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ANNEX 1

to the Commission Implementing Decision on the financing of the 2023 Annual Action Plan in favour of the Republic of Ghana

Action Document for EU-Ghana Partnership for green transition and agribusiness

ANNUAL PLAN

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	EU-Ghana Partnership for green transition and agribusiness OPSYS number: ACT-61544 Financed under the Neighbourhood, Development and International Cooperation Instrument (<u>NDICI-Global Europe</u>)
2. Team Europe Initiative	The action will contribute to the Team Europe Initiative on Smart, Green and Digital Recovery in Ghana.
3. Zone benefiting from the action	The action shall be carried out in Ghana. The part relating to agribusiness will focus on northern Ghana, while the forestry, including cocoa, will focus on the southern belt.
4. Programming document	EU-Ghana Joint Programming 2021-2027
5. Link with relevant MIP(s) objectives / expected results	Priority area 1 - Green growth for jobs, in particular specific objective 2: “ <i>Support sustainable and inclusive agribusiness value chains with a particular focus on the cocoa sector</i> ”. The proposed Action will also contribute to <i>Priority Area 3</i> of the Joint Programming Document – <i>Good governance and security</i> and aims to achieve Result 1.1: Ghana’s natural resources and biodiversity are better conserved and managed in a sustainable and transparent manner. To a lesser extent, as the Action will focus on the North of the country, it will also contribute to <i>Priority Area 3</i> , specific objective 3: <i>Improve security, ensure peace and prevent conflicts</i> .
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	Priority area 1 – Green growth for jobs 310 Agriculture, Forestry, Fishing
7. Sustainable Development Goals (SDGs)	Main SDG: SDG 8, Decent work and economic growth

	Other significant SDGs: SDG 1: no poverty; SDG 2: zero hunger; SDG 5: gender equality; SDG 8: decent work and economic growth; SDG 13: climate action; SDG 15: life on land; SDG 17: partnerships and goals as well as - to a lesser extent SDG3–SDG 3: good health and wellbeing			
8 a) DAC codes	DAC Code 310 Agriculture, Forestry, Fishing DAC Code 410 General Environment Protection DAC Code 31210 Forestry Policy and Administrative Management DAC Code 15170 Women's rights organizations and movements, and government institutions			
8 b) Main Delivery Channel	Member State agencies – 11000			
9. Targets	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input checked="" type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		YES	NO	

	digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	
	Connectivity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	digital connectivity energy transport health education and research	YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	
	Migration (methodology for tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities (methodology for marker and tagging under development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	<p>Budget line(s) (article, item): BGUE-B2023-14.020120-C1-INTPA</p> <p>Total estimated cost: EUR 23 000 000¹</p> <p>Total amount of EU budget contribution EUR 15 000 000</p> <p>This action is co-financed in joint cofinancing by:</p> <p>Agence Française de Développement (AFD) for an amount of EUR 8 000 000</p> <p>The action will contribute to the Team Europe Initiative on Smart, Green and Digital Recovery in Ghana to which the Czech Republic, Denmark, France, Germany, Hungary, Spain, The Netherlands as well as the European Investment Bank participate, for a total grand amount of circa 800-850 MEUR.</p>			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing	Indirect management with Agence Française de Développement (AFD) and the European Forest Institute (EFI).			

1.2 Summary of the Action

Ghana and EU have a strong common interest in promoting sustainable agriculture production and the management of natural resources in a context of climate change. Given their role for the economy, employment, environmental protection, and food security – in particular as a repercussion of Russia's war of aggression against Ukraine, as well as their high potential for MSMEs development, this action will focus on sustainable agribusinesses, forestry and cocoa. The action will help (i) meet the objective of fostering sustainable green jobs and growth, (ii) deliver on Ghana's climate change commitments and (iii) ensure compliance with EU policies and regulations.

¹ This Action is complementary to a EUR 10 million allocated to Ghana under the "Food Production and Resilience of Food Systems in African, Caribbean and Pacific (ACP) countries". Its implementation will occur in parallel and with the same implementing partner to scale-up the impact of the funding support and ensure coherence.

The agribusiness part of the action (component 1 and 2) will support the sustainable development of a selected number of crop value chains, i.e. shea, soybean, vegetables and beekeeping, or alternative ones should opportunities arise. It will build on the results of the 11th EDF support to agriculture in northern Ghana (EU-Ghana Agriculture Programme) and promote agroecological systems. The goal is to enhance the green agriculture transition of Ghana. It will be achieved by (i) improving the sustainability and climate-resilience of agricultural production in northern Ghana (component 1) and (ii) improving access to markets for sustainably-grown produce in northern Ghana (component 2).

The forestry and cocoa part of the action (component 3) will include activities that prevent deforestation and promote reforestation on one side, and support sustainable production of cocoa on the other. Particular emphasis will be put on the Forest Law Enforcement Governance and Trade Voluntary Partnership Agreement (FLEGT-VPA) via accompanying measures. Another focus will be on landscape restoration and promoting agroforestry. For cocoa, the action will implement, at local level, the relevant elements of the Road Map of the Alliance on Sustainable Cocoa launched in June 2022.

Overall, the action will contribute to tackling poverty in rural areas, where production takes place and climate change has the biggest impact, and where measures redressing gender imbalances and targeting youth are more urgently required.

On the longer term, the action intends to strengthen Ghana's capacity to bring direct and sustainable benefits to local communities from productive sectors in the rural areas and to enforce environmental protection and climate resilience.

This action is aligned with the external dimension of the EU Green Deal Strategy and its Farm to Fork and Biodiversity strategies, as well as the 2030 Agenda for Sustainable Development. It will contribute to the Global Europe targets on climate change, biodiversity and human development. The action contributes to the Global Gateway, in particular through its flagships: the sustainable cocoa initiative; the plant-based proteins initiative; the Great Green Wall (GGW) - especially its first pillar - and NaturAfrica, which will put Team Europe partners on the map. Moreover, the action concurs with the Government's policies 'Planting for Food and Jobs', the 'Re-greening Ghana' agenda and the Ghana Nationally Determined Contribution, that target the economic growth of the northern regions, which are more affected by climate change, also contributing to the active involvement of Ghana in the GGW initiative. The action will also facilitate the implementation of forthcoming EU due diligence legislations, in particular the regulation proposal relating to deforestation and forest degradation, and the directive for corporate social responsibility. Evidence-based research will be key in this respect particularly to better know how to promote sustainable agriculture production and the management of natural resources in a context of climate change affecting particularly countries in West Africa such as Ghana.

This action will leverage the activities and results of the Ghana component (EUR 10 million) of the programme on Food Production and Resilience of Food Systems in African, Caribbean and Pacific (ACP) countries adopted in September 2022. This intervention financed by the EU is designed to be an emergency support package to enhance food production and resilience of food systems in the ACP².

2 RATIONALE

2.1 Context

The agricultural sector in Ghana has been a major driver of poverty reduction and dominates the livelihoods of rural households. It is today estimated that 62.5 % of rural households are engaged in agricultural activities mainly for sustenance³. Agricultural land area constitutes 69.1% of the total land area. However, only 57.6% of the arable land is currently cultivated and the potential for growth is enormous⁴. Agriculture continues to be small holder driven, with about 90% of farm holdings less than two hectares in size. Outputs from Smallholder Farmers (SHFs)

² Council Decision (EU) 2022/1223 of 12 July 2022 concerning the allocation of funds de-committed from projects under the 10th and 11th European Development Funds for the purpose of financing actions addressing the food security crisis and economic shock in African, Caribbean and Pacific (ACP) countries following Russia's war of aggression against Ukraine; Ghana component FED/2022/44443

³ Ghana Living Standard Survey 7 (GLSS), Ghana Statistical Service (2019).

⁴ Agriculture in Ghana: Facts and Figures Statistics Research and Information Directorate (SRID) of the Ministry of Food and Agriculture (MoFA) (2021).

remain stubbornly low, largely due to low productivity levels resulting from low access to inputs and other factors of production, limited mechanization, high post-harvest losses, poor market access including lack of market information systems, and in recent years the increasing threat of climate variability and droughts. Even though the country has progressed as net food exporter (driven by cocoa, yam and other products), the country's imports of rice (about 500K MT annually) and wheat are major concerns for agriculture development as they stifle local production and also a major cause of imbalance of trade in the country. Key features are as follows:

- (i) Ghana faces productivity challenges including optimal yield against potential yield for major crops according to MoFA⁵ as at 2020: for rice, actual 4.5 t/ha vs. a potential of 6.0 t/ha; for maize, actual 3.3 t/ha vs. a potential of 5.5 t/ha; for soybean, actual 1.6 t/ha vs. a potential of 3.0 t/ha, and for cocoa actual 717 kg/ha vs a potential 1,110 kg/ha in low-input systems and 2,650 kg/ha in high input systems⁶. The food and agriculture production systems are vulnerable (as they are un-mechanised and rain-fed) to the climate change, due to changes in precipitation patterns, extreme weather events, and reductions in water availability, which result in additional reduced agricultural productivity, especially in the North of the country.
- (ii) Fertiliser use stands at 15 kg/ha of arable land vs. a potential of 50k/ha. Actually Ghana has a fertiliser subsidy program, however 93% of the budget allocation targets cocoa farmers only. Ghana does not produce inorganic fertiliser and all fertilisers are imported.
- (iii) Inorganic fertiliser use has been consistently low, accounting for an average of 3.58% with the highest at 8.5% in 2017⁷. However, the use of organic fertiliser has been declining as a percentage of total use mainly due to increasing importation of inorganic fertiliser.
- (iv) There is a high cost of credit to the tune of about 25% due to high inflation rates which restricts credit access especially for SHFs.
- (v) Only 6% of the lending amount go to agriculture due to high price volatility in particular.

The five Northern regions (Northern, North-East, Upper East, Upper West, Savannah) have close to 40% of the Ghana's land mass and have the potential to serve as the breadbasket of the nation, provide income and create sustainable jobs through agricultural transformation and modernisation. These regions are today the leading producers of maize and rice, accounting for more than 48% and 36% respectively, providing marketable surplus of more than 70% for maize and 55% for rice. However, considered "crop rich and cash poor", Northern Ghana epitomizes the situation of underdeveloped regions in otherwise fast-moving national economies. The rate of development there has fallen far behind the pace of Central and Southern Ghana. Large-scale direct investment systems have not sustained it. Private sector activities have long remained limited to spot-purchase aggregation. Despite accounting for about half the total of land surface of Ghana, it is the least developed part of the country.

The rural economy of the underdeveloped Northern regions is complex and the potential of the region is bedevilled by challenges including:

- (i) a high overall rural poverty level;
- (ii) systemic malnutrition and seasonal hunger;
- (iii) an extensive production system with low overall agricultural productivity and low output;
- (iv) low soil fertility and mounting pressure on natural resources, including from climate change;
- (v) a sub-optimal use of water resources and dependence on erratic rains: despite efforts to increase irrigation schemes, the regional agriculture remains strongly dependent on rain-fed cultivation making it highly vulnerable to climate change effects;
- (vi) limited availability of agro-inputs: low use of certified improved seeds (less than 5%), and varieties adapted to climate change, chemicals and fertilisers, low availability of organic fertilisers;
- (vii) limited technical know-how by farmers on good agronomic practices thereby making them non-competitive;
- (viii) limited access to services including mechanization, insurance;
- (ix) almost no formal credit or suitable financial mechanisms;

⁵ Press briefing by Hon. Dr. Owusu Afriyie Akoto, Minister For Food And Agriculture, 29th August 2021

⁶ Source: Asasnta P and al. The cocoa yield gap in Ghana: A quantification and an analysis of factors that could narrow the gap in Agrocimtiram Systems, vol 201, August 2022. <https://www.sciencedirect.com/science/article/pii/S0308521X22001093>

⁷ Fertiliser Statistics Overview Ghana 2015 – 2019 (Africa (2020 Edition) Africafertilizer.org

- (x) weak farmer associations (FBO) and low supplier networks have resulted in weak negotiating position of FBOs and limited ability to formally engage farmers leading to inconsistent supply of produce to aggregators;
- (xi) limited availability of marketing systems with difficult access to main the markets in the Southern part of Ghana, let alone the export market, weak linkages occasioned by lack of or weak enforcement of forward contracts, poor post-harvest handling systems and infrastructure.

Despite continuous investments made in priority value chains including maize, soybean, cowpea and groundnut by both government and donors in the Northern regions, and even though progress is being recorded towards bridging the productivity and income gaps, coordination is a challenge, sometimes leading to duplication of efforts among partners. Overall, a result-oriented monitoring system to ensure coordination of investments at regional and district levels is critically lacking, exacerbated by absence of reliable database for planning and allocation of resources. For effectively coordinating and engaging private sector, donor community and develop investment plans that are responsive and dynamic to attract investments, the capacity of the regional and district decentralised systems and other public institutions are still to be strengthened.

The European Union and its Member States – in a Team Europe approach – have focused their support on the Northern part of the country to lift the barrier to development, create equitable income and also bridge the social gap existing in the so-called north-south divide in the country. The EU Agriculture Programme in Ghana (EUGAP) particularly has been implemented in Upper West Region, among others via GIZ and AFD. The programme's objective is to contribute to higher income of smallholder farmers through increased agricultural productivity, natural resources protection, and improved access to markets.

As set out in its trade strategy, the EU is committed to boosting sustainability and ensuring that its trade and investment tools accompany and support a global transition towards a climate neutral economy. The EU has therefore proposed a number of autonomous measures promoting sustainable development, including climate neutral economic growth, which may bring additional challenges to producers and exporters from Ghana, who will have to adapt to and comply with new market requirements for their exports to be competitive on the EU market. This action will contribute to the Team Europe Initiative on Smart, Green and Digital Recovery in Ghana. Activities will be coordinated with other initiatives from EU member states, notably France (investments in tree crops), Germany (Agribiz), the Netherlands (Hortifresh) and Italy (the Ghana Shea Landscape Emission Reductions Project).

Ghana is the second largest producer of cocoa in the world. The cocoa sector contributes 17.4% to exports value (2019). The EU is the world's largest importer of cocoa, accounting for 60% of world imports of cocoa products. Cocoa beans and products from primary processing (such as cocoa butter and paste) account for 58% of Ghana's total export value to the EU. These products are entering the EU market tariff- and quota-free under the **Economic Partnership Agreements (EPAs) between the EU and Ghana.**

The contribution of the cocoa industry to the Ghanaian economy is significant, employing approximately 800,000 farm families and generating \$2 billion annually through foreign exchange of export crops. Today, cocoa production in Ghana is facing unprecedented economic, environmental and social challenges. A large majority of cocoa producers still live below the **poverty** line and have to survive on less than EUR 0.90 per day. While poverty and its other root causes are not unique to cocoa, the cocoa supply chain contributes and, in many cases, reinforces structural poverty, inequalities and exclusion. Over the past 40 years, the real price paid to the planter has been reduced by 3. Decreasing soil fertility, plant diseases, aging of plantations and the lack of good agricultural practices are all factors, being exacerbated by the effects of climate change, which are contributing to declining lowering cocoa yields and further impoverishing farmers. The endemic poverty in the sector tends to induce the use of child labour. It is also one of the root causes of forest degradation and deforestation in cocoa growing areas, alongside weak governance of the sector.

In West Africa, cocoa has displaced native coastal forests during the past 60 years. Today, **deforestation** is exacerbated by productivity decline due to depleted soils, aging trees and diseases (swollen shoot). Inadequate farming practices lead farmers to clear more forests to increase production areas. This has led to in-country migrations to new forested areas where deforestation takes place for planting cocoa. In Ghana, agricultural expansion for food crops is responsible for about 80% of total deforestation and cocoa is considered to be the single most important agricultural commodity driver of deforestation. In Ghana, the prevalent customary land

tenure regime discourages farmers to invest in farms. Preference also goes to a full sun hybrid variety in large portions of the cocoa production areas.

According to a report by the US Department of Labour International Affairs, children in Ghana are subjected to the worst forms of **child labour**, including in cocoa production, sometimes as a result of trafficking in human beings. A majority of children subject to trafficking in human beings in Ghana are exploited in cocoa production, domestic work, sexual exploitation, gold mining, or fishing. One root cause of child labour is insufficient family incomes and lack of legal protection of childhood. Efforts made in past years are constant, but described as limited. Although child labour, forced labour and discrimination are illegal in all cocoa producing countries in West Africa, poverty is still a reality for most smallholder cocoa farmers in Ghana and gender inequality remains the rule rather than the exception. The same is true for the destruction of protected forests. Poverty, child labour, deforestation and land degradation are finally linked by a “positive feedback loop”, which makes solutions difficult.

The fact is that cocoa grown under illegal circumstances still finds its way to markets worldwide. The EU is taking action to reduce the adverse social and environmental impacts in its supply chains with two legislative proposals:

- A “Regulation on Deforestation-Free Products” that prohibits the placing on the EU market of seven commodities (including cocoa) associated with deforestation in the country of origin.
- A “Corporate Sustainability Due Diligence Directive” that requires large companies operating in the EU to conduct human rights and environmental due diligence in their supply chains.

Engaged in talks for several years, the EU, Ghana and Côte d’Ivoire have agreed on a Sustainable Cocoa Initiative⁸, which will have 4 dimensions: (i) prices, standards and traceability, (ii) creation, implementation and strengthening of National Strategies/Action Plans, continuation of national dialogues, (iii) bilateral policy dialogue on sustainability issues in various committees established with ACP States notably under the EPA and the bilateral policy dialogue on development cooperation, and (iv) support through the EU development corporation and finance.

The FLEGT licensing and Voluntary Partnership Agreement (VPA) with Ghana

Ghana’s Legality Assurance System underwent an independent joint assessment during the second semester 2020. It identified a number of issues that would need to be addressed prior to FLEGT licensing becoming operational. A draft action plan setting out these issues has been jointly developed by the Ghana Forestry Commission and the EUD with support from the European Forest Institute. The draft plan contains a number of issues under discussion between the European Commission and Ghana. Hence, further support is needed – under this action – to continue the policy dialogue and institutional capacity building, leading ultimately to the smooth operationalisation of the FLEGT licensing.

2.2 Problem Analysis

Despite the roll-out of the government’s flagship programme of planting for food and jobs (PFJ), which seeks to push crop production technologies (certified seed, fertiliser, and extension) to smallholders, value chain actors are facing serious challenges:

- **At national level, Ghana is facing serious threats on natural resources:** Ghana has witnessed extensive tree cover loss over recent decades (with domino effect on climate change), as well as land degradation and soil depletion under heavy mechanization and chemical over-use. Climate change adds to these constraints through rainfall variability, droughts and heatwaves among others. Also mining, logging, and expansion of urban areas have greatly impacted the ecology of savannah landscapes in north Ghana. This has damaged soil fertility and undermined communities’ resilience, putting food security at risk. Combined with reduced biodiversity and ecosystem services, natural resources loss is a key problem faced by local farmer communities across the country.
- **Increasing food insecurity especially in the 5 Northern Region in Ghana as compared to the Southern part of the country.** Generally 18 percent of food insecurity is found in the Upper East region and 17 percent in the Northern region. The regions with the highest prevalence of food insecurity is Upper East, with a rate of 49 percent. Two other regions – North-East and Northern - have food insecurity

⁸ This has led to the Alliance for Sustainable Cocoa (June 28th, 2022).

prevalence rates exceeding 30 percent (33 percent and 31 percent, respectively⁹). The EU will invest EUR 10 million as soon as 2022 under the “Food Production and Resilience of Food Systems in African, Caribbean and Pacific (ACP) countries” to help combat food insecurity.

- **Shortage of fertilisers and price hike are looming in Ghana as a consequence of the Russian aggression of Ukraine.** In West Africa, no country produces chemical fertilisers¹⁰. Farmers are dependent upon global imports. Yet the cost of these inputs has risen considerably on the global market between June 2020 and March 2022, for example recording a +80% for phosphorus fertiliser and up to +100% for potash. Tensions on the market come from disrupted exports from Ukraine and more seriously from Russia, which is one of the top supplier of both inputs and raw materials such as sulphur or ammonia¹¹. Small farmers in Ghana won't be able anymore to afford them at such high prices. And GoG does not have sufficient budgetary capacities to increase subsidies. The consequences on Ghanaian farmers' capacities to access inorganic fertilisers are therefore likely to be significant in the months and year to come¹². This situation, that may last, offers opportunity for local solutions.
- **The current model for farming crops such as maize, cassava, rice, some vegetables, and even for some legumes as soybean and groundnut,** is based on mono-cropping models and the use of chemical fertiliser. Prices are subsidized by the Ghanaian state but have been rising nevertheless in the past years. It is critical to reduce drastically the dependency of Ghanaian farmers on chemical fertilisers. Many alternatives to chemical fertilisers exist, especially in the framework of agroecology principles.
- **The Creation of the Tree Crop Development Authority:** in order to develop tree crops and reduce dependency on cocoa, the government has created the Tree Crop Development Authority (TCDA) with the mandate to give research support, production and value chain development support, capacity building and more importantly licensing and regulation of the sector. TCDA was established in 2019 and as a nascent institution lacks the capacity to undertake its mandate. Capacity Building of TCDA is critical for the diversification of the export sector in Ghana.
- **Gender inequality remains widespread across the country.** According to OXFAM, women are more likely to be poorer and to have fewer assets. For instance, they are half as likely as men to own land. They are also significantly less likely than men to be wealthy – only 6% of the richest people in Ghana are women.

Cocoa sustainability

Income distribution in the cocoa value chain is notoriously unequal at the expense of the farmers. A study conducted in neighbouring Côte d'Ivoire, which has similar production systems to Ghana, compared production systems with the more diverse systems existing in Peru, confirmed this and suggested that agroforestry could improve yields and cocoa farmers' income simultaneously¹³. In addition, diversified agro-ecosystems and farms are more resilient to climate change and other stresses.

There are a variety of initiatives to combat child labour, from public, private and multilateral institutions and NGOs. At central level, the Ghana Child Labour Monitoring System developed by the Ministry of Employment Labour and Labour Relations (MELR) is based on monitoring officers at the district level, with the involvement of the population organized in committees to provide child protection surveillance. However, beyond data collection, coordination is needed. All types of institutions and companies have set up their own child labour monitoring systems, but those are not coordinated as of today. A stakeholder's platform on child labour exists, but it is not institutionalized yet. UNICEF has underlined the limits of a due diligence and compliance approach to child labour: as companies usually focus on eliminating “the worst forms of child labour” in the cocoa sector only, there is a serious risk that children at risk will be displaced to other sectors such as illegal mining and fishing sector, or even be abused. Overall, a landscape systemic approach to child labour (like the Child Labour Free Zones that are in preparation) and defence of the rights of children seem more appropriate solutions than a purely sectoral approach.

⁹ Comprehensive Food Security and Vulnerability Analysis (CFSVA) GHANA (2020):

[https://www.statsghana.gov.gh/gssmain/fileUpload/pressrelease/Comprehensive%20Food%20Security%20and%20Vulnerability%20Analysis%20\(CFSVA\).pdf](https://www.statsghana.gov.gh/gssmain/fileUpload/pressrelease/Comprehensive%20Food%20Security%20and%20Vulnerability%20Analysis%20(CFSVA).pdf)

¹⁰ Except Nigeria, which exports it to Brazil.

¹¹ Norwegian fertiliser manufacturer Yara recently announced that it has temporarily reduced its production in Italy and in France. This is a direct consequence of the exponential rise of gas prices, the main raw material for nitrogen fertilisers.

¹² https://www.wsj.com/articles/fertilizer-prices-surge-as-ukraine-war-cuts-supply-leaving-farmers-shocked-11648114381?mod=Searchresults_pos10&page=1

¹³ The Dark Side of Chocolate, Basic for the French Fair Trade Platform, 2016.

Local climate change prospects make the situation even more threatening for Ghana's natural forests. According to studies from 2017¹⁴, this will in turn threaten cocoa productivity: "climate suitability for cocoa cultivation in the Western regions of Ghana, the most important region for cocoa production in the country, will decrease substantially due to changing climate endangering other forested areas"¹⁵. In 2022, the situation hasn't improved and may confirm the most threatening scenario.

A general interest in agroforestry, intercropping, and diversification do exist amongst producers and institutions. At the same time, the country has set up very ambitious quantitative objectives in terms of cocoa production, which may be conflicting with the willingness to address the main issues of deforestation and child labour, in the absence of significant changes in cocoa production in Ghana¹⁶. Major actors seem to lack information to understand the root causes of deforestation, highlighted by recent studies. Overall, the lack of a national consensus on the drivers of cocoa unsustainability and the absence of a clear strategy to address those drivers hinder the efficiency of collaborative actions as well as the possibility to hold actors accountable. Inter-institutional coordination is very limited, which hinders data sharing and transparency (such as on forest cover and deforestation).

Cocoa agroforestry systems include timber trees, but also other fruit, fodder and multipurpose trees in a lower layer providing Non-Timber Forest Products (NTFP), as well as agricultural crops on the ground such as *Musa* spp., cocoyam, vegetables etc. They are viewed as a serious solution to deforestation by maintaining cocoa productivity and securing revenues through diversification. However, naturally growing trees are said to belong to the public sector in the Ghanaian law and this definitely dissuades cocoa producers to establish those promising agroforestry systems. As a consequence, tree tenure is likely to be one of the main serious issue when it comes to deforestation. Liberalising the ownership of trees seems to be one of the most important priorities to stop deforestation in agricultural areas.

When it comes to timber exploitation and trade under the FLEGT, there is a need to further promote the Ghana Wood Tracking System, to establish multi-stakeholder platforms to monitor illegal logging and harvesting and to address remaining issues with tree tenure, equity in benefit sharing and gender mainstreaming in the exploitation of natural resources.

Identification of main stakeholders and corresponding institutional and/or organisational issues to be covered by the action:

From the Government side, the key stakeholders of this action are the Ministry of Food and Agriculture, the Ministry of Employment and Labour Relations, Ministry of Lands and Natural Resources, the Forestry Commission, the COCOBOD and the Tree Crop Development Authority. The other stakeholders are the development partners with whom the action will be coordinated (UNICEF, World Bank for example), including EU Member states, civil society and the private sector and relevant service providers.

Local authorities will be directly involved because of their role in land planning, environment protection and economic development. The Northern Development Authority, the Directorate of Agriculture within the Regional Coordinating Councils (RCC), and the districts of the five northern regions in particular will be part of the action implementation.

Farmer Based Organisations (FBO) and Civil Society Organisations (CSO)¹⁷ will implement some of the activities at the grassroots level. They have developed solid expertise in land planning, conservation and productive use of natural resources. They are also key to social cohesion and local democracy thanks to extensive experience working with local communities.

¹⁴ Predicting the Future Climatic Suitability for Cocoa Farming of the World's leading Producer Countries, Ghana and Côte d'Ivoire, P. Läderach et al., 2017 (<https://link.springer.com/article/10.1007/s10584-013-0774-8>); and World Bank 2017.

¹⁵ The World Bank, 2017.

¹⁶ Along with its mandate, production is the focus of the COCOBOD. Among its objectives, the COCOBOD purchases, markets and exports cocoa, and cocoa products produced in Ghana, as well as regulates the internal marketing of cocoa, secures the most favourable arrangements for the purchase, grading and sealing, certification, sale and export of cocoa. It therefore important to take this aspect into account when dealing with the different perspectives raised by the actors of the dialogue on sustainable cocoa.

¹⁷ Including youth-led organisations

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The Overall Objective of this action is **To accelerate the transition of Ghana's agricultural sector toward sustainability, resilience, inclusivity and food security.**

The implementation of this action will contribute to smart, green and digital economic recovery in Ghana (TEI).

The Specific Objectives of this action are to:

- 1 Improve the sustainability and climate-resilience of agricultural production in northern Ghana
- 2 Improve access to markets for sustainably-grown produce in northern Ghana
- 3 Improve forest management and sustainable cocoa production in Ghana

The Outputs to be delivered by this action contributing to the corresponding Specific Objectives are:

- Contributing to Specific Objective 1:
 - 1.1 Sustainable crop value chains developed
 - 1.2 Improved capacity of farmers for using sustainable practices
 - 1.3 Improved access of smallholders to inputs and services
- Contributing to Specific Objective 2:
 - 2.1 Improved capacity of Value Chains Associations and FBOs in supporting access to market for their members
 - 2.2 Improved capacity of district and local actors, FBOs and farmers for applying Quality Management Systems and Good Agricultural Practices, including climate-adapted, smart agricultural practices for their produce.
 - 2.3 Improved capacity of community processors to meet markets requirements in their value chains.
- Contributing to Specific Objective 3:
 - 3.1 Improved capacity of the cocoa value chain actors in working together and ensuring sustainable cocoa production in Ghana
 - 3.2 Improved capacity of FLEGT-related multi-stakeholder platforms
 - 3.3 Facilitated landscape restoration with the support of the Action

The above specific objectives and outputs are aligned with the Ghana component of the Food Production and Resilience of Food Systems in African, Caribbean and Pacific (ACP) countries.

3.2 Indicative Activities

Activities relating to Output 1.1:

- Identify and recommend sustainable and resilient crop value chains through commissioning studies, analysis, briefs and holding conferences for stakeholders involved and engaged in agroecology in Ghana and beyond (TCDA, regional directorate of Agriculture, NDA, Centre for No-Till Agriculture, development partners, private aggregators, FBOs, research institutes, Damengo Agriculture College, etc.). Experience built through the EU-funded Resilience Against climate Change Project (REACH) and the Market Oriented Agriculture Programme in Ghana (MOAP) on agroecological crop value chain tailored to the reality of northern Ghana will be leveraged.

Activities relating to Output 1.2:

- Promote the recommended agroecological models to farmer communities through sensitization of farmers, on-site demonstration and Farmer Fields School, with specific targeting of women and youth, including migrant workers, as key beneficiaries.

Activities relating to Output 1.3:

- Extension agents will be trained to coach farmers in the long term on the proper application of best sustainable practices, including climate change adaptation like i.e. conservation agriculture, among others

Local farmers and suppliers will be supported to provide the organic inputs and services they need to apply the new recommended systems: organic fertilisers, natural insecticides, micro-organisms enhancing plant feed (mycorrhizas, etc.), sustainable water management, diversification, soil management, etc. Women and youth will be specifically targeted as producers. A package of inputs and services based on those sustainable solutions will be proposed through an outgrower scheme. The activities of REACH's TECAS¹⁸ will be expanded, especially in light mechanization services. Other mechanization service providers will be supported to engage them in conservation agriculture and increase the offer.

Activities relating to Output 2.1:

- Conduct in-depth market analysis for each VC. VCs Cooperatives and Associations are structured/organized/strengthened depending of their level of development for a better access to market. Women and youth associations will be targeted for specific crops (vegetables, honey). Value chain strategic committees based on the EU-funded West Africa Competitiveness Programme (WACOMP) support programme model are formed/developed/strengthened at District level and dialogue between public and private actors within the value chain promoted to ensure that effective and coherent support is provided for the VC actors. Attention is paid to low-energy and low-resources processes to enhance sustainability.

Activities relating to Output 2.2:

- A culture for quality in the value chains is promoted to raise awareness on the consumers' consumption trends for sustainable products, via the following activities: i) Assessment of quality needs along the VCs for enterprises. ii) Support the development and implementation of plans to improve the standardisation, accreditation and certification required by the targeted VCs. iii) Lead the dissemination of standards required throughout each VC's industry through workshops, direct training, and technology transfer (ensuring VC actors are implementing them correctly). iv) Provide training and capacity building to primary producers to produce according to Good Agricultural Practices (GAP), including climate smart practices, with a specific targeting of women and youth, and also Water User Association for integrated water resources and irrigation facilities management; training of extension officers to assist them to implement the right standards.

Activities relating to Output 2.3:

- Training and capacity building support are extended to local processors to increase processing to meet domestic and international demand. They will include the following type of activities: i) Support community processors to upgrade them to SMEs towards improving processes efficiency and post-harvest practices (storage, sorting, grading), targeting as a matter of priority women and youth processors (notably in the shea VC) and by adopting circular economy, renewable energy and responsible production principles. ii) Allocate direct grants for investment in efficient small equipment to the benefit of local processors with preference for women and youth. iii) Advisory marketing services and strengthening of basic business skills. iv) Improve and support associations to sell produce to local retailers and wholesalers (supermarkets), especially Water User Association including women and youth for vegetables.

Activities relating to Output 3.1:

- The action will implement, at local level, the relevant elements of the Road Map of the EU Alliance on Sustainable Cocoa launched in June 2022. Activities will complement the on-going EU Sustainable Cocoa Initiative support programme. Activities will be flexible and demand-driven to support the priorities that emerge from the national multi-stakeholder dialogue and enhance the capacity of the cocoa value chain actors in working together and ensuring sustainable cocoa production in Ghana. The same areas of support of the EU Sustainable Cocoa Initiative support programme will be tackled, but not limited to: Traceability systems including deforestation and child labour monitoring; Standards (ARS); Prices and markets, Sustainable production including supporting farmers in transitioning to agroecology practices or strengthening their cooperatives; and Coordination needs.

¹⁸ TECAS: Training and Extension for Conservation Agriculture in the Savannahs was established in 2019 as a social enterprise to champion the promotion and adoption of Conservation Agriculture (CA) in North-West Ghana. TECAS' activities are guided by the 3 principles of CA: little to no soil disturbance, permanent soil cover, and crop rotation and associations. TECAS mitigates the adverse effects of climate change on agriculture and fill the deficit in CA mechanization. TECAS receive TA funding support from MOAP and equipment from REACH.

- Activities will aim at increasing national capacity to implement institutional and legal frameworks governing sustainable cocoa production to support alignments with future EU requirements, and support the operationalisation of the African cocoa standard (ARS). Activities will support the roll-out and operationalisation of an inclusive and transparent Cocoa Management System set up by the COCOBOD that responds to the needs of cocoa stakeholders and operators: support MERL in its efforts to extend its coverage of child labour status to all cocoa regions; assist public and private players on the completion and interoperability of their databases; support the monitoring and update of forest maps and deforestation risk assessment and mitigation in collaboration with the Ghana Forestry Commission.

Activities relating to Output 3.2:

- Support Ghana to move towards FLEGT licensing and use the Ghana Wood Tracking System and multi-stakeholder platforms to monitor illegal logging and harvesting and address issues with tree tenure, equity in benefit sharing and gender mainstreaming in the exploitation of natural resources. Specific activities: address the issues that have come up in the second joint assessment of the Ghana FLEGT system and proceed to licensing, enforcement of the GWTS, support to NGOs to enforce the GWTS, support further discussions and actions around tree tenure, support NGOs and communities to conduct gender mainstreaming activities in the forest sector.

Activities relating to Output 3.3:

- Emphasis here is to improve forest cover through community forestry in the off-reserve areas and previously mined areas. Specific activities: supporting landowners and farmers to undertake landscape restoration and agroforestry, support community members to develop nurseries for restoration, discuss benefit sharing arrangements between landowners and farmers, and conduct evaluations of restoration approaches. Support NGOs and communities to conduct restoration of surface mining areas. Support community reclamation of areas deforested through surface mining. Communities can be sensitized to turn these areas into forests in conjunction with landowners.

The selected implementing entities will bring a clear added value in agro-ecology and natural resource governance, via the provision of TA service or grants, notably to support the relevant line Ministries and implementing agencies like the Forestry Commissions or the Tree Crop Development Authority. At community level, activities will be sub-contracted to a number of implementing partners including CSOs, which will be competitively recruited based on their capacities and expertise.

The action contributes to the Team Europe Initiative on Smart, Green and digital recovery in Ghana, to which the Czech Republic, Denmark, France, Germany, Hungary, Spain and The Netherlands participate, as well as the European Investment Bank. The total grand amount is of circa 800-850 MEUR. The commitment of the EU's contribution to the Team Europe Initiative to which this action refers, will be complemented by other contributions from Team Europe members. It is subject to the formal confirmation of each respective member's meaningful contribution as early as possible. In the event that the TEIs and/or these contributions do not materialise, the EU action may continue outside a TEI framework.

3.3 Mainstreaming

The action will mainstream the issues of climate change, gender, youth and digitalisation. The digitalisation agenda will be among the cross cutting issues in all the dimensions of the programme for the development of innovative services to economic actors and populations. It will be tackled notably via the improved traceability and transparency of the cocoa value chain to support its sustainability. The other mainstreaming aspects are mentioned hereafter.

Environmental Protection & Climate Change

Outcomes of the SEA screening

The Strategic Environmental Assessment (SEA) screening concluded that no further action was required.

Outcomes of the EIA (Environmental Impact Assessment) screening

The EIA (Environment Impact Assessment) screening classified the action as Category C (no need for further assessment). Agroecology (environment and climate change) are targeted under this intervention and this will contribute to preserve natural resources and biodiversity.

Outcome of the CRA (Climate Risk Assessment) screening

The Climate Risk Assessment (CRA) screening concluded that this action is no or low risk (no need for further assessment). Climate adaption and mitigation is targeted under this intervention.

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that gender equality is a significant objective.

Research on topics addressed by this action

Research on the topics addressed by this Action may also assist in providing more targeted policy response, these will be considered in the studies and analysis foreseen to identify and recommend sustainable and resilient crop value chains and may then be mainstreamed into the implementation of the action.

These studies and analysis may also take into account contributions from the Horizon Europe framework programme on research and innovation supporting evidence-based research particularly on the effects of climate change, on environmental degradation, and on how to provide possible innovative solutions to tackle these effects in order to support sustainable and inclusive agribusiness value chains in Ghana.

Youth empowerment and gender equality and women's empowerment considerations will be integrated throughout the programme cycle from design to implementation. Women and youth will be supported through revenue enhancement and job creation, thus allowing a fairer distribution of wealth and the prevention of internal migration often occurring during the dry season, from the northern to the southern belt.

Human Rights

The action will apply a human rights-based approach by respecting the following principles: respect to all human rights (with specific attention here to child's labour), participation, non-discrimination, accountability, and transparency in all phases.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0.

Democracy

Local authorities, in particular districts, will be directly involved because of their role in land planning, environment protection and economic development. Other actors such as Community Based Organisations and CSOs play an important role in land planning, conservation of natural resources and productive use of natural resources. They are also key to social cohesion and local democracy. CSOs will implement some of the activities at the grassroots level. The Northern Development Authority and the districts of the five northern regions will be part of the action implementation.

Conflict sensitivity, peace and resilience

To a lesser extent, as the Action will focus on the North of the country it will contribute to the Joint Programming Document Priority Area 3, Specific objective 3: *Improve security, ensure peace and prevent conflicts*. Conflict sensitive approach will be applied to land management under the action.

Disaster Risk Reduction

Local solutions to climate change will contribute to disaster risk reduction. Inclusive and adaptive approaches to climate-related displacements (floods along river banks) will be applied under the action.

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
2-3	Lack of Government's interest in pursuing environmental sustainability in the exploitation and management of the country's natural resources.	L	M	The 2024 elections might lead to a change of government priorities. This is a low risk because environmental sustainability, including fight against deforestation is likely to remain high on Ghana's agenda for years. A strong EU/MS and Development Partners-wide political and policy dialogue, coupled with appropriate coordination mechanisms will help to mitigate this risk.
1	Instability of the Sahel region affects the northern regions of Ghana rendering difficult to deliver cooperation if access is dangerous and restricted.	M	M	Monitor and assess actual risks across the intervention zone and focus on the main secure areas.
	Competing interests among the exploitation of natural resources (gold mining, timber, etc.) and the illegal economy.	M	M	Monitor the action implementation and facilitate mitigation dialogue among all interested parties, including on aspects of land tenure if pertinent.
1	Climate change is a risk as well as natural disasters could intensify at a fast pace in the coming years, turning the action into a meaningless intervention.	M	H	Promote climate adaptation and resilience measures which are fully part of the intervention; based on agroecology as an integrated approach.

Lessons Learnt:

- Initiatives from different partners locally show that a number of technical solutions do exist to address the risk of natural resources depletion and promote a resilient agriculture in the face of the climate change, including work delivered under the on-going REACH and MOAP projects. This also means that capacities exist at national or regional level to develop further the approach.
- Local public institutions are yet to be sensitized and trained on the necessary transition to sustainable practices. However, they proved to be committed and expressed willingness to contribute through facilitating producers' access to information, training and inputs.
- The EU-funded WACOMP had interesting results in the structuration of promising VCs for a better access to market and for the promotion of quality throughout VC actors. Such achievements should be leveraged and developed yet with a twist towards the promotion of sustainably-grown product for the markets.

3.5 The Intervention Logic

At a time of mounting threat over natural resources availability and uncertainty on farmer capacity to produce foods, the action intends to strengthen Ghana's agriculture to transition to sustainability while ensuring that this move will strategically contribute to close the development equality gap between North and South. Producing food for all the communities and the nation should be based on a new paradigm comprising environmental protection and climate resilience.

The intervention logic is:

If the identification of good sustainable practices and methods (crop cover, no-tilling mechanisation, quality organic agro-inputs such as seeds, pesticide, and seasonal crop rotation) is applied by the trained farmers, *then* sustainable crop value chains would develop **(1.1)**, the capacity of farmers for using sustainable practices would improve **(1.2)**, such as their access to inputs and services **(1.3)**. If those three outputs are delivered and those practices are accepted and disseminated by the regional Departments of Agriculture, combined with exchange of experience and knowledge among farmers, and no government policies boosting the usage of chemical fertiliser, *then* agricultural production in northern Ghana will become more sustainable and climate-resilient **(1)**.

If the strengthening of private sector, including FBOs, Associations and cooperatives, aggregators, processors is undertaken and assuming that they have absorption capacity for all this knowledge and that the Government of Ghana supports their mainstreaming as key stakeholders, *then* the capacity of Value Chains Associations and FBOs in supporting access to market for their members can be improved **(2.1)**, such as the capacity of district and local actors, FBOs and farmers for applying in Quality Management Systems and Good Agricultural Practices **(2.2)**, and the capacity of community processors to meet markets requirements will be improved **(2.3)**. If those outputs are delivered and Ghanaian businesses grab these market opportunities (demand for sustainably grown products) *then* access to markets for sustainably-grown produce in northern Ghana will improve **(2)**.

If the activities geared to support sustainable cocoa production in Ghana are undertaken, together with activities supporting reforestation and the operationalisation of the FLEGT-VPA, and assuming that all actors are willing to address collectively the sustainability of the cocoa sector, the pursue of policy recommendations agreed on the FLEGT process, and there is no policies preventing forestation *then* the capacity of the cocoa value chain actors in working together and ensuring sustainable cocoa production in Ghana will improve **(3.1)**, the capacity of FLEGT-related multistakeholder platforms will improve **(3.2)**, and landscape restoration will be facilitated by the Action **(3.3)**. If those outputs are delivered and the Government of Ghana engages with all stakeholders on the sustainability of the cocoa, timber and forestry value chains, *then* the forest management and sustainable cocoa production in Ghana will improve **(3)**.

If these outcomes (1, 2 and 3) are achieved *then* the action will contribute to the desired impact (**Overall Objective**): To accelerate the transition of Ghana's agriculture sector towards sustainability, resilience, inclusivity and food security. Only a global approach can make that change possible, taking also into account the results of evidence-based research on the topics addressed by this action.

3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention. On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

Results	Results chain	Indicators	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	To accelerate the transition of Ghana's agriculture sector towards sustainability, resilience, inclusivity and food security	1. Proportion of agricultural area under productive and sustainable agriculture (SDG 2.4.1.) 2. GERF 1.1. Average income of small-scale producers, disaggregated by location, sex and indigenous status 3. Women's Empowerment in Agriculture Index (WEAI) (OPSYS core indicator)	1.TBD in 2022 2.TBD in 2022 3.TBD in 2022	1.TBD in 2022 2.TBD in 2022 3. TBD in 2022	1. National statistics 2. National survey 3. Assessment by the Action - IFPRI database	<i>Not applicable</i>
Outcome 1	Improved and more climate-resilient agricultural production in northern Ghana	1.1. GERF 2.1. Number of smallholders reached with EU supported interventions aimed to increase their sustainable production, access to markets and/or security of land	1.1. 0 by 2022 with the support of this Action	1.1. 15,000 by <identify the target year 1.2. 8,000	1.1. and 1.2. Action's internal monitoring reports	Sustainable production models are accepted and disseminated by the regional

		disaggregated by location and sex 1.2. GERF 2.2. Areas of agricultural and pastoral ecosystems where sustainable management practices have been introduced with EU support	1.2. 0 by 2022 with the support of this Action n/a			Departments of Agriculture. Local conditions make exchange of experience and training possible. Fertiliser price increase is not compensated by an equal rise in government subsidies.
Outcome 2	Improved access to markets for sustainably-grown produce in northern Ghana	2.1. Volume of sales of new crops by VC association and FBO members ¹⁹ 2.2. Number of contracts signed between the VC associations, FBOs and their members with buyers (aggregators and traders)	2.1. 0 by 2022 with the support of this Action 2.1. 0 by 2022 with the support of this project	2.1. Target volume TBD 2.1. 50	2.1. and 2.2. Action's internal monitoring reports	The Market demand exist and opportunities can be grabbed by Ghanaian businesses. VC actors are stable and remain in their business.
Outcome 3	Improved forest management and sustainable cocoa production in Ghana	2.1. Percentage change in the rate of deforestation 2.2. Percentage change in the child labour prevalence in cocoa production areas	2.1. 0 by 2022	Target % for 2.1 and 2.2 TBD	Deforestation: National and independent (NGOs) reports on deforestation progression in Ghana Child labour : National and	Government willingness to engage with all stakeholders on the sustainability of the cocoa value chains

¹⁹ Including community producers

					independent (NGOs) reports on child labour prevalence in Ghana	
Outputs relating to Outcome 1	1.1 Sustainable crop value chains developed	1.1.1. Number of studies on sustainable crop systems published.	1.1.1. 0 by 2022	1.1.1. 10 studies 1.1.2. TBD in 2022	1.1.1. Action internal monitoring reports	Crop-specific systems recommended are agreed for introduction into agricultural practices
	1.2 Improved capacity of farmers for using sustainable practices	1.2.1. Nb of farmers trained and capable of applying the new agroecological practices, disaggregated by location, sex and age 1.2.2. Nb of smallholder farmers sensitized on sustainable practices, disaggregated by location, sex and age	1.2.1. 0 1.2.2. 0	1.2.1. 500 1.2.2. 20,000	1.2.1. Pre- and post-training assessments; sign in lists 1.2.2. Dissemination lists; feedback monitoring reports	Trained farmers continue their agricultural practices and apply the new techniques and seeds
	1.3 Improved access of smallholders to inputs and services	1.3.1. Nb of smallholder farmers having access to cover crops seeds with the support of the action, disaggregated by location, sex and age 1.3.2. Nb of smallholder farmers having access to no-till mechanization services with the support of the action, disaggregated by location, sex and age	1.3.1. 0 by 2022 1.3.2. 0 by 2022 1.3.3. 0 by 2022 1.3.4. 0 by 2022	1.3.1. 5,000 1.3.2. 10,000 1.3.3. 10,000 1.3.4. TBD by 2022	1.3.1. Lists of farmers receiving seeds agreed in the communities 1.3.2. Lists of farmers receiving mechanisation agreed in the communities 1.3.3. Lists of farmers receiving pesticides agreed	The seeds, mechanisation and pesticides are used purposefully and under the supervision and reporting by the extension workers

		<p>1.3.4. Nb of smallholder farmers having access to organic pesticides with the support of the action, disaggregated by location, sex and age</p> <p>1.3.4. Number of extension workers trained - capable of training and advising farmers on sustainable agricultural practices, disaggregated by location, sex and age</p>			<p>in the communities</p> <p>1.3.4. Pre- and post-training assessments; sign-in lists</p>	
Outputs relating to Outcome 2	2.1 Improved capacity of Value Chains Associations and FBOs ²⁰ in supporting access to market for their members	<p>2.1.1. Nb of Value Chain (VC) associations supported for improved organisation and knowledge of the value chain, disaggregated into VC, and location</p> <p>2.1.2. Nb of VC forums organized by strategic VC committees, disaggregated by districts, VC with the support of the action</p>	<p>2.1.1. 0 by 2022</p> <p>2.1.2. 0 by 2022</p>	<p>2.1.1. TBD by 2022</p> <p>2.1.2. 8 forum per VC per district</p>	<p>2.1.1. Report on the improvement of capacities of associations</p> <p>2.1.2. Attendance lists and minutes of discussions</p>	<p>Government supports the strengthening of the VC Actors and their mainstreaming as key stakeholders in the enhancement of the VCs within the project area</p>
	2.2 Improved capacity of district and local actors, FBOs and farmers for applying quality management systems and Good Agricultural Practices	<p>2.2.1. Status of plans for improving the standardisation, accreditation and certification in each VC</p> <p>2.2.2. Nb of farmers trained on produce standards, disaggregated by location, VC, sex, and age</p>	<p>2.2.1. None by 2022</p> <p>2.2.2. 0 by 2022</p>	<p>2.2.1. Done and discussed with the district, local authorities, private sector and beneficiary – farmers, FBOs</p> <p>2.2.2. TBD by 2022</p>	<p>2.2.1. Plans and their discussion minutes</p> <p>2.2.2. Action's internal monitoring Project reports</p>	<p>There is absorption capacity of the selected beneficiaries.</p>

²⁰ Farmer Based Organizations

	2.3 Improved capacity of community processors to meet markets requirements in their Value Chains	2.3.1. Nb of community processors ²¹ trained and able to organise the production and post-harvest process efficiently, disaggregated by location, VC and sex of the leader. 2.3.2. Number of community processors receiving equipment, techniques and related advice of the project, disaggregated by location and sex of the leader	2.3.1. 0 by 2022 2.3.2. 0 by 2022	2.3.1. 50 MSMEs per VC trained in Good Manufacturing Practices and Quality Management for processing 2.3.2. TBD in 2022	2.3.1. Pre and post-assessments 2.3.2. Hand-over certificates and lists of equipment	Producers, and local processors and other VC actors from the selected VCs are physically, technical, and professionally capable of complying with standards by also maintaining the staff trained by this action
Outputs relating to Outcome 3						
	3.1 Improved capacity of the cocoa value chain actors in working together and ensuring sustainable cocoa production in Ghana	3.1.1. Nbr of cocoa policy and technical dialogue events organised with the support of the Action	3.1.1. 0 by 2022	3.1.1. 2 high-level policy and 4 technical-level dialogue events	3.1.1. Reports from the Sustainable Cocoa Initiative dialogue in Ghana	All actors are willing to address collectively the sustainability of the cocoa sector
	3.2 Improved capacity of the FLEGT-related multistakeholder platforms	3.2.1. Status of functioning of the multistakeholder platforms in the areas of tree tenure, gender mainstreaming and monitoring of the Ghana Wood Tracking System with the support of this Action 3.2.2. Status of tree tenure policy	3.2.1. TBD in 2022 3.2.2. None	3.2.1. 10 consultative meetings 3.2.2. the draft is discussed on the platforms with the support of the Action	3.2.1 Reports form the multistakeholder meetings	The efforts of platform participants and draft policy recommendations are discussed and agreed with relevant state bodies and the government.

²¹ Assumed to be MSMEs or supported by the action to become MSMEs

				Tree tenure policy is adopted and implementation started		
	3.3 Facilitated landscape restoration with the support of the Action	<p>3.1. Nb of farmers and land owners trained and provided with tools and inputs and capable of land restoration, disaggregated by location, sex and landowner status</p> <p>3.3.2. Ha forest cover restored and improved with the support of this Action</p>	<p>3.1. 0 by 2022</p> <p>3.3.2. 0 by 2022</p>	<p>3.1. 200 (To be confirmed at inception phase)</p> <p>3.3.2. TBD in 2022</p>	<p>3.3.1. Training assessment, handover lists</p> <p>3.3.2. Action's internal monitoring system</p>	<p>No policies preventing forestation or legal opportunity for increasing lodging, construction and other activity on the territories targeted by the farmers</p>

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the Republic of Ghana.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation of the Budget Support Component

Non applicable

4.4 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures²².

4.4.1 Indirect Management with a Pillar assessed entity

A part of this action may be implemented in indirect management with the Agence Française de Développement (AFD).

This implementation entails engaging and managing the project components 1 and 2. AFD will contribute with EUR 8 million grant to this action. The activities will support the sustainable development and promotion of sustainable agriculture growing systems in northern Ghana.

The envisaged entity has been selected using the following criteria:

- Capacity to mobilise funds to possibly co-finance component 1 and 2;
- Proven capacity to manage successfully the implementation of a large EU-funded project in the agriculture sector;
- Proven expertise in the agricultural sector in Ghana and the northern regions;
- Experience supporting agriculture value-chains and market development;
- Track-record of constructive engagement with stakeholders in Ghana, in particular public authorities, to operate in the fields covered by this action.

In case the envisaged entity would need to be replaced, the Commission's services may select replacement entity using the same criteria. If the entity is replaced, the decision to replace it needs to be justified.

4.4.2 Indirect Management with a Pillar assessed entity

A part of this action may be implemented in indirect management with the European Forest Institute (EFI).

This implementation entails engaging and managing the project's Component 3, whose activities will support the functioning of Multi-stakeholder platforms to improve tree tenure and monitor the Ghana Wood Tracking System. Support will also be provided for forestry in the off-reserve areas and Community-based landscape restoration and areas. Lastly, support will enhance the economic, environmental and social sustainability of cocoa production in Ghana.

²² www.sanctionsmap.eu. Note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy, the OJ prevails.

The envisaged entity has been selected using the following criteria –as required for the implementation of the action:

- Proven experiences in managing sub-contacted activities via CSOs;
- Specific technical competence in the support of VPA-FLEGT processes and managing related projects in fields such as forest sector governance reforms and timber legality assurance and monitoring systems;
- Strong knowledge and understanding of the dynamics of the EU Sustainable Cocoa Initiative and managing related support interventions such as multi-stakeholder dialogue, deforestation monitoring and tracking systems improvement;
- Capacity to coordinate with a significant number of actors, as stakeholders and as associated partners in the implementation;
- Track-record of constructive engagement with stakeholders in Ghana, in particular public authorities, to operate in the fields covered by this action.

In case the envisaged entity would need to be replaced, the Commission's services may select replacement entity using the same criteria. If the entity is replaced, the decision to replace it needs to be justified

4.4.3 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

In case it should prove impossible to work in indirect management as specified in 4.4.1, due to circumstances outside of the commission's control, this action may be implemented in direct management (procurement).

4.5. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.6 Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)	Indicative third party contribution (EUR)
Implementation modalities – cf. section 4.4		
Specific Objective 1 & 2: Indirect management with AFD – cf. section 4.4.1	8 500 000	8 000 000
Specific Objective 3: Indirect management with EFI – cf. section 4.4.2	6 000 000	N.A
Evaluation – cf. section 5.2 Audit – cf. section 5.3	500 000	N.A
Totals	15 000 000	8 000 000

4.7 Organisational Set-up and Responsibilities

The general architecture of the project management system is designed to ensure an efficient implementation, while at the same time an effective coordination with public policies.

A joint steering committee will be set-up to monitor the project overall performance and to provide strategic guidance on the orientation of the implementation of the project. The committee will include representatives of MoFA, MoFEP, MLNR, MLGRD, COCOBOD, regional departments of agriculture (RDA) from the five northern regions, the NDA and representatives of farmers, private sector and civil society. The Steering Committee will held sessions on a regular basis under the co-chair of MoFA and the EU Delegation.

For a closer thematic and technical oversight, two sub-Steering Committees could be established, one for component 1 and 2 with MoFA and MoF and the other for component 3 with the Forestry Commission and COCOBOD. Such sub-committees will provide strategic guidance on the implementation of the related components, including the oversights for an exit strategy for the activities supported under this Action.

Activities will be implemented through indirect management with two partners who will have responsibilities over funding engagement, planning and coordination, and monitoring & evaluation. For carrying out activities on the ground, they will recruit technical local operators (NGOs, service providers, consulting firms, etc.). European experts under the TAIEX programme might also be mobilized where/when needed.

The project will ensure the coordination of activities with other development partners to maximize synergies and avoid overlapping. In particular, close relationships will be built with initiatives from the EU member states, which are active in the agricultural sector.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action and may sign or enter into joint declarations or statements, for the purpose of enhancing the visibility of the EU and its contribution to this action and ensuring effective coordination.

4.8 Pre-conditions

N/A

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring: data collection will primarily carried on by implementing partners at ground level for each activity they are responsible for and the corresponding indicators. They will report to the pillar entities on the effective achievements against the objectives assigned (output level). The two entrusted entities will be responsible for consolidating the data and report on specific objectives (outcome level).

5.2 Evaluation

Having regard to the importance of the action, a mid-term and final evaluations will be carried out for this action or its components via independent consultants contracted by the Commission.

The mid-term evaluation will be carried out for problem solving and learning purposes, in particular with respect to the overall assessment and readjustment (if needed) of the action half-way through its implementation.

The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision) taking into account in particular the progress made on the EU legislations and policy dialogue for preventing deforestation and child labour.

The evaluation shall assess to what extent the action is taking into account the human rights-based approach as well as how it contributes to gender equality and women's empowerment. Expertise on human rights and gender equality will be ensured in the evaluations team.

The Commission shall inform the implementing partner at least 30 days in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partners and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

Evaluation services may be contracted under a framework contract.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 “[Communicating and Raising EU Visibility: Guidance for External Actions](#)”, it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

Appendix 1 REPORTING IN OPSYS

A Primary Intervention (project/programme) is a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Identifying the level of the primary intervention will allow for:

Articulating Actions or Contracts according to an expected chain of results and therefore allowing them to ensure efficient monitoring and reporting of performance;

Differentiating these Actions or Contracts from those that do not produce direct reportable development results, defined as support entities (i.e. audits, evaluations);

Having a complete and exhaustive mapping of all results-bearing Actions and Contracts.

Primary Interventions are identified during the design of each action by the responsible service (Delegation or Headquarters operational Unit).

The level of the Primary Intervention chosen can be modified (directly in OPSYS) and the modification does not constitute an amendment of the action document.

The intervention level for the present Action identifies as :

Contract level		
<input checked="" type="checkbox"/>	Single Contract 1	Indirect Management with a Member State agency
<input checked="" type="checkbox"/>	Single Contract 2	Indirect Management with an International Organisation