



COMPACT GOAL

The five-year, \$547 million Ghana Compact aimed to reduce poverty by raising farmer incomes through private sector-led agribusiness development. It consisted of three types of strategic investments to transform and modernize the agricultural sector in order to promote economic growth: 1) the Agriculture Project to strengthen production, 2) the Transportation Project to move goods to market, and 3) the Rural Development Project to improve farm communities and farmers' livelihoods and living conditions.



COMPACT AT A GLANCE

Compact Signed	08-01-2006
Entry Into Force	02-16-2007
Compact End Date	02-16-2012
Compact Total	\$547,009,000
Amount Committed	\$540,041,297
Amount Expended	\$540,041,297
Estimated Program Beneficiaries	1,271,133
Estimated Increase in Household Income	\$690,000,000

	% OF TOTAL COMPACT	BUDGET (USD MILLIONS)
Agriculture Project	36%	\$195.6
Transportation Project	42%	\$227.7
Rural Development Project	14%	\$76.0
Monitoring and Evaluation	2%	\$10.4
Program Administration	6%	\$34.7

■ Project Preparation ■ Project Implementation

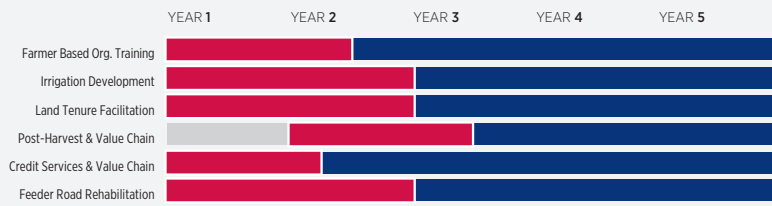
Agriculture Project

PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES*
\$195,650,409	\$195,650,409	\$195,650,409

This project sought to enhance returns from staple food and horticulture crops produced by poor small-holder farmers and to improve delivery of business and technical services to support the expansion of commercial agriculture.

Projected Long-Term Results
(Up to 20 years)

ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME
878,121	\$294,000,000
	Estimated income increases are based on information available prior to compact signing, and estimates may be different if a reassessment of the investments were undertaken today.



COMPACT ENDED ON FEB. 16, 2012

PROJECTED OUTCOMES

Train over 50,000 farms in better understanding the value chain, business planning, technology, and market access. Irrigation, post harvest infrastructure, land titling and over 350 kilometers of rehabilitated feeder roads will complement the training program.

RESULTS AT END OF COMPACT

This project trained 66,930 farmers in commercial agriculture, helping farmers better understand the value chain, business planning, technology, and market access. The project also completed building and equipping 10 agribusiness centers that were transferred to private companies co-owned by farmer-based organizations and private investors. In addition, 357 km of feeder roads, 3 packhouses, and an irrigation scheme in the North were completed.*

PROJECT ACHIEVEMENTS

An impact evaluation of the farmer training showed northern zone farmers' annual crop income increased significantly relative to the control group (over and above impacts noted in the South or Afram Basin); but, no statistically significant impact on yields or crop incomes on average across the 3 Compact zones after one year.** 1,481 parcels of land were registered (42% of target) although efforts in the North were cancelled due to land disputes.

Transportation Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES*	
	\$227,748,133	\$224,510,512	\$224,510,513	
<p>Poor quality roads and transportation linkages inhibited sustainable economic growth by limiting expansion of agricultural opportunities and restricting access to domestic and international agricultural markets. This project aimed to facilitate growth, promote access to social services, and support expansion of Ghana's export-directed horticulture base.</p>				
<p>Projected Long-Term Results (Up to 20 years)</p>				
<p>ESTIMATED BENEFICIARIES</p> <p style="font-size: 24pt; font-weight: bold;">314,369</p>	<p>ESTIMATED INCREASE IN HOUSEHOLD INCOME</p> <p style="font-size: 24pt; font-weight: bold;">\$321,000,000</p> <p>Estimated income increases are based on information available prior to compact signing, and estimates may be different if a reassessment of the investments were undertaken today.</p>	<p>PROJECTED OUTCOMES</p> <p>To facilitate movement of agricultural goods and access to social services, the project will have improved 14 kilometers of the N1 highway and 75 kilometers of trunk roads, constructed two Volta Lake ferries, and rehabilitated the ferry floating dock, landings and terminals.</p>	<p>RESULTS AT END OF COMPACT</p> <p>Construction on the N1 Highway and trunk roads completed***. The Government of Ghana has committed the resources to complete the Ferry Activity.</p>	<p>PROJECT ACHIEVEMENTS</p> <p>Average daily traffic on the N1 highway increased from 27,700 vehicles per day prior to the project to over 51,000 vehicles, and average travel time has decreased from 60 minutes to 19 minutes. Ghana's Millennium Development Authority has worked with other donors to support expanding the trunk and feeder roads program.</p>

Rural Development Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES*	
	\$76,030,565	\$76,031,699	\$76,031,699	
<p>This project complements the Agriculture Project by providing community services, including education, water and sanitation, and rural electrification in the targeted districts. It also enhances the capacity of local governments and communities to deliver the related services, ensure maintenance and support sustainability.</p>				
<p>Projected Long-Term Results (Up to 20 years)</p>				
<p>ESTIMATED BENEFICIARIES</p> <p style="font-size: 24pt; font-weight: bold;">356,296</p>	<p>ESTIMATED INCREASE IN HOUSEHOLD INCOME</p> <p style="font-size: 24pt; font-weight: bold;">\$74,000,000</p> <p>Estimated income increases are based on information available prior to compact signing, and estimates may be different if a reassessment of the investments were undertaken today.</p>	<p>PROJECTED OUTCOMES</p> <p>The project aimed to improve rural communities by installing water points, constructing/rehabilitating school blocks, and expanding electrification to agriculture packing facilities. It aimed to establish an Automated Clearing House and check code clearing, computerize rural banks, link branches to head offices and the regulator for daily processing via a Wide Area Network and improve local government procurement capacity by training personnel.</p>	<p>RESULTS AT END OF COMPACT</p> <p>250 school blocks were rehabilitated/constructed. 392 water points constructed. 130 rural banks processing live on automated network. ACH and check code clearing operational nationwide. 1,274 students have participated in procurement internships.</p>	<p>PROJECT ACHIEVEMENTS</p> <p>The average distance from a rural water sources has been reduced from 1,190 meters to 522 meters, and the average time to collect water has decreased from 44 minutes to 32 minutes. Check clearing times have been reduced at rural banks. The World Bank adopted the Procurement Capacity program curriculum for one of their programs and the curriculum is in place at 8 institutions of higher learning.</p>

*The Government of Ghana has committed the funds to finish the irrigation scheme in the South.

**The impact evaluation of the Agriculture Project's farmer training program raised concerns related to the sustainability of results achieved. As the compact ended, MCC facilitated the extended support of USAID through the ADVANCE program for farmers in the Northern part of the country. USAID supports farmers in the irrigation systems and the agribusiness centers with additional technical assistance and marketing support. This increases the chance for the sustainability of investments.

***MCC continues to follow up with the Government of Ghana on its management of aspects related to sustainability of these investments, including road safety, completion of material-borrow pit restoration and project affected persons related to the Transportation Project.

*Expenditures are the sum of cash outlays and quarterly accruals for work completed but not yet paid or invoiced.