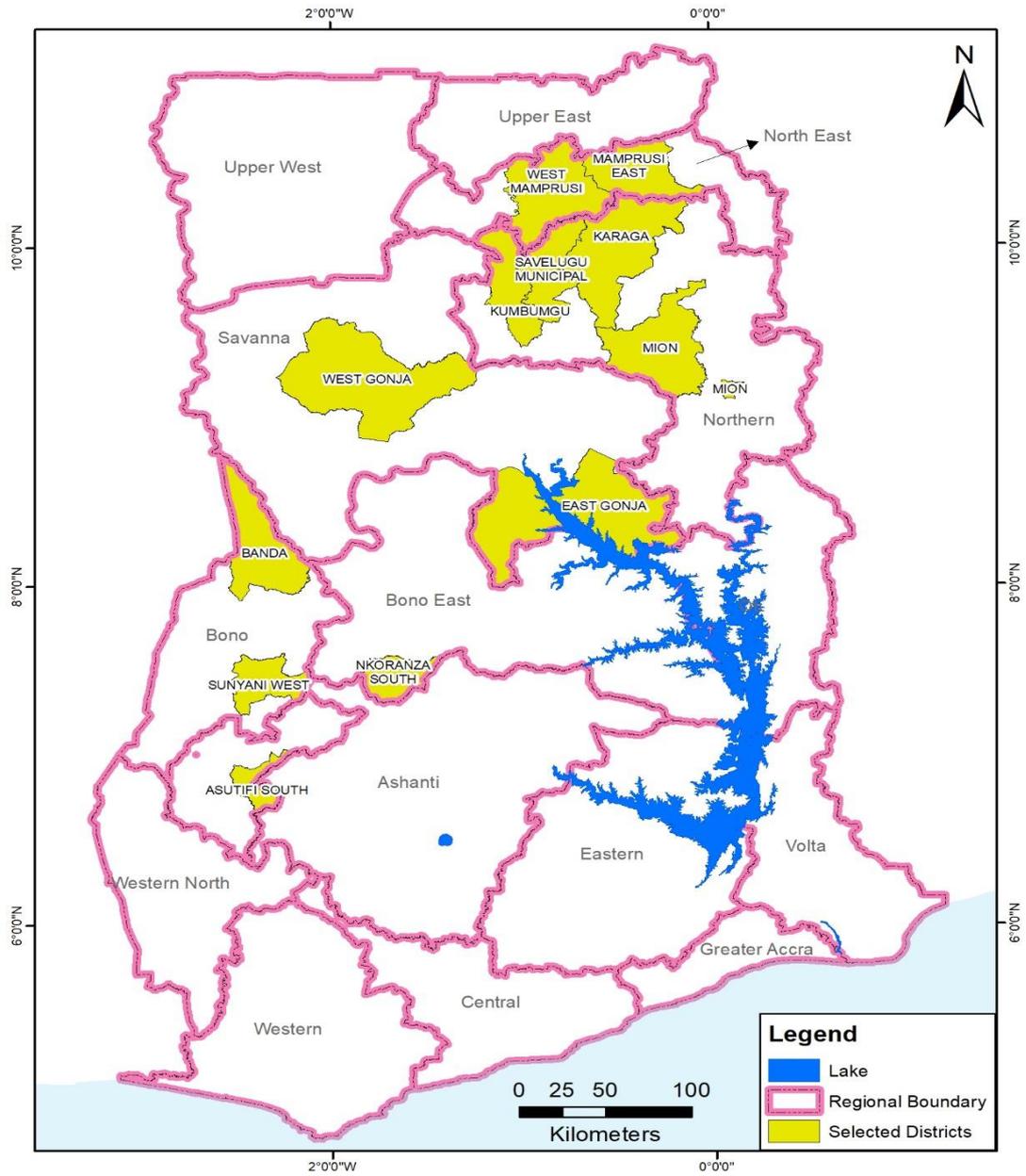
	District	Number of Villages/Operational areas ¹	Number of FBOs	Rural Population	Women in Rural Population	Men in Rural Population	Youth in Rural Population ²	Smallholder subsistence farmers	Commercially Orientated Smallholder Farmers
1	Asutifi South			35,158	18,282	16,876	12305	3,064.00	–
2	Banda			28,179	13,357	14,822	9863	1,929.60	–
3	Sunyani West			32170	16,278	15,892	11260	12,723.96	–
4	Nkoranza South			51,119	26,582	24,537	17892	13,212.76	–
5	Karaga			82892	42,689	40,203	29012	12,413.70	–
6	Savelugu			45567	22,920	22,647	15948	14,014.80	–
7	Kumbungu			84407	42,204	42,204	29542	9,398.80	–
8	Mion			85044	42,777	42,267	29765	16,726.80	–
9	East Gonja			85,216	41,671	43,545	29826	11,916.52	–
10	West Gonja			24,299	11,931	12,368	8505	10,234.40	–
11	East Mamprusi			107,218	55,217	52,001	37526	7,792.00	–
12	West Mamprusi			91,772	46,987	44,785	32120	9,971.20	–

The geographical spread of 12 districts selected to benefits from AAFORD intervention is presented in the map below:

Figure 1: Geographical distribution of the selected districts.

¹ Community is aligned to the operational area of MoFA in the District.

² We assume a rate of 38% of population as youth.



3.4 Community Selection

In each district, the project will work with 10-15 communities. This may vary depending on the district. To align the operations of AAFORD with the existing structures of MoFA, the project will work in operational areas as (communities), as defined by MoFA. Each operational area (community) will comprise 5 to 10 villages that are close by each other and are prepared to work together. The Communities will be selected based on general socio-economic and physical factors such as the following:

- (i) production of the value chain of interest-maize, rice, soyabean groundnut or a combination of these,
- (ii) ecology and climate factors: climate must favour the production of the value chain,
- (iii) infrastructural facilities: such as processing factories, access roads etc,
- (iv) existence of financial institutions for financial intermediation
- (v) Contiguity of villages: for the purposes of efficiency and economy in implementing the project.
- (vi) the presence of sufficient numbers of farmer organizations/cooperatives /VSLAs /Farmer Groups involved in the selected value chains,
- (vii) Interest of smallholder farmers in AAFORD activities.

In the various districts, a community shall be selected based on the contiguity principle. A community will constitute a group of villages that are under the control of one agricultural extension agent (AEAs) under the department of agriculture in each district. The communities shall be selected at the district level.

At the individual or household level, the specific challenges that farmers face in their agricultural economic activities will be used in guiding the selection of communities. These may include farm size and access to land, quality of farm inputs and tools, access to planting materials and extension; yields and production level; food security and market surplus; amount of labour available and ability to use hired labour; ability to preserve and process agricultural produce; engagement in off-farm activities and ability to invest in its expansion; access to credit; level of education; etc. Information on the above will be collected as part of the baseline survey and needs assessment of the communities and households in the respective districts at the beginning of the intervention.

4.0 CLASSIFICATION OF DIRECT BENEFICIARIES (PRODUCTION)

Direct beneficiaries are classified into five target groups, described mainly based on poverty level, land ownership and access to the market. These are i) smallholder semi-subsistence households; ii) market-oriented smallholder households; iii) large farming households; iv) youth (age 18-35); and v) women. The smallholder households typically face challenges ranging from limited access to finance to low productivity, among others. Extension services are not reaching most smallholder farmers in rural communities due to inadequate personnel and logistics.

4.1 Challenges Faced by Farmers in the Selected Value Chains

The challenges faced by farmers are presented based on specific value chains and those that are specific to smallholder farmers engaged in the production of such value chain.

4.1.1 Maize Value Chain Constraints

The maize value chain is constrained by market and policy failures. Market failures is reflected in the weak producer bargaining power. Policy failure mostly relates to issues that the private sector is not willing or not capable of addressing. Issues such as weak and poorly motivated producers, poor access to financial facilities, poor agricultural support services and lack of capacity of producers to meet quality standards of large-scale processors.

Maize farmers in Ghana do not compete on equitable terms in both the domestic and the international markets as they lack access to efficient markets because transportation is too expensive for them. They are also unable to meet international standard quality of grains. Therefore, higher food prices do not filter effectively down to the farm-gate where poor farmers often sell their produce reluctantly due to high transaction cost. There is also lack of proper storage facilities to help delayed sales. As a result, the increasing demand for maize for food by the urban households and the international markets is being met by few large-scale farmers. There is also the problem of low standardization and product differentiation in domestic markets (weights and measures; grades and standards especially in the maize market) as well as uncongenial environment for trading in local markets. The uncongenial environment in the cereal market in Ghana, for example, relates to situation where maize farmers are not allowed to sell directly to wholesalers and retailers. The farmer must give his/her produce to a middleman in the market to sell. These middlemen, located daily in the markets create a kind of monopoly through cartels to exploit the rural farmers.

4.1.1.1 Constraints specific to the smallholder maize farmers: The smallholder farmers, in addition to the above challenges, are unable to appropriately dry their produce. As a result, they face high post-harvest losses. Farmers in the central zone also experience high post-harvest losses due to humid weather during the harvesting periods. They also face high aflatoxin infestation levels and hence are not able to sell to some buyers and processors in the maize market. In addition, these buyers often have high specification for grain quality that the smallholder farmers often may not have the capacity to meet.

Also, the smallholder maize farmers in the northern zone are unable to compete with large scale farmers for tractor services, hence do not get access to tractor services on time to plough their lands. More often than not, they do not plant at the right time of the season and miss the rain season sometimes. High cost of improved seeds is also a barrier to these farmers. As a result, they end up using seeds from their previous production leading to low yield. In addition, high cost of fertilizer and its irregular supply on the market pose a challenge to the smallholder farmers, causing them not to apply fertilizer at the recommended rate. These smallholder farmers also continue to use traditional farming methods such as bush burning and slashing, with or without fertilizer and modern inputs and do not have access to affordable bank credit. Most of them rely on aggregators for in-kind loans that are expensive and exploitative.

4.1.2 Rice Value Chain Constraints

The rice value chain is constraint by large acreages of undeveloped lands, poor construction of bunds on valleys and bad road network system as well as poor access to seedlings, and poor access land partly due to land tenure systems. The rice value chain is also constraint by

low access to mechanization services in addition to inadequate and inappropriate land preparation equipment which affect the flow of water and its management.

4.1.2.1 Constraints specific to the smallholder rice farmers

These include the lack of access to production inputs due to low resource endowment, limited access to improved seed varieties and agro chemicals as well as limited access to credit from the formal sector. In view of this development, the adoption of technologies is low among smallholder rice farmers even though rice is known to require a lot more of input use to get relative higher yields. Thus, the lack of input use or the use of a little of it results in low yields and related low incomes among rice farmers. The cultivation of rice among the farmers in the two zones are often done in lowlands and not upland. This leads to the situation where smallholder rice farmers compete with cultivators of other crops for lowlands whose prices are hiked because of the competition. Irrigation facilities are lacking in the country and access by smallholder farmers is very low.

These farmers are resource poor and suffer from inadequate and inappropriate land preparation. Due to labour constraints, most smallholder rice farmers broadcast their seeds resulting in inappropriate planting resulting in empty spacing, overcrowded planting and low crops yield.

A constraint faced by smallholder rice farmers in the central zone has to do with delays in the payment for their produce during the major season leading to lack of liquidity. This affects their capacity to use inputs in the right quantity and time for bountiful yields in subsequent seasons.

4.1.3 Soyabean Value Chain Constraints

The adoption of improved seeds and inputs has been low across most soyabean farmers in Ghana. Even though seeds treated with inoculant, fungicides and pesticides usually increase quality and yield, most soyabean farmers do not do this most due to ignorance.

4.1.3.1 Constraints specific to smallholder soyabean farmers.

A large proportion of smallholder soyabean farmers do not use chemical fertilizer because they believe that soyabean does not require fertilizer to do well. Most of them are constrained financially and are unable to purchase inputs. These problems are reinforced by poor cultural practices, such as late planting, broadcasting of seed (instead of planting in rows) and broadcasting of fertilizer (instead of deep application). These farmers also lack information as to what type of soyabean varieties are available, their cultivation, and what type of fertilizer to use for specific soil types.

Land preparation by smallholder soyabean farmers in the northern zone sometimes do not involve tillage. While some practice zero-tillage others keep to the old tilled land for year-on-year planting. Zero-tillage, according to the farmers, increases yield but this is suitable commercial farming.

4.1.4 Groundnut Farmers Constraints

Groundnut farmers face myriad of constraints range from access to inputs, production knowledge and information, soil fertility management, water management and threats of climate change. Due to the subsistence nature of groundnut farming in the selected districts, there is not a clear market for seeds for planting. Therefore, farmers usually rely on seeds from previous harvest, and/or other informal sources.

4.1.4.1 Constraints specific to the smallholder groundnut farmers.

Access to extension services by smallholder groundnut farmers is a challenge in many groundnut growing area in the country. More attention is given to cereals compared to legumes. Groundnut cultivation in the project areas is predominantly done at subsistence levels by women who are faced with labour supply problems in a labour-intensive industry.

Traditional methods such as bullock ploughing and hand hoeing are still the main methods for land preparation. Planting (seeding) and harvesting (plucking) are labour intensive. Thus, the labour-intensive nature of groundnut farming constrains increases productivity. The nuts are dried in open air, mostly on the floor, and are often exposed to the vagaries of the weather. This is a major contributor to post-harvest losses and contamination of the nuts by pathogens which directly impact on their market value. Thus, smallholders in the project areas do not often get the right value for their groundnut produce.

4.2 Constraints to Smallholder Women Farmers

In the case of women in the two zones, women face all the constraints enumerated above for smallholder farmers with additional challenges. Access to fertile farmland is a key additional constraint for women. It is difficult for women to have access and direct control over fertile lands. In the Northern zone, especially, land is mostly owned by families and controlled by the men. Access to capital is limited; where available, it has a short-term repayment period with high interest rate from individual money lenders. Women also find it difficult to access farm inputs. These are difficult to obtain in their immediate environment as inputs are mainly available on market days or in the bigger communities where they mostly visit once in a while. In all operational areas, farming is rainfed. Excessive rains lead to the destruction of farmland, farm crop, access roads, houses, livestock, livelihoods, and other properties affecting women who form majority of small holder farmers in the farming communities. Women farmers also face the challenge of performing all domestic duties, including taking care of the children, and as results have less time to spend on the farm compared to men.

5.0 CHARACTERISTICS OF BENEFICIARY GROUPS IN PRODUCTION

The characteristics of target beneficiary groups in the production of the selected value chains under AAFORD are described as per the information in Table 6 Below:

Table 6: Targeted beneficiary groups and their characteristics

Target group	Direct Outreach	Per cent of outreach	Cultivable land ownership	Key characteristics
Smallholder semi-subsistence households	32,000	80%	Up to 2 Ha	<ul style="list-style-type: none"> ✓ Resource-poor with little or no access to credit; ✓ Rely on savings to finance agricultural activities. ✓ Revenue may fall below the upper poverty line of 1,341 GHS a year per adult. ✓ Limited access to improved inputs, mechanisation services, post-harvest management and marketing; ✓ Low bargaining power; ✓ Family labour used for agricultural production with high women's involvement; ✓ Depends on individual sales to traders and local markets. ✓ Can suffer from periodic food insecurity and nutrition deficiency mainly during dry months. ✓ Uncertain income from marketing agricultural produce; ✓ Involved in labour work to supplement income; ✓ Limited diversification of income.
Market-oriented smallholder households	7200	18%	More than 2 to 10 Ha	<ul style="list-style-type: none"> ✓ Income from GHS 1,000 to 6,000 a month cash crop production; More diversified income, e.g. from off-farm activities and remittances; ✓ Combination of family labour and hired labour used for agricultural production; ✓ Can be members in FBOs linked to off-takers. ✓ May consider using credit to access improved seeds, machinery for land preparation, harvesting, planting and storage facilities, if readily available.
Large farming households	800	2%	More than 10 Ha	<ul style="list-style-type: none"> ✓ Have the ability (collateral) and access to financial resources. ✓ Use hired labour for farming activities. ✓ Likely to be food secured, literate and influential in their communities. ✓ Sometimes serve as nucleus farmers linked to a group of smallholders. ✓ Target one or two specific commodities for commercial purposes and produce based on a contractual agreement. ✓ Has access to market information and market intelligence

Total	40,000	100%	
Rural youth (1835)	16,660	30% of the GAP farmers and Nutrition beneficiaries,	<ul style="list-style-type: none"> ✓ High unemployment rate (especially between 20 to 29 years old) in Rural Ghana. ✓ Higher unemployment in female youth especially graduated individuals due to mismatch between education and industry. ✓ Often unmarried due to unsteady income sources to support new families. ✓ Lack of employable skills, entrepreneurial training, and opportunities. ✓ Limited access to capital due to lack of collateral and other guarantees.
Women	24,775		<ul style="list-style-type: none"> ✓ Less access to land and credit compared to men. ✓ More than 70 per cent women above 35 are married and with children. ✓ Female-headed households suffer more from food insecurity and nutrition deficiency, especially in the Northern region.

5.1 Smallholder Semi-Subsistence Households

This group represents 80 per cent of the target population of 40,000. For technical assistance in GAP, resilience and doing farming as a business, 50% of beneficiaries are expected to be women with 25% of the target population being youth. Typically, the farmers in this group are poor. They cultivate not more than 2 ha of land, depending essentially on family labour which is often limited. They are generally resource poor with little or no access to financial capital. Crop yields are low due to their inability to use farm inputs. Food security is a challenge to this group which is distinguished by low income due to little or no market surpluses since their production is mainly for consumption. Because of persistent population increase, there is pressure on the limited land resources available leading to shortened fallow periods and land degradation.

Climate change also impacts their productivity negatively and thus tends to exacerbate their precarious situation. They may be part of the farmer-based organizations or savings groups, but such groups are hardly effective and activities carried out by them are commonly small scale. They rely primarily on own savings in kind – primarily retention of seeds/cutting at harvest to plant the following year. Due to inadequate capital, their access to improved production inputs, mechanizations, marketing, and post-harvest management facilities are limited, may only have access when subsidized by MoFA. Their revenue may fall below the upper poverty line of GHS 1,3413 a year per adult. These farmers are averse to seek credit from formal financial institutions because low level of production and productivity and the related risk and consequences of being unable to repay. They tend to rely on their lean personal savings and traditional sources of funds such as susu and VSLAs. They would only begin to consider obtaining a small loan to expand their operations when they are able to generate marketable surplus.

5.2 Market-Oriented Smallholder Households

This group represent about 18 per cent of the target population of 40,000. The smallholder farmers in this group are moderately poor but with a strong orientation to sell to the market. Typically, they own more than 2 to 10 ha of land, augment their family labour with hired labour, and can make some investments in farm inputs and assets. They tend to target specific commodities for production for purely commercial purposes but diversify their production to include other crops for consumption. Depending on the land sizes allocated for cash crops, the farmers may earn from GHS 1,000 to GHS 6,000 a month separately from the earnings generated from off-farm activities and remittances.

The farmers in this group are more likely to have a regular demand for credit and often are part of the out-grower models as their desire to increase marketable surplus drives them to demand for credit, especially when the interest rate is commensurate with the expected returns. They may be part of savings schemes so as to meet their own household and agricultural input needs and also as a basis for accessing credit which is usually dependent on evidence of capacity to save and repay. They are also likely to have account with formal financial institutions such as Rural Community Banks (RCB), credit unions, or commercial banks.

3 Ghana Living Standards Survey 6 (GLSS 6), Poverty Profile in Ghana 2013. Ghana Living Standard Survey 7 was held in 2018 and the survey concluded to keep the poverty line the same.

5.3 Large Farming Households

They will constitute 2 per cent of the beneficiaries. This group cultivates more than 10 ha of land using largely hired labour. They have better access to financial capital than the two other categories. Thus, they have substantial opportunity to acquire farm inputs, storage, and marketing facilities. They target specific commodities for commercial purposes and may have access to the market on a contractual basis. They earn substantial income from the sale of agricultural commodities and off-farm activities and are basically food secure. They are likely to be literate and influential in their communities. Commercial farmers generally specialize in one or two crops. Though they may not be considered poor, they may be targeted as those who can serve as drivers of change and important channels for finance, marketing and services to the smallholders. The farmers in this category may represent about 2% of the target population.

5.4 Youth

Ghana National Youth Policy (2010) defines youth as those who are in the age range of 15-35 years old. The country has a youth bulge estimated to be 34 per cent of the total population. The rural population consists of 55.6 per cent youth while urban population consists of 44.4 per cent. Unemployment of youth is a growing concern in Ghana and reached 13.7 per cent in 2018. The formal sector is only able to engage less than 5,000 (2 per cent) of the 250,000 young people entering the labour market annually, leaving about 98 per cent to survive in the informal sector or outrightly unemployed. Approximately, 77 per cent of the youth have only basic educational qualification or less which prevents them from finding a decent job. Data indicates that attainment of education does not necessarily lead to employment. Unemployment is highest among secondary school graduates. Under AAFORD 25% of the beneficiary population are targeted to be youth.

5.5 Women

In this project women are expected to constitute 50 percent of the total outreach. However, for the nutrition component, all beneficiaries are expected to be women between the ages of 18-35 years. Thus, the target for nutrition are young mothers in the various project communities and can be farmers or non-farmers.

6.0 TOTAL OUTREACH OF PROJECT BENEFICIARIES

AAFORD proposes to target 50,000 women, men, and youth in the 12 districts in the six targeted regions of Savannah, Northern, North East, Bono, Bono East and Ahafo regions. In all, 40,000 are farmers who will be receiving services regarding training in agricultural production related activities. The nutrition related activities will cover 10,000 young women (18-35 years).

6.1 The Distribution of Beneficiaries Across Regions

The distribution of AAFORD's 50,000 beneficiaries across the various regions was based on the poverty level and the rural population. The distribution of beneficiaries across the regions is generally proportional to the population but weighted in favour of the two poorest regions which are, North East and Savannah (see Table 4).

The distribution of the beneficiaries among the regions is presented in Table 7.

Table: 7 Distribution of Beneficiaries across the regions

Regions	Number of Districts	Rural Population	Distribution of Beneficiaries b (%)	Regional Distribution of Beneficiaries		
				GAP, Resilience, DAB	Nutrition ⁴	Total Outreach
Ahafo	1	289,754	8%	3200	-	3200
Bono	2	500,168	8%	3200	1910	5110
Bono East	1	570,145	11%	4400	-	4400
Northern	4	1,215,131	35%	14000	4,640	18640
North East	2	444,000	19%	7600	1,695	9295
Savannah	2	459,687	19%	7600	1,755	9355
Total	12	3,478,885	100%	40,000	10,000	50000

6.2 Criteria for Selecting Nutrition Beneficiaries

The selection of nutrition beneficiaries is based on rural population and prevalence of undernutrition and malnutrition in the two zones. In the northern zone, 20% of children under 5 years are underweight while in the central zone it is 5% of children. Therefore, 73 % of the nutrition beneficiaries will be from the Northern zone while 27% will be from the Central Zone. Table 8 presents the total outreach per districts in terms of nutrition.

Table 8: Total targeted outreach per Districts

No	District	Beneficiaries (GAP, Resilience, DAB)	Nutrition Beneficiaries	Total Outreach
1	Asutifi South	3200	-	4,000
2	Banda	1600	955	2,000
3	Sunyani West	1600	955	2,000
4	Nkoranza South	4400	-	5,500
5	Karaga	3500	-	4,375
6	Savelugu	3500	1546	4,375
7	Kumbungu	3500	1546	4,375
8	Mion	3500	1546	4,375
9	East Gonja	3800	848	4,750
10	West Gonja	3800	848	4,750
11	East Mamprusi	3800	878	4,750
12	West Mamprusi	3800	878	4,750
	Total	40000	10000	50,000

⁴ The nutrition is limited to only four districts and the distribution is based on the proportion of 19%, 46% 17%, 18% for the Bono, Northern, North East and Savana regions respectively. The Asutifi South, Karaga and Nkoranza Districts are not part of the nutrition st

Table 8: The distribution of beneficiaries across subcomponents

I	Component I	% of Women	% of Men	% Youth	% of SHF (80)	Nb of SHM	% of MOF	Nb of MOF	% of CF	N CF	% of Agg	No of Agg	Total
2	Small-holder farmers trained in GAP and Climate Resilience	50%	50%	30%	80%	32,000	18%	7,200	2%	800	N/A	N/A	40,000
3	Farmers trained on farming as a business	50%	50%	30%	80%	32,000	18%	7,200	2%	800	N/A	N/A	40,000
4	Farmers supported post-training	50%	50%	30%	80%	32,000	18%	7,200	2%	800	N/A	N/A	40,000
5	Demonstrations & Field Days	50%	50%	30%	80%	32,000	18%	7,200	2%	400	N/A	N/A	40,000
6	Support for Business Plans	50%	50%	30%	NA	N/A	18%	81					450
7	Nutrition Intervention	100%	N/A	100%	80%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	10,000
8	Multi-stakeholder Forum - District	30%	70%	N/A	80%	-	18%	-	N/A	N/A			
9	Multi-stakeholder Forum - Zonal	30%	70%	N/A	80%	-	18%	-	N/A	N/A			
10	VC Actors - Sensitized and Supported for Business Plans	30%	70%	N/A	80%	-	18%	-	N/A	N/A			
11	FBOs/VSLAs equipped with scales and moisture meters FBO	50%	50%	N/A	80%	360	18%	81	N/A	N/A	N/A	N/A	450
12	Component 2												
13	Training for Staff of PFIs	20%	80%	N	NA		N/A		N/A	N/A	N/A	N/A	150
14	Persons accessing financial services (Window I)	30%	70%		0.8	8,000	18%	1,800	2%	200	N/A	N/A	10,000
15	FBOs accessing financial services (Window I)	30%	70%	-	NA								50

16	VC Actors accessing financial services	30%	70%		NA								TBM
17	VC actors accessing Window 2	15%	85%		NA	85%							TBM
18	Business Plan Development for Aggregators	30%	70%		NA								70

6.3 Selection Criteria for Target Beneficiaries

The selection criteria for all the individual beneficiaries in the various communities will be based on the criteria in Table 9 below:

Component	Details	Beneficiaries' selection criteria
Component 1		
1.1	Beneficiaries (FBOs and Other Value Chain Actors) Screened, Selected and Sensitised	Production or agribusiness in the related value chain Must be operating the selected project area. Willingness to participate in AAFORD activities. Willingness to collaborate with PFI
1.2	Institutional Partners Sensitised, their capacities built and Businesses Developed and Market Access/Linkage Enhanced	Presence in the project area Willingness to engage in technical collaboration with AAFORD.
1.3	Improve access to weather and market information for farmers and digital services	Production or agribusiness in the related value chain Must be operating the selected project area. Willingness to participate in activities. Having or using a phone Willingness to collaborate with PFI
Component 2		
2.1	Blended Finance Facility (BFF) Established (window I)	Trained by AAFORD Have an account with AAFORD related PFI Other eligibility criteria developed by the BFF Willingness to abide by the stipulations of the BFF Operational manual.

7.0 CONCLUSION

This targeting strategy is developed within the context of the restructuring of the AAFORD project. It has enabled us to finalize project details with special emphasis on gender mainstreaming, set clear expectations for beneficiaries, especially smallholder farmers and defined milestones in respect of the time frame and mode of delivery of benefits such that vulnerable groups like the youth and women can be equitably supported under the project.

Annex I: Regions and Districts Maps and their characteristics

In the regions, the districts were mapped out with their basic information in each region to enable the formation and selection of the district(s) that constitute the clusters.

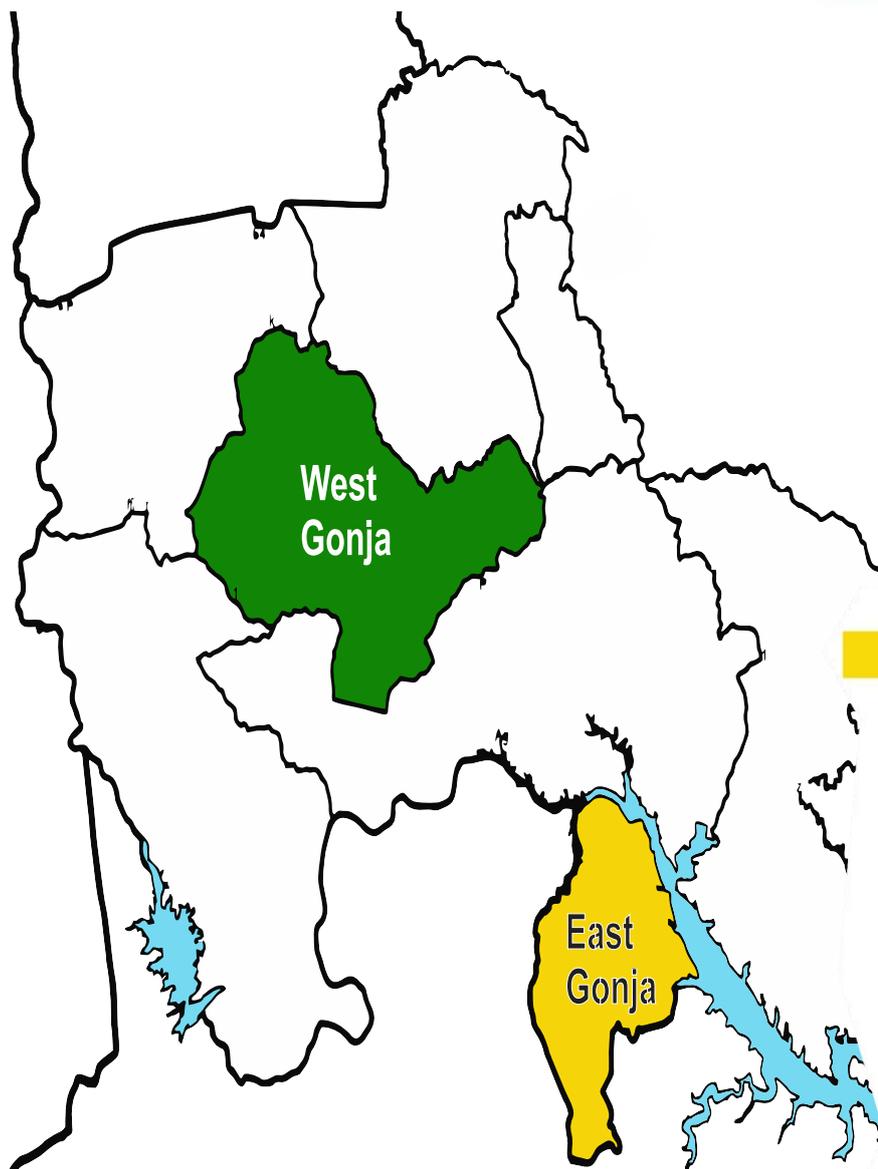
Savana Region and the Selected Districts

Northern Region and the selected Districts

SAVANNAH

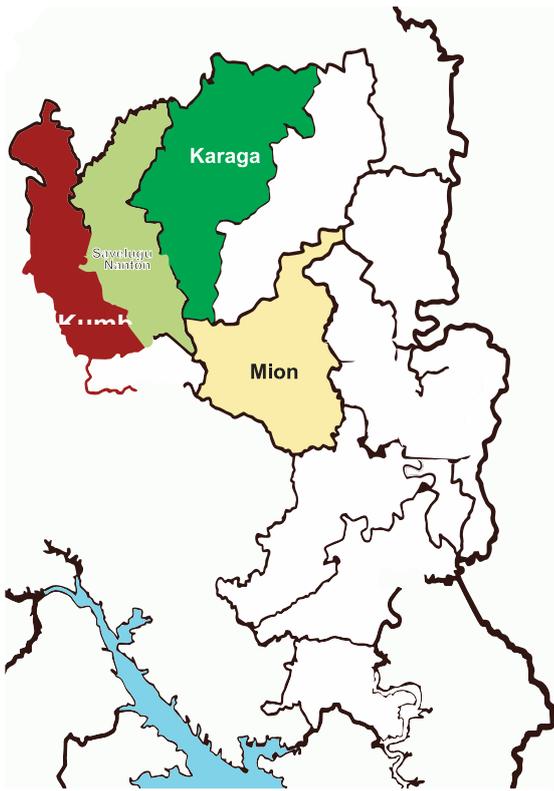
Gonja West

- Pop=63,449
- Female=31,179
- Male=32,720
- Processors=2
- Aggregators =9
- 1 BAC
- FBOs=
- 4 Maize
- 10 Rice
- 4 Soya
- 4 Grandnut
- Youth Group
- Women Group=10
- Total Number =283
- 1 Nutrition Officer
- 13 Extension Officers



East Gonja

- Pop= 117,755
- Male=60,199
- Female=57,556
- 1 Commercial Bank
- 1 Rural Bank
- 1 BAC
- 15 Processors
- 5 Aggregators
- FBOs=
- 10 Maize
- 9 Rice
- 9 Soya
- 6 Grandnut
- Youth Group
- Women Group =6
- Total Number=216
- Nutrition Officers=1
- Extension Officers=9



Kumbungu ■■■

Population =110586
 Male=55,291
 Female =55,295
 F1=1 RCB/1 BAC
 FBO=
 Maize 19,Rice 21,Soya
 15,Grandnut 4
 Processors=8
 7 Rice
 1 Grandnut /1 Soya
 Aggregators=8
 4 Maize
 2 Rice
 Youth group mem.=
 527
 Women Group =11
 Total Membership
 =291
 Nutrition Officer =1
 Extension Officer=1
 Nutrition Trainers=1

Karaga ■■■

Population=122,449
 Male=59,633
 Female =62,816
 F1=1 RCB/1 BAC
 Processors=3
 2 Rice
 1 Grandnut
 Aggregators=3
 FBOs=34
 10 Maize
 10 Rice
 10 Soya
 4 Grandnut
 Nutrition Officers =1
 Extension Officers =11
 Youth Group Mem-
 bers=315
 Women Group =8
 Total people =270

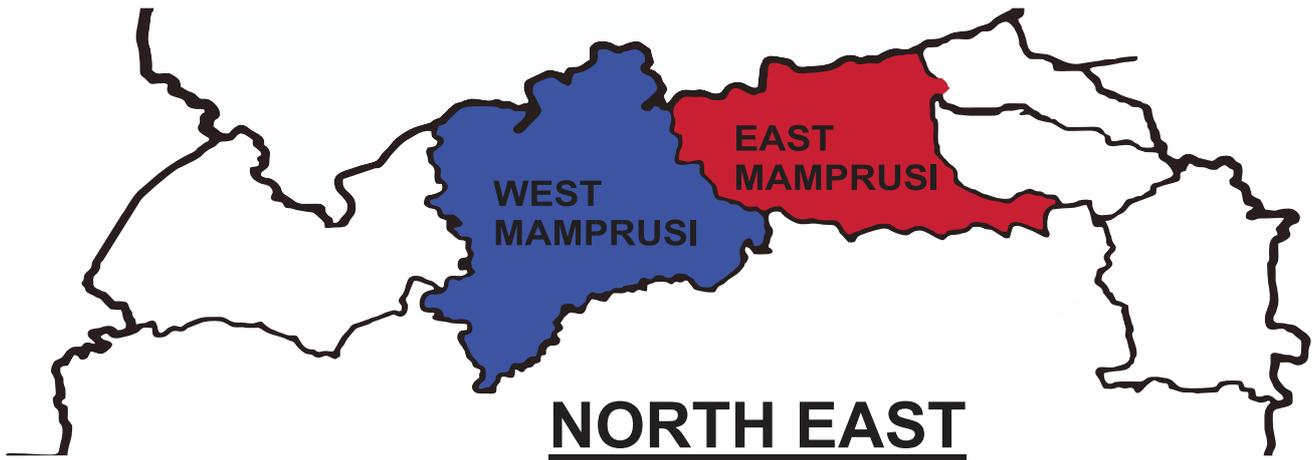
Mion ■■■

Population=101,955
 Male=50,717
 Female =51,238
 F1=1 RCB /1 BAC
 Processors=15 (Rice)
 FBOs=(10 Maize,10
 Rice,10 Soya,10 Grand-
 nut)
 Nutrition Officers =1
 Extension Officers =3
 Youth Group =N/A
 Women Group =20
 total people =547
 Nutrition Trainers=3

Savelugu Nanton ■■■

Population=122,888
 Male=60,390
 Female =62,498
 F1= 1 Commercial Bank
 1 RCB /1 BAC
 Processors=6
 5 Rice / 1 Soya
 Aggregators=10
 5 Maize/ 3 Soya/2 Rice
 FBOs=8
 2 Maize
 2 Rice
 2 Grandnut
 2 Soya
 Nutrition Officers =1
 Extension Officers =1
 Youth Group Mem-
 bership=565
 Women Group =20
 Total Membership
 =556
 Nutrition Trainers=6

North East Region and the Selected Districts

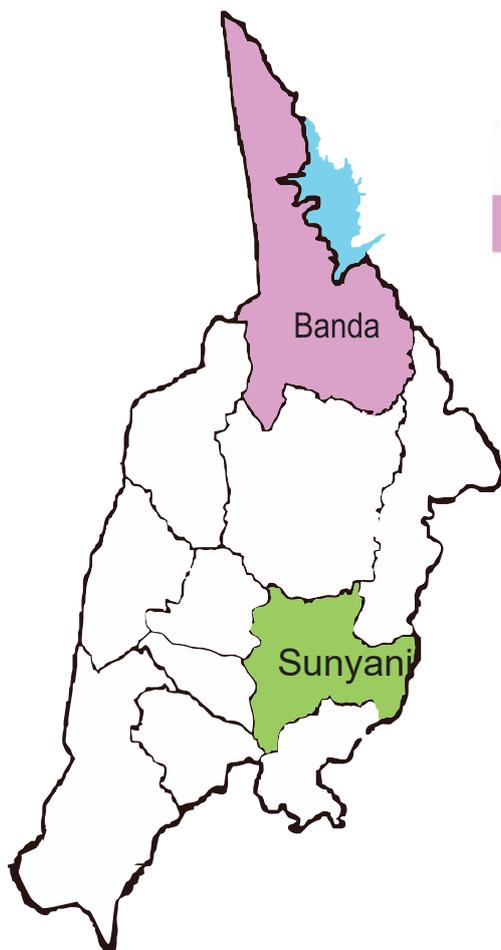


West Mamprusi

Population=175,755
 Male=85,768
 Female =89987
 FI= 2 Commercial Bank,
 1 MFI,
 1 BAC
 Processors=7
 Aggregators=7
 FBOs=
 4 Grandnut
 4 Soya
 4 Maize
 7 Grandnut
 Nutrition Officers =1
 Extension Officers =11
 Youth Group =0
 Women Group =12
 Total Members=416

East Mamprusi

Population=188,006
 Male=91,119
 Female =96,887
 FI=1 Commercial Bank,
 1 RCB,
 1 BAC
 Processors=10
 Aggregators=16
 FBOs=
 7 Maize
 5 Rice
 9 Soya
 6 Grandnut
 Nutrition Officers =1
 Extension Officers =1
 Youth Group =7
 Total Members=424
 Women Group =7
 total members=1,000

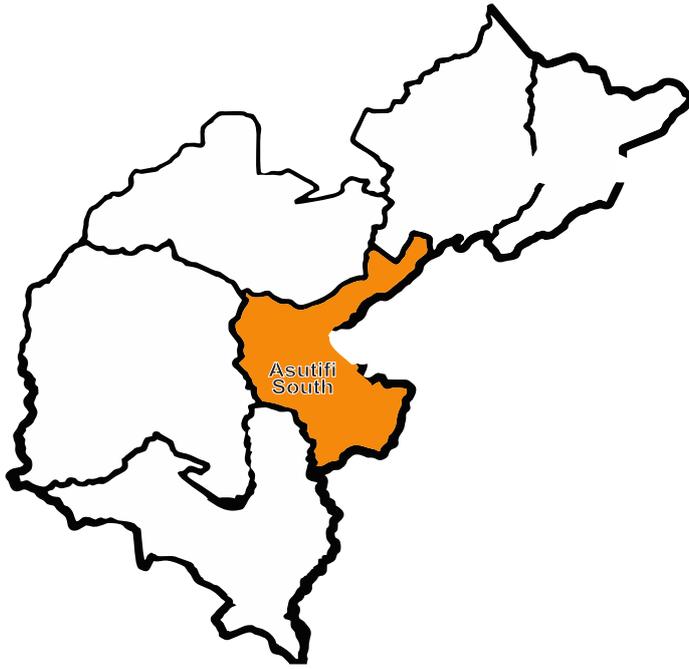


Banda

Male =13,366
 Female =14,843
 Total =28,179
 F1:1 BAC
 Agric=1
 Non Agric=0
 Processor =0
 Aggregator
 Maize=4
 Grand nut=7
 FBO
 Maize-3
 Rice =0
 Soya=2
 Grand nut =0
 Youth group =1
 Total Membership =20
 Maize=2
 Woman group
 Maize=2
 Grand nut =1
 Nutrition officer =1
 Ext agent =7
 Nutrition food person =

Sunyani West

Pop=136,022
 Male=67251
 Female =68,771
 F1=1 Rural Bank
 Processor =3
 Aggregator=54
 Youth Group =0
 Women Group =4
 Total Membership =91
 FBOs:
 6 MAIZE
 0 GRANDNUT
 0 SOYA
 1 NUTRITION OFFICER
 4 EXTENSION OFFICER
 1 BAC

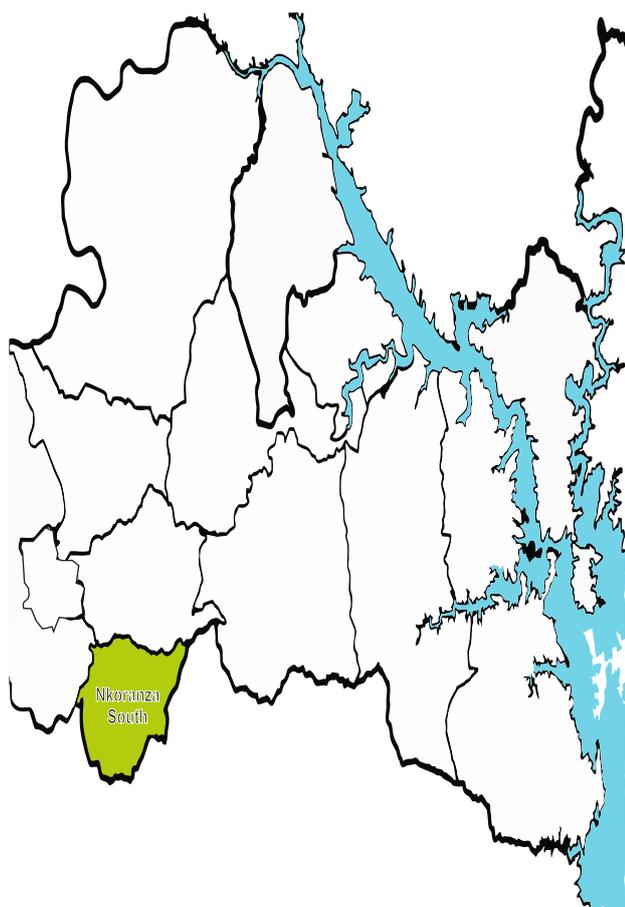


Asutifi South



Population:
 male-34,932
 Female-33,462
 Total-68,994
 F1-4
 Not agric-0
 FBO
 Maize-4
 Rice-=0
 Soya -0
 Grand nut -0
 Processor
 Rice-7
 Maize-3
 Aggregator
 Maize-10
 Rice-8
 Grand nut -1

Bono East Region Selected District



Nkoranza South

Nkoranza South
Pop:54286
Male= 29644
Female =24642
F1 =2 Rural Banks
1BAC
Processors =0
Aggregators =0
FBOs=
53 Maize
0 Grandnut
0 Soya
0 rice
Youth group=0
Women Group 1
Total Membership 20
1 Nutrition officer
9 Extension