

Poverty Impact Assessment – PIA Case Study Ghana

African Cashew initiative



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Poverty Impact Assessment – PIA

April 2010

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Introduction

This report summarises the findings of an ex-ante *Poverty Impact Assessment (PIA)* in the context of the *'African Cashew initiative' (ACi)* project in cooperation with the *GIZ Programme "Millennium Goals and Poverty Reduction" (PMA)*. The fieldwork took place from 5 September to 19 September 2009.

The *African Cashew initiative* which is funded by the *Bill & Melinda Gates Foundation* in cooperation with private sector partners, aims to strengthen the global competitiveness of cashew production and processing in five pilot countries (Mozambique, Ghana, Burkina Faso, Cote d'Ivoire and Benin).

To achieve this purpose, the project pursues five objectives namely:

- ▶ Increasing the **quality and quantity of cashew nut production** thus ensuring the competitiveness of African cashew production on global markets
- ▶ **Strengthening** local medium and large-scale cashew processing industries
- ▶ **Improving market linkages** along the value chain and promoting African cashews
- ▶ Supporting an **enabling environment** for cashew production and processing
- ▶ Identifying and analysing learning areas and **implementing innovative** pilot projects.

The project is scheduled for four years. The support activities will assist 150,000 small-scale cashew producers in the five countries, with the aim of increasing their productivity and subsequently gaining USD 15 million in additional income per year. Furthermore, support to local processing industries would create 5,500 new jobs in local medium and large-scale cashew nut processing industries.

The project started its activities in Ghana in May 2009 and focused on the second objective of supporting processing industries. The other project activities began in the second half of 2009. In August, the project commissioned in-depth sector studies to analyse the cashew value chain in each of the countries. Although the final project regions in Ghana are yet to be defined, the country study for Ghana identified the Brong-Ahafo and Northern Regions as having the greatest proportion of cashew production in the country. It was then agreed with the Project Manager of the *African Cashew initiative* that the *PIA* should focus on Brong-Ahafo as a possible project area.

To improve the focus on poverty, the *African Cashew Initiative* decided to implement an *ex-ante Poverty Impact Assessment (PIA)* as a case study in Ghana, that was implemented in cooperation with the *GIZ Programme 'Millennium Goals and Poverty Reduction'* (on behalf of the *German Federal Ministry for Economic Cooperation and Development*).

PIA is a harmonised approach for analyzing the poverty and distributional impacts of policies and programmes. *PIA* was developed by *OECD-DAC's Network on Poverty Reduction (POVNET)*. It aims at facilitating greater harmonisation in donors' assessment procedures and can be applied by donors or partner countries. It is based on a multi-dimensional definition of poverty. *PIA* draws mostly on readily available information sources, trying to balance qualitative with quantitative information where possible.

This specific *PIA* study is based on two weeks of field research in Ghana. The assessment was done by interviews with key resource persons with expertise in the cashew value chain, field visits and group interviews with farmer associations in Brong-Ahafo, as well as a review of the literature and available statistics. The preliminary results have been discussed with implementing partners of the project. A detailed list of all interview partners can be found in the annex.

The *PIA's* objective was to analyse the project's poverty and distributional impacts. It examines which measures would make a greater contribution to poverty reduction. It examined the intended and unintended effects of the intervention and how the intervention would affect various socio-economic groups differently. It thus aims to help identify possible risks and constraints that may hinder groups from fully benefiting from the project. Specifically, the assessment focussed on the following issues:

- ▶ To understand the relationship between the intervention and the **poverty context** in the project regions, dealing specifically with the **five dimensions of poverty** (economic, human, political, socio-cultural and protection)
- ▶ To understand **how the target groups can be differentiated** into important groups by income, gender, age, land tenure, assets etc.
- ▶ To understand the different **stakeholders and their pro-poor agenda** and the institutions and rules that influence and are influenced by the project's interventions
- ▶ To understand primary and secondary effects of the intervention through the different **transmission channels** such as prices, employment, access, authority, assets, and to understand the interrelationship between these transmission channels
- ▶ To assess the **qualitative and/or quantitative outcomes for different groups**
- ▶ To assess the **key assumptions** and identify **potential risks that should be monitored**
- ▶ To assess the **reliability of data and information used** in the *PIA* exercise and identify key knowledge gaps
- ▶ To provide a **framework for improving baseline data and monitoring of the impact hypotheses** during implementation
- ▶ To recommend possible improvements in the project's interventions aimed at increasing its pro-poor impact and mitigating possible negative impacts.

The recommendations that will be drawn from the *PIA* results will improve the project's poverty focus and reduce or mitigate risks and constraints. Furthermore, the *PIA* provides information that could help in formulating recommendations for future poverty-focussed monitoring and evaluation systems.



1 General Poverty Situation in Ghana

To assess the relevance of the project intervention to reduce poverty in Ghana, it is important to understand the general context of poverty here. This chapter provides an overview of the poverty situation in Ghana, the regional distribution of poverty within the country, and highlights different poverty-related aspects such as how far poverty is related to the economic engagement of the household in agriculture, migration, land ownership and the sex of the household head.

There is a broad range of literature (see page 50) available concerning the assessment of the general poverty situation at country and regional levels. The spectrum ranges from statistical and economic analyses to participatory and qualitative poverty mapping implemented by district assemblies with GIZ's support in 2005. Besides the information provided by the interview partners, the PIA team referred mainly to the following literature:

- ▶ The fifth round of the *Ghana Living Standards Survey (GLSS)*, multi-topic household surveys which are designed to provide comprehensive information on living standards in Ghana. So far the *GLSS* was conducted in 1987/88, 1988/89, 1991/92, 1998/99 and 2005/06
- ▶ The report on *Pattern and Trends of Poverty in Ghana 1991-2006* by the *Ghana Statistical Service* (April 2007).
- ▶ The *World Bank's* study on *Poverty, livelihoods and access to basic services in Ghana*, an analytical contribution that will help the Ghanaian government operationalise its accelerated and shared growth agenda. (*Draft for review from May, 2007*).
- ▶ *District Poverty Profiling and Mappings* by the district assemblies between 2003 and 2005, with support from the *Local Governance and Poverty Reduction Support Program (GIZ)* and the *National Development Planning Commission*. These *District Poverty Mappings* describe the characteristics of poverty in each district, various stakeholder perceptions of poverty, and identify the geographical space within the district that are defined as 'poverty pockets'.

The preliminary rural livelihood study conducted by *Ministry of Food and Agriculture (Policy, Planning, Monitoring and Evaluation Directorate and Statistical, Research and Information Directorate)* in 2006 as a follow-up to the *Poverty and Social Impact Assessment*. The study aims to establish a district database to better target and package rural development planning and programmes, and identify the outcome and impact indicators to measure the sector contribution to the second *Growth and Poverty Reduction Strategy (GPRS II)* targets.

1.1 How is poverty defined in Ghana?

The national poverty line in Ghana is based on a food and basic needs concept: The **Lower Poverty Line** is determined by the minimum expenditure needed to meet the average nutritional requirements of one adult. This lower poverty line was set at GNC 288 per year per adult in 2006. Considering the overall inflation and the development of the consumer price index for food, this would correspond to GNC 411 per year or GNC 34.3 per month in 2009 (or about USD 280 per year and USD 23.3 per month).¹

The **Upper Poverty Line**, which also comprises essential non food-consumption, was set at GNC 371 per year per adult in 2006. This would correspond to GNC 556 per year or GNC 46.3 per month in 2009 (or about USD 378 per year and USD 31.5 per month).

Table 1.1: Poverty in Ghana

Extreme Poverty: to meet the nutritional requirements	
2006	288 New Ghana Cedis (GNC)/year per adult
2009	GNC 411 per year (own calculations) - USD 280 per year/ GNC 34 per month (own calculations)
Upper Poverty Line: essential food and non food-consumption (2005/6)	
2006	370 New Ghana Cedis (GNC)/year per adult
2009	GNC 556 per year (own calculations) - USD 378 per year/ GNC 46 per month (own calculations)

Some districts have defined their own poverty lines that they use for planning purposes. The District Planning Unit in the Tain district (in the north-west of Brong-Ahafo) fixed the lower poverty line at GNC 70 per year for the year 2006, as the national lower poverty line of GNC 288 appeared too generic to them. They indicated that about 45% of their population lives below that poverty line.²

The definitions of poverty by the cashew farmers themselves and by some of our interview partners coincide with the official definition, as they also refer to the coverage of basic needs. They identify a poor person as 'someone who cannot afford good meals, health services, school fees for the children, clothing, shelter, or hasn't good drinking water.'³ Someone is poor if he or she is 'incapable of doing farm work, because he/she is physically challenged, ill or lazy.'

1 Calculating with a Consumer Price Index for food in Ghana of 179,44 in January 2006 and a Consumer Price Index for food of 256,22 in January 2009 (Ghana Statistical Service). This corresponds to an overall inflation of 23% for food prices.

2 Personal communication Tain District Planning and Coordination Unit, Mr. Samu.

3 Interviews with farmers in Wenchi, the MOFA officer in Sunyani and chief Nana Asuku in Techiman.

The farmers in Wenchi described poverty as a situation where:

- ▶ people cannot expand their area under cultivation
- ▶ people are always working but cannot afford basic necessities – they work but there is no progress
- ▶ people do not get any help from anyone else
- ▶ people cannot work at all.

1.2 Incidence and regional patterns of poverty in Ghana

Ghana has **successfully reduced poverty over the past 15 years** and will meet the Millennium Development Goal of halving its poverty rate even before 2015. The overall poverty incidence (headcount) decreased from 52% in 1991 to **29% in 2005/2006**.

Compared to other West African countries, Ghana has a medium level of inequality. However, inequality has increased. The adjusted Gini index for consumption increased from 0.353 in 1991/1992 to 0.378 in 1998/99 and 0.394 in 2005/2006.⁴

The rural poverty incidence at national level was 39.2% compared to the urban poverty incidence of 10.8%. Nevertheless there are **extreme disparities between poverty incidences in**

different regions. These disparities increased over this period. Poverty is mainly concentrated in the northern part of the country – the Savannah zone corresponding to the Northern, Upper West and Upper East regions. While poverty in Greater Accra is about 18%, the Upper West region is affected by a poverty incidence of 88%. **In the cashew producing areas such as the Brong-Ahafo region, the poverty incidence in 2005/2006 corresponds with 29% of the national average.**⁵

There is not only a higher incidence of poverty in the Upper West and Upper East regions; poverty is also more severe here. While in most areas the incidence of extreme poverty is much lower, in the Upper West, Upper East and Northern regions the incidence of extreme poverty is nearly as high as the incidence of general poverty. Thus, most of the poor in the northern part of the country are extremely poor.

The poor people living in these regions (Rural Savannah) have an average standard of living which is 42.3% below the upper poverty line (income gap ratio or the depth of poverty). In the rest of the country, the average living standard of the poor in rural areas is about 30% below the poverty line.⁶

Tables 1.2 and 1.3 below provide an overview of the national and regional poverty incidence and the development over time:

Table 1.2: Poverty incidence by region as a percentage of the total population (Upper Poverty Line) – Blue: main cashew growing region.

	Ghana	Western	Central	Greater Accra	Eastern	Volta	Ashanti	Brong-Ahafo	North-ern	Upper West	Upper East
1991/92	52	60	44	26	48	57	41	65	63	88	67
1998/99	40	27	48	5	44	38	28	36	69	84	88
2005/06	29	18	20	12	15	31	20	29	52	88	70

Source: Fifth Ghana Living Standard Survey, referring to the Upper Poverty Line of 370 New Ghana Cedi

Table 1.3: Incidence of extreme poverty by region (% of total population) in 2005/2006 – Blue: main cashew growing region.

	Ghana	Western	Central	Greater Accra	Eastern	Volta	Ashanti	Brong-Ahafo	North-ern	Upper West	Upper East
2005/06	18	8	10	6	7	15	11	15	39	79	60

Source: Fifth Ghana Living Standard Survey, referring to the Lower Poverty Line of 288 New Ghana Cedi

⁴ Coulombe, H., Wodon, Q. (2007), p. 19.

⁵ We do not have explicit data on rural poverty in Brong-Ahafo, but only for the Rural Forest zone. In the Rural Forest zone, poverty incidence was 27.7%. Ghana Statistical Service (2007): Trends and Patterns of poverty, p. 9. The GLSS in 2006 used only the Coastal and Forest zones that included Brong-Ahafo and the Savannah as categories in their reports. Most parts of the Transition zone were categorised as 'Forest zones' for data aggregation. (Personal Communication, Ghana Statistical Survey). In the sample of the 'Livelihood study' by the Ministry of Food and Agriculture, 36% of the households in the southern part of Ghana were poor. (Ministry of Food and Agriculture (2007), Annex 3.

⁶ Ghana Statistical Service (2007), p. 36.

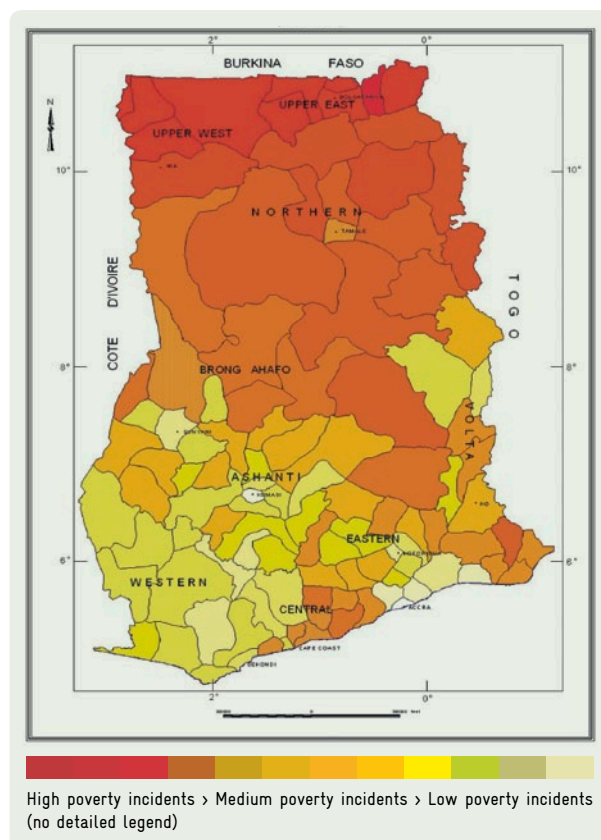
The northern parts of the country constitute 20% of the population in Ghana, but contribute 46% to national poverty rates as illustrated in *the following table 1.4:*

Table 1.4: Regional contribution to national poverty (Upper Poverty Line) 2005/2006

	Population share on total population in Ghana(%)	Poverty indices in the region (%)	Contribution to national poverty (%)
Western	10	18	7
Central	9	20	6
Greater Accra	14	12	6
Volta	8	31	8
Eastern	13	15	7
Ashanti	17	20	12
Brong Ahafo	9	30	10
Northern	12	52	23
Upper East	5	70	12
Upper West	4	98	11
All	100%	29	100%

Source: Fifth Ghana Living Standard Survey, Pattern and trends of poverty, p. 41.

Figure 1.1: Map of Ghana showing poverty, livelihoods and access to basic services in Ghana



Source: by Harold Coulombe and Quentin Wodon, WB, Partial and preliminary draft for review Updated: June 11, 2007, P: 35.

Coulombe and Wodon indicated that the increase in cocoa production (increase of yields and of areas under production) had contributed significantly to growth and poverty reduction in the rural areas of the Forest and Coastal zones in Ghana. While poverty had been much more equally distributed among the regions and cocoa producing farmers had been poorer than the population as a whole in 1991/1992, **poverty reduced significantly in cocoa producing regions** and remained high in the northern part of the country.⁷ So the recovery and stabilisation of the cocoa sector after the extreme fall of cocoa prices in the 1980s contributed to poverty reduction here.

However, they indicate that future price developments in the cocoa sector would now have lesser poverty impacts. They show that the poorest 20% of the cocoa producers earn only 8% of the cocoa revenues, while the richest 20% earn 32% of cocoa revenues. *‘Across-the-board subsidies or support for all producers, while potentially beneficial for the growth of the sector, would not necessarily be well targeted to the poor (even if they would help in reducing overall income inequality...)’*⁸ An increase in cocoa prices would therefore have less influence on national poverty incidence, as only 25% of the cocoa producing farmers are poor.

1.3 Characteristics and multi-dimensionality of poverty in Ghana

Rural – urban distribution of poverty: Poverty in Ghana is linked to specific characteristics. As described above, the poverty incidence is much higher in rural areas (39.2%) than in urban areas.

Poverty by economic activity: Besides its geographic pattern, the incidence of poverty is related to **the households’ economic activities. Poverty was by far the highest among food crop farmers.** Moreover, their contribution to national poverty is much higher than their population share. With the exception of food crop farmers, all other groups represent a smaller share of the national poor than their share of the population.⁹ Only 24% of export farmers are poor compared to the national average of 29%. Their share in national poverty is slightly lower than their share of the national population, and has reduced drastically over the years. *(For detailed information see Table 1.5 on page 12)*

7 Coulombe, H., Wodon, Q. (2007), p. 59.

8 Coulombe, H., Wodon, Q. (2007), p. 62.

9 Ghana Statistical Service (2007), p. 14.

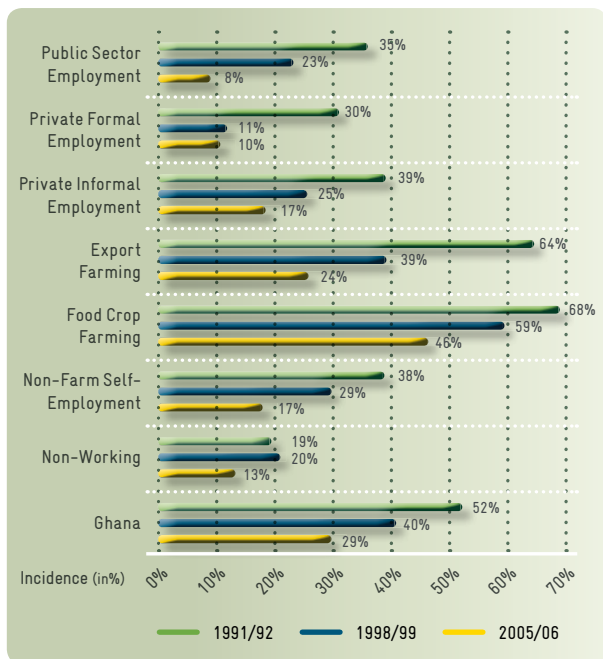
Table 1.5: Poverty by economic activity (Upper Poverty Line) 2005/06

	Population share	Poverty indices	Contribution to national poverty
Public sector employment	7.1	7.8	1.9
Private formal employment	6.9	10.1	2.5
Private informal employment	6.7	17.1	4.0
Export farmers	7.4	24.0	6.2
Food crop farmers	43.0	45.5	68.5
Non-farm self employment	26.2	17.0	15.6
Non-working	2.7	13.3	1.3
All	100.0	28.5	100.0

Pattern and Trends of Poverty, p. 39¹⁰, calculated from the Fifth Ghana Living Standard Survey 2005/2006.

As figure 1.2 indicates, **food crop farmers experienced the slowest reduction of poverty** incidence compared to all other economic groups. In contrast, poverty incidence among export farmers reduced significantly from 64% in 1991 to 24% in 2005/2006.

Figure 1.2: Poverty incidence (P₀) by main economic activity, 1991/1992 to 2005/2006



Male-headed households: Surprisingly, female-headed households are less affected by poverty (27%) than male-headed households (42%). This could be partly explained by the fact that the proportion of female-headed households is lowest in the northern part of the region with the highest poverty incidence (Rural Savannah with 15% female-headed households, compared to more than 30% in Rural Coastal and Rural Forest areas). *Coulombe and Wodon* stated that ‘*there are few statistically significant differences between male-headed and female-headed households.*’¹¹ In the *Rural Livelihood Study* by the Ministry of Agriculture, female-headed households seem to be poorer.¹²

Table 1.6: Indices of poverty, by Gender of Household Head, 2005/06 (Poverty line = 3,708,900 cedis)

	Population share	Poverty incidence within this group	Contribution to national poverty
Urban			
Male	26.8	10.9	10.2
Female	10.8	10.7	4.1
Rural			
Male	50.0	42.4	74.2
Female	12.4	26.4	11.5
All	100.0	28.5	100.0
Ghana			
Male	76.8	31.4	84.4
Female	23.2	19.1	15.6
All	100.0	28.5	100.0

Source: Pattern and Trends of Poverty, p. 42, Computed from the Fifth Ghana Living Standard Survey 2005/06.

Migration and land ownership: When looking at other characteristics of the household, we can see that the poverty incidence among migrants is not much higher than among people who have not migrated. Land ownership seems to be a relevant factor for poverty, as only 35% of people who own land are poor, while the poverty incidence among the rural population who do not own land is almost 42%.

10 Ghana Statistical Service (2007), p. 39.

11 Coulombe, H., Wodon, Q. (2007), p. 37.

12 Ministry of Food and Agriculture (2007), Annex 3: The percentage of female-headed households is 15% among the poor and 8% among middle income groups. There were no female-headed households among the better-off farmers.

Table 1.7: Poverty incidence within different groups (2004/2005)

	Poverty incidence%		
	Total	Urban	Rural
All Ghana	28.5	10.8	39.2
Migration			
Yes	28.0	10.6	39.5
No	30.5	11.8	38.1
Land ownership			
Yes	21.6	9.9	35.1
No	36.0	13.2	41.8

Source: Poverty, Livelihoods and access to basic services in Ghana. By Harold Coulombe and Quentin Wodon; WB, Partial and preliminary draft for review Updated: June 11, 2007; P. 22, Computed from the Ghana Living Standards Survey, 2005/06.

Education: Among adults in Rural Forest areas, about 47.2% of the population is literate (know how to read and write¹³). But there are broad differences between sexes. Only one third (33.9%) of adult women in Rural Forest areas are literate, compared to 62.1% of adult men (*GLSS p. 30*).

School attendance rate within the 12-15 year age group in Rural Forest areas is about 95% for boys and 94% for girls – both of which are higher than the national averages.

Health: The *GLSS* results concerning the health situation are remarkable. **Every fifth person (21.7%) interviewed for the Living Standards survey responded that he or she was ill in the previous two weeks before the interview.** About 60% of those who were ill had to stop their economic activities. With regard to the national health insurance scheme, 35% of the population in Brong-Ahafo were covered; the highest health insurance coverage of all regions in Ghana.¹⁴

Table 1.8: Adult literacy rates, by sex and locality (percent)

Sex	Locality							
	Urban			Rural				Total
	Accra	Other Urban	All	Rural Coastal	Rural Forest	Rural Savannah	All	
Male	88.3	75.1	79.7	65.2	62.1	30.9	51.0	62.7
Female	73.7	53.0	59.6	33.4	33.9	14.2	26.7	40.3
Total	80.8	63.2	69.0	48.2	47.2	22.2	38.2	50.9

¹³ The percentage of population that can only read but not write is with 51.3% only slightly higher

¹⁴ The survey was done shortly after the introduction of the new governments program.







2 Stakeholders and Institutional Analysis

The *African Cashew initiative (ACi)* aims to improve the profitability and competitiveness of the cashew value chain in five selected countries in Africa (including Ghana) by advising poor producing farmers as well as local processors and linking them to national and international markets. The following chapter provides an overview of the stakeholders involved in the *African Cashew initiative*. The analysis is guided by three central questions:

- ▶ **How far do the involved stakeholders support the pro-poor nature of the project intervention?** What are aspects or interests that may hinder them from having a pro-poor agenda?
- ▶ **How can the target groups be differentiated?** Are all cashew farmers poor? Or do we have to make a differentiation within this group? What happens to women or children within cashew farming households? What are the interests and risks for other groups influenced by the project intervention, such as migrants or seasonal workers?
- ▶ **What are the risks and constraints** for the different target groups that may exclude them from the project's benefits.

Module 2a+b (pages 22 and 24) provides a summarised overview of all stakeholders and target groups, their roles and interests in a pro-poor agenda and the risk factors that could prevent them from fulfilling their roles or exclude them from the project's benefits.

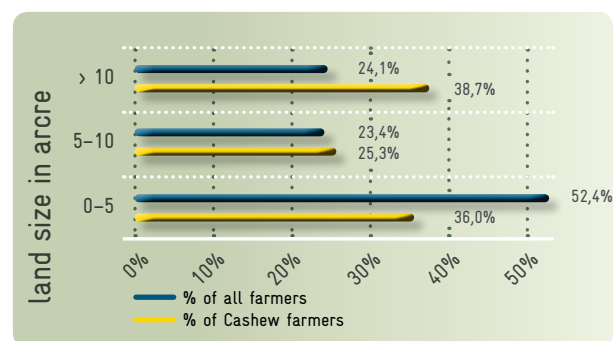
2.1 Smallholder cashew farmers (target groups)

It has been estimated that 88% of cashew farmers in the country are smallholders producing the bulk of *raw cashew nuts (RCN)* who usually have relatively small farm sizes ranging from 0.8–3ha (*Country Study Report, 2009*). There is little reliable statistical data available on the distribution of land. Therefore it would be inaccurate to say that a particular target group is poorer than another using farm sizes. We do not know if land size really is the central factor that determines if a household is poor or if there are other more influential factors. Nevertheless, we will provide some information on land size and its relation to poverty indicators, even if land may not necessarily be the most important factor.

The raw database of the *fifth Ghana Living Standards Survey* contains some data on agriculture, farm land details and harvest of the households. The *PIA* team could not find any analysis of the agricultural data of the survey. So we can only provide the indicative figures, as calculated directly on the dataset of the survey.¹⁵ **These figures indicate the number of cases found in the data file. They should not be understood as being representative statistics.**

Table & Figure 2.1:
Land distribution in Acres, Brong-Ahafo data set
(not statistically valid)

	Land size of total farm land			total No. of farms
	0–5 acres (2 ha)	5–10 acres (2–4 ha)	> 10 acres (> 4 ha)	
No. all farmers	311	139	143	593
% of all farmers	52%	23%	24%	100%
No. of cashew farmers (12,6% of "all farmers")	27	19	29	75
% of cashew farmers	36%	25%	39%	100%



Source: Data base, Ghana Living Standard Survey, Section 8 B Question 8: Size of farm (unit of area: Acres, poles, ropes, plots, other). Only acres were considered

The interview partners did not consider cashew farmers as the poorest farmers in the Brong-Ahafo region. Even if the dataset (*and the table 2.1 on land distribution in Brong-Ahafo*) are not statistically representative, they indicate that cashew farmers tend to have bigger farm land than the average farmer in Brong-Ahafo. The results of *MOFA's livelihood study* suggest that only medium and better-off farmers produce cashew,¹⁶ while the data from the *GLSS* shows that 36% of the cashew producing farmers have less than 5 acres (or 2 ha) and could therefore be considered as poor. The farmers of a cooperative in Wenchi explained that their cooperative is trying to encourage all farmers in their villages (including the poorer ones) to plant some cashew. Only when all farmers have tree crops such as cashew, will they be able to better control the bush fires affecting the cashew trees. Cooperative associations could work as important vehicles to include poor farmers.

Drawing inferences from the outcomes of the dialogue meetings with some important stakeholders in the farming communities, the *PIA* team grouped cashew farm households into:

- ▶ extremely poor cashew farmers
- ▶ poor cashew farmers
- ▶ better-off cashew farmers
- ▶ commercial and rich cashew farmers.

¹⁵ The frequency of land size distribution of all farmers in Brong-Ahafo and of cashew producing farmers was provided by the Ghana Statistical Service at the request of the *PIA* team. The other data is cited from the frequencies of the dataset description.

¹⁶ Ministry of Food and Agriculture (2007), p. 7f.

The *PIA* categorisation of smallholders into four groups is consistent with the *Poverty and Social Impact Assessment (PSIA) categorisation (PPMED in 2007)*. The *PSIA* assumes that 95% of the agricultural population are smallholders. For the Transitional zone (the main cashew producing area between the Forest and Savannah zones), the *PSIA* indicates that 38.7% of these smallholders [or 37% of all farmers] are 'Poor Complex Diverse Risk-Prone' (*PCDR*) farmers, 34% (or 32% of all farmers) are 'Non-Poor Complex Diverse Risk-Prone Farmers' (*NPCDR*) and 27.3% (or 26 of all farmers) are non poor 'Semi-Commercial small-scale farmers' (*Semi-C*).¹⁷

Poor and extremely poor cashew farmers

The *PIA* team interviewed various farmers, extension staff, and NGO interlocutors to identify the poor (target group of the project). Their responses presented fairly uniform impressions. The poor in Brong-Ahafo are described as those farmers who cannot work to earn a living or those without funds to clear land for cultivation purposes, have poor soil and little occupational diversity beyond subsistence farming (*Personal Communication, Danquah 2009*). This in turn leads to severe food shortages, very poor quality housing and inability to recover from economic shocks such as major harvest losses and serious health problems.

Another obvious point that affects livelihoods is a village's proximity to marketing centres. (*MOFA-PPMED 2006*) The participatory district poverty mappings identified mostly remote areas of the district as those with the highest incidence of poverty and declared them as 'poverty pockets' (*GIZ District Poverty Profiling and Mapping*).

To compare the size of the land owned by the extremely poor, poor and non-poor cashew farmers, the *PIA* team calculated the minimum land size required to have enough income from cashew production to meet the national poverty line for consumption.¹⁸

Better-off and commercial farmers

The **better-off farmers** would then have more than 2.1 or 4.0 ha cashew farms but can still be considered as small-scale farmers. The fourth group are **commercial and rich farmers**, representing about 12% of all the cashew producers in the country or one third of the amount of the national production (*Country Study Report, 2009*).

Excuse: Calculation of land size equivalent to poverty lines

To obtain an annual income from cashew that is equivalent to the lower poverty line of 411 Cedi, an annual production of minimum 1027 kg would be necessary, assuming a farm-gate price of 0.4 Cedi/kg.

1. To obtain this level of production (1027 kg), farmers would need a minimum area (land size) of 1.6 ha, assuming an optimum yield of 650 kg/ha.
2. With a medium yield of 350 kg/ha, they would then need a minimum area of 2.9 ha.

$Production (kg) \times farm-gate price (Cedi/kg) = income = Poverty line$

$Required Annual production (kg) = \frac{Poverty\ line}{farm - gate\ price}$

$Production = area (ha) \times yields (kg/ha)$

$Required\ area = \frac{required\ annual\ production}{yields}$

The equivalent land size for extremely poor farmers

would be at least 1.6 ha at an optimum yield of 650 kg/ha, or 2.9 ha at a yield of 359 kg/ha. The equivalent land size required to meet the **upper poverty line** is at least **2.1 ha** at yields of 650 kg/ha or **4 ha** at a yield of 350 kg/ha. As these land sizes are calculated **per adult**, the area of land required by a complete household would have to be adjusted to take account of the number of household members. This is illustrated in the following table.

These figures give us a rough indication of the relationship between land size and poverty. However, they may not always reflect the situation in practice, as most farmers produce additional food crops on their land.

Table 2.2: Estimation of 'land size equivalent to the poverty line' per adult

	Estimated yield (kg / ha)	Required area of cashew farm size per adult person (ha)	Acres	Required annual production (kg)	FGP Cedi/ kg	Poverty line (Cedi)
Upper poverty line	650	2.1	5.25	1390	0.4	556
	350	4.0	9.9			
Lower poverty line	650	1.6	4	1027,5	0.4	411

17 World Bank (n.y), p. 18.

18 The calculation was made under the assumption that the entire land size is used for cashew production, that the yield is 650 kg/ha and that the farm gate price is 0,4 New Ghana Cedi per kg. The calculation is made under the assumed that the entire farm expenditure and consumption is based on this cashew production without additional food and subsistence production.

Risks and aspects that may hinder small-scale and poor farmers from benefiting from the project

In most interviews, cashew farmers mentioned the **lack of credit** as a main constraint, as they wanted to hire additional labour to expand their land with cashew production. The main risk for cashew producers is **uncontrolled bush fires** that destroy the cashew trees.¹⁹ In particular the poor farmers in remote areas have no access to information, are often illiterate, and feel dependent on the traders and the prices they offer. If the project does not focus on including these poorer farmers and target them explicitly in the extension strategy, then there is a risk that these poorer farmers will remain marginalised and be excluded from the project.

Women in cashew producing households and female-headed households

Due to limited time, the *PIA* team did not conduct any interviews with female farmers, and did not assess the situation of women in the cashew producing households. Therefore the information about women is based on interviews with male cashew farmers. Most farmers indicated that their wives help on the cashew farms of the men that is supposed to be the land of the family. Access to land for women varies among the districts. Women may own land but they are often much smaller.²⁰ Some women have cashew on their plots. As discussed in *Chapter 1*, the sex of the household heads has no influence on the household's poverty situation.

The **situation of women in cashew producing households should be further analysed during the baseline study**. Issues include women's land ownership, their engagement in cashew, and their access to inputs, markets and agricultural extension services.

Long term migrants (settlers) and short term migrants – Once a stranger – always a stranger?²¹

Seasonal migrants are defined as those who migrate for less than one year and who have permanent residence in other parts of the country. Seasonal migration occurs during the lean season in northern Ghana and is preventive to the food deficit period (June-July). The main migration route starts from the three **economically repulsive regions** of the north to the **economically attractive regions** of Ashanti, Greater Accra and Brong-Ahafo.

The *PIA* team defined **long-term migrants** as those who arrived between one to more than 30 years ago and who have come to live permanently in Brong-Ahafo. The *PIA* team could not find data on the percentage of the population who were long-

term migrants. Information from the interviews placed the number between 10 to 25%.²² A *DFID study* on land security found that out of five visited villages in Brong-Ahafo and the Central Region, two were entirely comprised of migrant tenants. They assume that a good part or about half of the farms are cultivated through some form of hired labour, formal tenancy or sharecropping.²³ It is not clear if migrants will be fully accepted as part of the community and if they can own land after some time. The interviewed farmers in Wenchi pointed out that *'they are all migrants'* but have been living in Wenchi since the third or fourth generation. They have acquired land and have their own family land. Even then they may still be marginalised. In Wenchi, a discussion began as to whether a long-term migrant of the third generation could become a community chief.

MOFA's livelihood study found in their sample for the southern part of Ghana that 69% of the households were not native to their community. A surprisingly high 85% of **poor households** are not native to the community, while about 58% of medium and 65% of well-off households are not native to the community (*see next table 2.2*).

The difference here from indigenous farmers is that the non-native farmers do not have any primary or inherited land use rights nor belong to the stool. Instead they have to acquire land from the community (*see the following chapter 2.4: Traditional land rights*) or cultivate it on a sharecropping basis. Traditional land rights could restrict their access to cashew and tree crops as discussed in *chapter 2.4*.

Table 2.2: Percentage of households in Southern Ghana that are not native from their community

Features of households	Criteria			
	Poor households	Medium households	Well-off households	Average in study sampling
Origin at birth				
Native from the community (% of households)	15	42	35	31.2
Not native (% of households)	85	58	65	68.8

Source: MOFA 2007, Annex 3 p 1.

19 Personal Communication, Wenchi, Tain DPU, Techiman Nana Osuko.
 20 Personal Communication with farmers in Tano Boasi and Wenchi; MOFA in Sunyani.
 21 DFID (2001).
 22 Personal communication with Tain District Planning and Coordination Unit, Mr. Samu. The Tain district conducted a study on migration.
 23 DFID (2001), p. 84.
 24 MOFA (2007), Annex 3 p. 1. Southern part of Ghana included in this study Coastal Savanna, Forest areas and Transitional zones.



2.2 Other actors in the value chain

The private sector, especially the traders, exporters, local processing companies and retailers, is the driving force among the stakeholders of a value chain. Their cooperation is needed to improve the supply chain. There are many value chain enterprises, producers (smallholders and commercial), processors, policy-makers, (*Cashew Development Project* and *District Agricultural Development Units of the Ministry of Food & Agriculture*), institutions (municipal/district assemblies), traditional rulers (chiefs) and development partners (NGOs). All of them influence the value chain and thereby influence the project intervention.

The details of the different interests and agendas of these actors as well as the rating of their pro-poor agendas are summarised in *table 2.2*.

2.3 Implementing partners

The project has four main implementing partners:

2.3.1 German International Cooperation (GIZ):

It is the lead agency that will provide production techniques, create an enabling environment and serve as a learning innovation centre.

2.3.2 Technoserve

This U.S. non-governmental organisation was established in 1968. Its mission is to help entrepreneurial men and women in poor rural areas of the developing world build businesses that create income, opportunity and economic growth for their families, communities and countries. *Technoserve* will contribute to the project by providing business advice and link local processors with buying and retailer companies.

2.3.3 The African Cashew Alliance (ACA)

ACA was established in 2005 as a public-private partnership with 25 founding members including *USAID*. It is a platform that brings together cashew stakeholders from the private and public sectors. Under this project, *ACA* will implement activities including advocacy, share best practices and innovation and promote the African cashew industry internationally, supported by the marketing expertise of private sector partners.

2.3.4 FairMatchSupport

This not-for-profit foundation was founded in early 2007 and is based in the Netherlands. They fill the missing link in the relationship between small-scale producers in developing countries and end markets. *FairMatchSupport* will contribute to the implementation of organisational support, quality management and business linkage from the producers to the processors and finally the specialty markets.

Only *GIZ*, *Technoserve* and the *West African Trade Hub* as close partners of the *African Cashew initiative* could be interviewed. They were asked about their understanding of how the project relates to *pro-poor-growth (PPG)* and if they perceive the project strategy as related to absolute growth or relative growth:

The *DAC* defines *PPG* as ‘a pace and pattern of growth that enhances the ability of poor women and men to participate in, contribute to and benefit from growth. Policies therefore need to promote both the pace of economic growth and its pattern, i.e. the extent to which the poor participate in growth as both agents and beneficiaries, as these are interlinked and both are critical for long-term growth and sustained poverty reduction.’

Absolute Growth: The poor people enjoy absolute growth, independent of the growth of the other sections of the society.

- ▶ Minimising the absolute number of poor

Relative Growth: The poor people enjoy more growth than the other sections of the society.

- ▶ Reducing inequality

The interviewees understood the project’s strategy as being clearly business-oriented and more related to the concept of absolute growth. The strategy is to promote farmers with potential, with the overall purpose of allowing poorer farmers to benefit in the long term. However, there were different positions; whether the focus should be on ‘*making the business and the sector run*’ or whether to specially focus on including the poorer farmers as much as possible.

2.4 Institutions and social rules – traditional land rights

Besides analysing the stakeholders and actors who influence intervention, the *PIA* reflected on how formal or informal institutions influence project implementation. We understand ‘*institutions as the set of rules, laws and the ‘the cultural practices that frame social behaviour and interaction, and encompass for example social hierarchies...’*²⁵ The only institution analysed with regard to their impact on the intervention and on poverty outcomes was traditional land rights, and the changes it has undergone through the commercialisation of agriculture.

Most farmers have communal or **stool land** or family land ownership. Indigenous people have usufructuary rights and can normally expand their land on unused stool land. Migrants and settlers from other areas have to ask the owner of family land or the chiefs to obtain land.

25 OECD DAC (2007),

There are two forms of contracts between a landowner and a tenant:

Abunu system in the forest zone in which a landlord and a farmer agree to divide the farm into two equal parts after the rehabilitation, renovation or new plantation of tree crops (such as cocoa, oil palm or cashew). The farmer will have to pay a registration fee to the landlord and bear all costs until the land is divided when the new plantation bears fruit (4-5 years in the case of cashew). This system allows access to land ownership for landless farmers, but only medium category farmers or poor farmers with high labour capacity can afford to work 5 years under these conditions.

Abusa system: Sharecropping system in the forest cocoa zone in which the land owner will pay for the inputs and tools and the sharecropper will provide labour. The production is shared (2/3 for the land owner, 1/3 for the sharecropper). The sharecroppers have free use of the land to grow annual crops to feed their families.

The *PIA* team could not get a clear picture of the influence of traditional land rights on cashew production. On the one hand, the traditional system is clearly poverty oriented. It assures communal ownership, secures ownership for those who are cultivating the land and provides access to land for younger households or new settlers.

Most interview partners indicated that access to land is not a problem and that there is still enough land to distribute and long-term migrants also have acquired land and are planting cashew like other farmers.²⁶ However in the *MOFA livelihood study*, about 25% of the group of poorer farmers in southern Ghana mentioned access to land as a constraint to household development. Other interview partners pointed out that traditional land rights may be a constraint for migrants to access land for cashew cultivation, as landowners or chiefs may be unwilling to permit tree cropping for migrant tenants as this would stabilise their land use rights.²⁷

A *DFID study* on land rights pointed out that the commercialisation of agriculture could have negative effects on land rights and access for the poor:²⁸

- ▶ A long-term migrant farmer who is a tenant and who has planted cashew might face the risk of having a landowner or chief demand higher ground rent.
- ▶ New migrant tenant farmers may face harder conditions to lease land.
- ▶ Land owners and chiefs may prefer to rent out uncultivated land to migrants although this land may have originally been reserved for women or youth.²⁹

Although these are longer underlying processes that the project cannot influence, the relevance of sharecropping in the cashew sector should be further analysed and considered in the monitoring system.

26 Like the interviewed farmers in Tain and Wenchi districts who migrated here more than 30 years ago, or who are in the third generation.

27 Interview in Tain district (Nsawkawand Cooperative Association members). Prof. Diaby-Pentzlin, Integrated Legal Advisor at the Ghana National House of Chiefs.

28 Summary provided by Prof. Diaby-Pentzlin, internal legal advisor of the House of Chiefs.

29 See also with regard to the insecure legal situation of women in the traditional land rights system: International Finance Corporation and Ministry for Women and Children Affairs, Ghana (2007), p. 12.



Module 2a: Summary of the actors and target groups, how far they support the pro-poor nature of the project and risks that may hinder them from benefiting from the project

Stakeholders (target groups, intermediaries, and institutions)	Main roles and activities/Details of the groups	Interests and pro-poor agenda.	Aspects/Constraints that may hinder them to benefit from the project	Rating of their pro-poor agenda	Rating of risks/constraints	Mitigation and/or reinforcing measures	Information source, gap and quality
Small-scale cashew farmers	Extreme poor cashew farmers: < 1.8ha (650 kg/ha) < 2.9 ha (350 kg/ha) of cashew plantation ¹	To improve their income and socioeconomic development by producing cashew.	<ul style="list-style-type: none"> ▲ Bush fires ▲ Bad education/illiteracy ▲ Low yields ▲ No access to information ▲ Remote location ▲ Lack of money for hired labour and (sometimes lack of access to land?) to expand their cashew production ▲ Dependency on traders and agents. 	++	-	<ul style="list-style-type: none"> ▲ Project should pay special attention to including poorer farmers, e.g. in agricultural extension activities and training to realise their potential and improve yields ▲ Targeting remote areas ▲ Ensure that market information systems and methods are adapted for the illiterate (e.g. through radio programmes) ▲ Inclusion of these poorer farmers through the promotion of cooperatives. 	<ul style="list-style-type: none"> ▲ Interviews with stakeholders and estimates from country study. ▲ Lack of information: Land distribution among cashew farmers ▲ Quality of information is moderate.
	Poor cashew farmers: < 2.1 ha (650 kg/ha) < 4 ha (350 kg/ha) of cashew plantation ^{1v}						
Poverty Line							
Small-scale cashew farmers	Non-Poor Complex Diverse Risk-Prone (PCDR): 32%	Can be frontrunners and leaders in cooperatives.	<ul style="list-style-type: none"> ▲ Bush fires ▲ No access to loans beside Cashew Development Program administered credit facility through AgDB ▲ Lack of credit for hired labour and to expand their cashew production ▲ Dependency on traders and agents. 	+	+	Conduct training on bush fire control.	Poverty Line
	Semi-Commercial small scale farmers: 26% in Transitional zone.						
Commercial and rich cashew farmers	12% of the number of farms. Estimated that they occupy 1/3 of the area under production.	Can function as frontrunners and good examples for good agricultural practices	<ul style="list-style-type: none"> ▲ Mainly interested in own benefits ▲ Potential competitors with small-scale farmers ▲ Bush fires. 	0	+	These farmers can afford to insure their farms against bush fires.	Information gap: Could not ascertain the percentage contribution of the group to national cashew production.
	Farmers in Brong Ahafo with no cashew	Interested in earning additional income through employment opportunities.	<ul style="list-style-type: none"> ▲ We assume that the poorest farmers are only engaged in subsistence farming and have no cashew farms ▲ Eventually, long-term migrants may not be allowed to plant cashew trees on their land. 	0+	?	Inclusion into cashew cooperatives.	Information gap: long-term migrants' access to land tenure/tree crops. Quality of information: very low.
Hired labour	Can work as hired labour on day-to-day basis in the cashew farms (i.e. weeding and harvesting).	Economic component of the livelihood system to ensure availability of cash to buy farm inputs and financial benefit and autonomy during the lean season.	<ul style="list-style-type: none"> ▲ Difficulties accessing resources and particularly difficulties in social integration. 	++	?	Further assess at the baseline the role and relevance and salary levels of this group in cashew production, and monitor possible impacts of the project on this group.	MOFA-PPMED (2006) Quality: low

Employees in the processing companies	Provide labour for processing companies. The assumption is that 95% of these employees would be women.	Interested in employment opportunities and offered competitive salaries/or wages.	High rate of employee absence.	++	0	Institutionalisation of day off schemes for the employees (e.g. 2 weeks work, 2 weeks break).	Interviews with some stakeholders in the processing sector. Quality: good.
Long term migrants/settlers	Different forms of access to land: Have bought land that is now own family land, or are working on sharecropping basis or paying ground rent.	<ul style="list-style-type: none"> To improve their income and socioeconomic development. To stabilise their land rights. 	<ul style="list-style-type: none"> May, not be allowed to plant tree crops on their land, and therefore be marginalised from cashew production May have to pay higher ground rents when income increases New migrants may find harder to access new land. 	+	?		
Women in Cashew producing households	Generally, women have less land and are less engaged in cashew production on their own land. Mostly, women work on their husbands' cashew farms.	Land rights of women seem to be quite stable, men are not supposed to take over cashew farms established by entire households or by women.	<ul style="list-style-type: none"> Intensive labour burden for women.³⁰ 	+	-	<p>Promotion of co-ownership of primary household property.</p> <p>Married couples in cashew households may choose to register their lands with Land commission and /or Administrator of stool land.</p>	Interviews with male cashew farmers, extension officers but no interview with women. Quality of information: low.
Female headed household	Female-headed households in Ghana appear to be less affected by poverty than male-headed households.	Interested in owning cashew farms as security for old age.	Specific farm operations could not be done well without assistance from hired labour.	+	-	<p>Mainstreaming gender-related activities into project activities.</p> <p>Extension services and strategy to improve access to information should include/target women and female-headed households.</p>	Quality: low.
Children (under 15 years)	13% of children aged 7-14 are economically active. Among children working in agriculture, 46% work less than 20 hours per week, 33% between 20 to 40 hours per week, and 20.7% work more than 40 hours per week. Those who are engaged for 60 hours or more per week constitute 3.3% of all working children. ³¹	Interested in the opportunities being offered by benefitting from the higher incomes of their families to meet some educational needs.	<ul style="list-style-type: none"> May have to work more on family land, with negative effects on school attendance. 	+	?	Empowerment of cashew farm families to broaden the coping mechanisms against poverty to provide educational requirements for their children.	Quality of information: low.

30 Amador for cocoa, cited in DIFID (2001), p. 97.

31 Ghana Statistical Service (2008): GLSS, p. 65.

- I Depending on the yield, 650 of 350 kg/ha. Only extreme poor, if they cultivate cashew exclusively on less than 1.8 ha with no other food or monetary income from subsistence agriculture.
- II Poverty and Social Impact Assessment done by the Ministry of Agriculture and financed by World Bank, analysing poverty impacts of the national strategy to modernise agriculture.
- III We could calculate: 70,000 cashew farmers of which 88% have less than 3 ha. This corresponds to approx. 61,600 small-scale farmers. Multiplying this number with their maximum land size (3ha), then they correspond to max. 185,000 ha cashew (or 70% of the area for cashew cultivation/production).
- IV 12% of farms have 8-40 ha = 8400 farms; Multiplied with a minimum of only 10 ha, then they correspond to a total area of 84,000 ha (about 30% of the area for cashew cultivation/production). Total area of cultivation: 269,000 ha as sum of both groups.
- IV Only poor (lower poverty line), they have more than 2.3 ha, with no other food or monetary income from subsistence agriculture.





Module 2b: Summary of stakeholders and institutions and how far they support the pro-poor nature of the project intermediaries and other stakeholders

Stakeholders (intermediaries and institutions)	Main roles and activities/ Details of the groups	Interests and Pro-poor agenda	Aspects/Constraints that may hinder them to have a pro-poor agenda	Rating of their pro-poor agenda (+/-)	Mitigation and/or reinforcing measures	Information source, gap and quality
Chiefs	Serve as traditional rulers and custodians of stool lands.	<ul style="list-style-type: none"> Are interested in development in the community Function sometimes as interlocutors Act as arbitrators on land issues. 	<ul style="list-style-type: none"> Inadequate consultation and project interventions not well presented to them Interested in own income from the stool Could be unwilling to permit new settlers to plant tree crops. 	+	<ul style="list-style-type: none"> Institutionalise briefing sessions with the chiefs Access to information on project and impacts on the lives of their subjects Based on the cocoa study, discuss if a study on the interaction of cashew production and access to and security of land tenure is required. 	<ul style="list-style-type: none"> Interviews with chiefs, extension officers and consultants on land issues and literature Quality of information: moderate.
Municipal/ District Assemblies	Promote pro-poor programmes to address specific needs of the poor identified among the different target groups.	<ul style="list-style-type: none"> Have participatory poverty maps to define poverty pockets in the district Promote rural infrastructure/ feeder roads Support cooperatives. 	<ul style="list-style-type: none"> Interested in charging taxes and levies on bags of raw cashew nuts to increase own budget Inadequate consultation and coordination with implementing partners. 	+	<ul style="list-style-type: none"> Joint awareness creation. 	<ul style="list-style-type: none"> Interview with personnel from a district assembly. Information gap exists on levies being charged by other district assemblies and legal basis of these levies Quality: high
Processing companies	<ul style="list-style-type: none"> Transform raw cashew nuts into edible products Buy raw cashew nuts from farmers Employ workers and increase the national value added of Ghanaian cashew exports. 	<ul style="list-style-type: none"> Are interested in low turnover of employees, and therefore have to offer good working conditions Interested in high quality nuts and stable supply and therefore want to have close relationship with cashew farmers Interested in traceability with regards to raw cashew nut supply Some processing companies are firmly pro-poor. 	<ul style="list-style-type: none"> Have to meet the market requirements, quality assurance and to compete at international level 	+	<ul style="list-style-type: none"> Institute training programmes to equip their unskilled employees to improve quality assurance so as to meet international market requirements Focus on social standards and responsibilities in management training. 	<ul style="list-style-type: none"> Interviews with processing companies. Quality: high.
Traders and agents	Serve as intermediaries by trading raw cashew nuts between farmers and exporters.	Interested in maximising profits to remain in business.	<ul style="list-style-type: none"> Working capital to buy raw cashew nuts from the cooperatives Lack of transparency in transacting business with other stakeholders Interested in low producer prices International traders can easily switch to other countries. 	-	<ul style="list-style-type: none"> Provision of updated farm gate prices and FOB, Tema prices to producer associations. 	<ul style="list-style-type: none"> Interviews with farmers, international traders and district cooperatives. Quality of information: medium.

Exporters	Source markets and trade cashews.	Mostly concerned with high competitive prices in order not to reduce their investment capital.	0	Assumptions.
MOFA – Cashew Development Project and District Agricultural Development Units	<ul style="list-style-type: none"> Collaborate with the implementing partners in planning, implementing and monitoring project activities Provide agricultural extension services. 	<ul style="list-style-type: none"> Require external financing/support for extension delivery Mostly concerned with the outcomes of the goals of the project. 	++	Joint ownership of Country Work Plans with implementing partners.
Non-Governmental Organizations (ADRA-Ghana)	Provide business advice and link local processors with buying and retailer companies.	Mostly concerned with business linkages Support extension delivery services.	+	
Implementing Partners (GIZ, Technoserve, African Cashew Alliance and FairMatchSupport)	Implement the project so as to achieve its impact.	Mostly concerned with the attainment of project goals and objectives.	0 to +	
Traditional land rights: (Abunu for tree crops)	<ul style="list-style-type: none"> Regulates the access, distribution and ownership of land 'Chiefs/stools hold the land in trust for the people and are therefore responsible for land administration or distribution' Abunu: People who want to access new land and to plant trees have to ask for permission from the land owner or chief, provide own input. After the first harvest, the total cultivated land is divided, and 50% goes back to the owner or stool and 50% to the new settler (exact rules can be agreed upon and differ in each community). 	<ul style="list-style-type: none"> Anyone' who wants can accede land if he asks the chief (land is available) Creates opportunities for migrants and younger people Protects land rights for small-scale farmers and communities, as it is based on the concept that the land belongs to the whole community. Therefore it is difficult for big companies or investors to buy land on legally secure terms. Also allows (at least in theory) poorer migrants from the north to settle in the cashew region and to obtain land. 	+	
		<ul style="list-style-type: none"> Shift from communal/collective land ownership and only custodial functions of the chiefs to 'ownership' of land by the chiefs, and shift to tenant – landlord systems People who are not indigenous, (long-term migrants or settlers) sometimes have to rent the land or have to cultivate the land on permanent sharecropping basis (Abusa) Possible barrier for migrants and non-indigenous people to plant cashew. 	-	

Key for modules 2a+b	++	+	0	-	--
Strength/direction of impact	highly positive	positive	not significant	negative	highly negative
Quality of information and analysis	excellent	good	adequate	some use	poor
Significance of the risks and constraints for this group	no risks at all, will profit from the projekt	no risks at all, will profit from the projekt	moderate	high	extreme





3 Analysis of Transmission Channels and Results

Module 3 provides an overview of the links between the project interventions and the outcomes for the target group by means of transmission channels. Thus, transmission channels describe the routes by which the intervention procedures affect and influence the stakeholders. Seven transmission channels have been identified:

- ▶ Prices
- ▶ Employment
- ▶ Transfers
- ▶ Access
- ▶ Assets
- ▶ Authority
- ▶ Productivity

3.1 The employment channel

It is the intervention's second most important transmission channel that will support the creation of non-agricultural employment in processing companies. Furthermore by increasing productivity on cashew farms (*see productivity channel 3.3*), it will probably have secondary effects on the employment of hired labour in the cashew farms (generating agricultural wage earning).

The project's objective of increasing national processing in Ghana from 500t/year to 10,000 t/year would result in **up to 2,125 additional employees in the processing companies**.³² Women (95%) will mainly benefit when the national processing capacity is increased. It can be assumed that most of these employees originally come from poor households and have little education (to be monitored in the baseline study).

Analyses from the field studies estimated that an increase in cashew production can lead to increased employment of hired workers for weeding and harvesting. If a rough estimation is made that one hectare of cashew generates about 40 man-days of hired labour on the farm,³³ a cultivated area of about **25,000 hectares would make cashew production an important employment source for hired labour** as it could be estimated to require nearly 1 million man-days. If the project wants to increase the productivity of existing cashew farms by 100%, we can assume that more labour will be hired, leading to additional employment of seasonal labour, even if some steps are mechanised. **The labour force is provided by poor and extremely poor households in the area who do not own cashew farms, or by seasonal migrants from the north.** The Transitional zone involving parts of Brong-Ahafo is attractive to seasonal migrants who are normally hired for seasonal jobs. Migration has become part of the livelihood system and strategy of most households living in the poorest areas of northern Ghana. The agriculture sector employs

higher proportions of male migrants while the non-agriculture sector employs a high proportion of female migrants (*MOFA-PPMED, 2006*). This comparative employment benefits migrants and poor and extremely poor farmers in the area for the short and medium term. However it will not last in a more organised and formal market economy and will not be sufficient to lift some rural households out of poverty and hunger.

To a small extent there are secondary employment effects on semi-skilled or skilled labour in distribution companies because of the need for comprehensive export and logistics infrastructure or equipment fabricators producing cutter machines. However they may not be significant. Negative effects include increased work burden for women who help their husbands on their cashew plantations. This could result in less time available for their own plots.

3.2 The price channel

Farm gate prices will increase as a result of the direct sales premium offered by the processing companies. It has been estimated that taxes may obtain a price increment of between 10-20% contrary³⁴ to 30% estimated in the project document (*Grant proposal, 2008*). Risks include farmers not getting information on direct sales and their prices.

The formation of well-structured *Farmer Cooperative Associations* may offer the opportunity for higher bargaining power through bulk selling which will result in price increases. The cooperative in Wenchi obtained higher prices in the market through bulk selling compared to what the processing companies could offer. One risk could be that if the cooperatives are not well organised, there may be negative results due to misappropriation of income through mismanagement.

The different processing companies and traders of raw cashew will pay more than the average if *RCN* quality is improved and organic certification procedures are followed. This is a positive impact in the short term but is generally insignificant with regard to income and to the majority of cashew farmers. Migrants may flock to the Transitional zones in great numbers resulting in a surplus of labour. This could prompt businesses to react by offering lower wage rates. This would worsen the living conditions of the most vulnerable people in the medium and long term.

3.3 The productivity channel

High productivity per unit area could be obtained through project implementation. There is the **potential to increase yields between 123-228%**. However the major risk is the

³² Calculating with 0.25 workplaces per t (Personal communication with Mr. Mritunja Das, OLAM).

³³ 30 to 40 man-days per year per ha for weeding (2 seasons) and 10 to 30 man-days per ha per year for the harvest.

³⁴ In 2009, MIM offered 0.45 Cedi/kg compared to traders who offered between 0.30 and 0.45 Cedi/kg depending on the season



increase in the volume of engagement of extension service providers. As discussed on *page 16*, the poorer farmers are likely to live in the district's **remote and inaccessible areas** (*'poverty pockets'*). The extension service should develop a strategy on how to include these remote cashew farmers in their operational schemes.

The **processing companies** can play an important role in informing farmers about quality standards. But they cannot provide integral support to farmers regarding the whole cycle of cashew production and good agricultural practices. It is recommended that **the roles and expectations be clarified** with regard to extension services between the processing companies, the *African Cashew initiative* and other possible partners such as *MOFA's Cashew Development Project*. It should be ensured that **at least 20% of trainees are women** as stipulated in the *GIZ project proposal (2008)*. This will improve productivity among female farmers and enhance the economic capabilities of rural women.

3.4 The access channel

Increased access to markets is positive in the short to medium term for national processing companies. This will have positive secondary effects on employment and on prices for raw cashew nuts. Actually access to markets does not seem to be a problem for the cashew farmers. Many traders come to the region and so there seems to be over-demand rather than oversupply of cashew. But the existing market is fragile, as changes in quality, prices and currency rates may easily diminish competitiveness on the world market and result in a withdrawal of international traders. National processing schemes would reduce vulnerability to these international fluctuations.

The **availability of information on prices and quality requirements** will contribute to improved living conditions. Access to income during the lean season will improve the livelihood strategies of vulnerable poor farmers. The strategy to improve access to information should consider that nearly 40% of the men and more than 60% of the women in Rural Forest zones are illiterate (*see Chapter 1*). Radios are common in all households, but only few households have mobile phones.³⁵ *MIM Company* communicates their prices to the farmers via radio. However a limiting factor is that there are different radio stations in each community.

Access to credit will help farmers acquire farm inputs and hire labour. For example, when intensifying the agricultural practices in cashew production, more finance is needed for seedlings, pesticides and quality management equipment like calibrating machines and weighing scales. A limiting factor is that loans may only be granted on the condition that cooperatives are formed.

³⁵ In the sample of the livelihood study about 80% of the farmer households, including the poor households, have a radio and a median of 9% of the households have mobile phones (4% poor, 12% medium and 15% of the better-off households). MOFA (2001), Annex 3.

³⁶ Personal communication, Tain District Planning and Coordination Unit.

3.5 The assets channel

Private sector investment in processing companies will boost local and national production by opening up new markets. The setting up of cashew apple processing plants will benefit the pro-poor agenda and have a positive effect on the income of the rural population. The implementation of the project will improve 25,000 farmers' cashew plantations in the medium to long term. A critical factor is if the project manages to establish sufficient quality assurance procedures to ensure that the farming communities produce quality products. The direct international investment in cashew processing will assist economic activity even in areas outside the cashew growing belts through trickling down effects in the long term. The promotion of good agricultural practice will improve the quality of the cashew plantations and improve the farmers' assets.

3.6 The authority channel

Well organised farmer cooperative associations give farmers bargaining power against traders and processors as well as against actors supporting them at the District Assemblies and the *Cashew Development Initiative*. However, abuse of power in the cooperatives could jeopardise these positive effects. The direct relationship between farmers and cashew processing companies appears not to have created dependency as supposed, but has increased the farmers' bargaining power in the market. The effects of cashew promotion on access to and security of land is ambiguous. The planting of tree crops could improve land security. The general commercialisation of agriculture and increased profits of some farmers could however increase pressure on land (despite there being enough now), and in the long term reduce access to land for women and vulnerable groups. The development of the *Land Administration Project* should be observed, as this project may influence the land rights of cashew farmers.

3.7 Transfers

Some districts charge levies of about GNC 0.1 to 0.2 per bag of raw cashew nuts that leaves the district.³⁶ The investment in the processing sector coupled with the anticipated increase in yields from cashew farms, will provide an opportunity to municipal/district assemblies to increase their local budgets through levy collection. Municipal/district assemblies face the risks of levy evasion and bribes by businessmen and individuals due to their inability to understand and master the new revenue base. With the creation of employment in cashew producing companies and increase in hired labour and opportunities for seasonal migrants, there will be a general increase in income and therefore a direct effect on the volume of remittances to relatives, although these may be insignificant.

Module 3: Analysis of transmission channels

Details of the change initiated by the intervention		Results by Transmission Channel	Rating	Risks that the results will not be achieved	Quality Information and analysis
Details & risks that may influence effectiveness of this channel					
Prices	Direct sales premium by selling directly to processors	Producers may obtain between 10-20% price increase contrary to 30% estimated in the grant proposal.	+	<ul style="list-style-type: none"> ▶ Very little margin for processing companies ▶ Some farmers will not get information on direct sales and their prices. 	good information
	Price increase through higher bargaining power of cooperatives	Farmers belonging to cooperatives may improve their income through bulk selling to processors.	0	<ul style="list-style-type: none"> ▶ Cooperatives may not be well organised ▶ Abuse and mis-management of cooperatives ▶ Bad leadership in cooperatives. 	some use
	Differentiated prices by quality and certification premium	It is estimated that ¼ of farmers could obtain 22% increment due to differential prices offered as a result of improvement in quality and certification.	+		excellent
Productivity	Productivity of farmers will increase	Potential for increase in yields by 123% to 228%.	++	Increase in volume of engagement for extension service providers.	good
Employment	Seasonal employment in Cashew farms	Increased productivity of existing cashew farms by 100% will lead to additional employment of seasonal labour. (Actual cultivation of 25,000 ha could be equivalent to about one million man-days of hired labour.)	++		adequate
	Women working on their husbands' land	19.7% of rural women in Ghana work more than 40 h on their main job, compared to 29% of rural men. ³⁷	0	Increase in volume of engagement for extension service providers.	some use
	Children working in the family farms	Temporary employment for children to acquire basic education needs.	0		some use
	Employment in processing companies	It is estimated that there will be 2,120 additional employees (mostly women) in processing when national processing capacity is increased.	++	Required working capital to expand the national processing capacities.	excellent
	Tertiary and secondary employment	Not significant although employment can be generated from tertiary and secondary levels (e.g. fabricating workshops for manufacturing cutters).	0		some use
	Marginalisation of traders	Not significant. Does not affect the poor.	0		poor
Authority	Direct relationship with processing companies	Increase in farmers' bargaining power as processors depend on them for supply, and there are still enough traders.	+	Trust within the cooperatives.	adequate
	Organisation of farmer cooperatives	Bargaining power against traders and processors.	++		some use
		Abuse of power in cooperatives through bad leadership.	--		adequate
	Changes in land rights through cashew planting	<ul style="list-style-type: none"> ▶ Could reduce land access for youth, women tenants and subjects ▶ Could increase land rights of farmers 	-- +	Through negotiation, tree cropping can increase land rights for migrants.	some use

Details of the change initiated by the intervention		Results by Transmission Channel	Rating	Risks that the results will not be achieved	Quality Information and analysis	
Details & risks that may influence effectiveness of this channel						
Assets	Physical	Improvement of cashew farms through pruning and thinning.	++		excellent	
		Private sector will invest in increased processing capacities in the country.	++		excellent	
	Financial	Direct international investment in cashew processing.	++		<ul style="list-style-type: none"> ▶ Little margin for processing companies ▶ High labour costs in the country. 	good
Access	Access to information	Processing companies directly inform farmers about prices and quality requirements.	+		good	
	Access to income sources outside the season	Generation of income during the lean season.	++		good	
	Access to credit for farmers	Well structured cooperatives may access credit using cashew trees as possible collateral.	0		<ul style="list-style-type: none"> ▶ Depends mainly on the formation of cooperatives ▶ Traditional land rights make banks reluctant to give credit. 	some use
		Using investments and working capital to access credit.	+		some use	
	Access to market for processors	Increase access to markets for national processing companies.	+		some use	
	Access to market for farmers	Farmers already have access to markets.	0		adequate	
		Access to markets for cashew apples.	+		adequate	
Transfers	Levies (and bribes)	Municipal/district assemblies are charging levies per bag of raw cashew nuts leaving the assemblies.	-		some use	
		Attempt by COCOBOD – Quality Control Division to collect levies on quality certification.	-		some use	
	Private remittances	Not significant.	0		poor	

Key for module 3	++	+	0	-	--
Strength/direction of impact	highly positive	positive	not significant	negative	highly negative
Quality information and analysis	excellent	good	adequate	some use	poor
Significance: of the risks and assumption to results			moderate	high	extreme





4 Analysis of Stakeholders' and Target Groups' Capabilities

The stakeholders and target groups have all been reviewed and the positive results of the project regarding their various capabilities have been evaluated. There are five recognised capabilities for escaping or avoiding poverty (according to the *OECD/DAC capability framework*).

These are:

- ▶ economic capabilities to use assets to attain and pursue a sustainable livelihood
- ▶ human capabilities (i.e. including health and participation in community life)
- ▶ capabilities to participate politically
- ▶ sociocultural capabilities for inclusion in social and cultural life
- ▶ protective/security capabilities to lessen vulnerability and to withstand economic shocks.

The following main outcomes can be expected with regard to stakeholder and target group capabilities.

4.1 Smallholders (extremely poor-, poor- and better off – cashew farmers)

The smallholder cashew farmers could experience **economic gains** in the medium term through **increased income levels** due to increased production levels through the adoption of good agricultural practices and possible expansion of their farms. Non poor and **better-off farmers will probably be the first to adapt new agricultural practices** and will have the necessary financial resources and labour capacity to implement them. The poor farmers will face more constraints. **The remote farmers and the poorest farmers living in the poverty pockets will probably lack labour capacity and financial resources, may be marginalised** by extension services if not especially targeted, and have less access to information and better prices. **Cooperatives could help to include poorer farmers** in the project as they facilitate the transfer of good agricultural practices from better-off farmers to poorer farmers and support them in gaining access to information and markets. Up to now, well organised **cooperatives have had higher impact on prices and income than the linkage to processing companies**. They however face the risk of bad management.

A positive economic impact on **employment** could be expected **for the poor and extremely poor** on their own production systems or **as workers for other economic agents**. Outsourcing parts of the processing cycle (cracking the nuts; only the peeling is done at the processing company) and selling to farmers' cooperatives could create additional employment and income

for poor farmers and women. However these local pre-processors may not fulfil the required standards for hygiene and quality.

The establishment of local processing companies introduces new buyers to the regional cashew market and creates greater competition on the demand side. As most of the cashew production will still be marketed by international traders, national processing companies constitute only one alternative for the cashew farmer and will not create dependency. The effect will be increased **bargaining power** and a better position against traders especially for the better-off and rich cashew farmers, and those organised in cooperatives (**improved sociocultural capabilities**). The *PIA* team had no information on the social situation of women (e.g. if they were married and supporting or maintaining a family, or if they have children, or if they are mainly young single women without children). It would be interesting to include these groups of employees in the target group analysis, to observe the indirect poverty effects of their employment via the monitoring system.

Some farmers indicated that cashew production is very important for them as it creates **access to income outside of the normal harvesting season** in October and November, and after their expenditure for Christmas festivities. The farmers' **capabilities to lessen vulnerability** and to withstand income fluctuations will be increased, as cashew provides **out-of-season income and thereby more regular income during the year**. National processing would provide at least a temporary filter for changes on world market prices and reduce the vulnerability of cashew farmers.

If the smallholders are not supported by project interventions, **sociocultural exclusion and inequality would increase** in comparison to the other segments of the target groups. Even if the smallholder's interests are considered in the project implementation, additional construction measures – for example the construction of feeder roads by the District Assemblies – would support the positive sociocultural impact. This is because currently there is little or no road access and other infrastructure in the remote places where most of the extreme poor cashew farmers live.

4.2 Commercial and rich cashew farmers

Commercial and rich cashew farmers are expected to improve their economic capabilities, as they will enjoy increases in **productivity, employment and income**. They will probably try to expand their production areas. However these impacts on commercial operators may widen the inequalities in the project zone. Improving the inequality level in the project zones may require mitigating social policies which might be beyond the project's interventions.

4.3 Hired labour (farmers with no cashew farms, seasonal migrants, employees in the processing centre)

In the short and medium terms, the various categories of hired labour profit from the growth of the cashew sector, strengthening their economic capabilities through seasonal employment on cashew farms and more stable work at processing companies. However the employees in the processing companies who have been offered the opportunity to improve their economic situation would have to cope with the various training programmes to increase their labour productivity. One possible negative human impact could be family or marital problems among seasonal migrants who have left their original settlements.

4.4 Women (women employed in processing companies, women in cashew producing households and female-headed households)

Women could improve their economic capabilities through **increased household incomes** from cashew production and will be economically empowered through **employment** in processing activities.

The increase of national processing capacities could create employment for about 2000 persons, mainly poor women with little formal education (see chapter 3.1 on page 28). The employment is on a day-to-day basis. Besides creating employment and income, this also reduces their vulnerability as some companies (to be monitored) cover the health insurance of employees who work for more than three months in the company.

Women in cashew farming households profit from the increased income and well-being of the family. The distribution of income within the household should be monitored. If targeted well by the project, some women may even improve productivity on their own cashew plantations. A possible negative human impact could also be that the intensive labour burden on these women coupled with other domestic chores could reduce the time spent on their own plots (in situations where women own land).

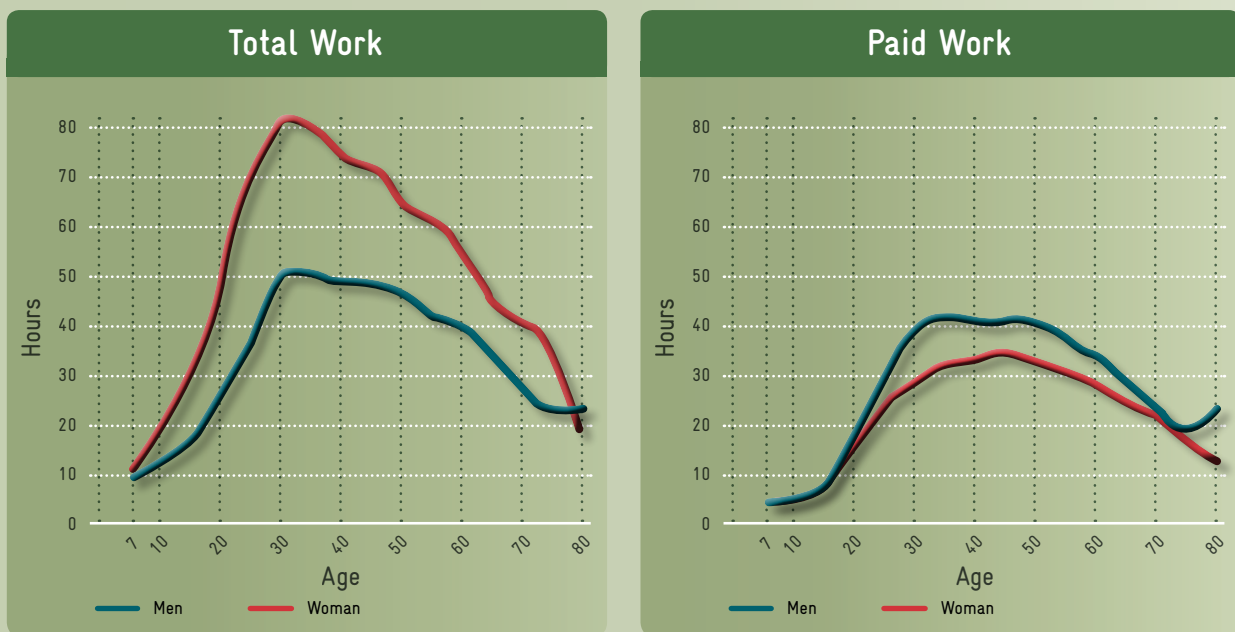
A risk may be that the commercialisation of agriculture combined with the adaptation of the traditional land rights system to this commercialisation could reduce women's access to and security of land in the long term.³⁸ This should be observed in the qualitative surveys of the baseline and monitoring system as there was different and contradicting information regarding this issue.

4.5 Children (under 15 years)

Children will benefit from their families' higher incomes. This may create opportunities for better nutrition and health. The children may have access to better education because they can afford to supplement educational and textbook fees paid by their parents. This will improve their human capability level in the long term.

However cashew farming could increase the workload on children and may lead to many dropping out of school.

Table 4.1: Workload during the lifecycle of woman and men in rural Ghana



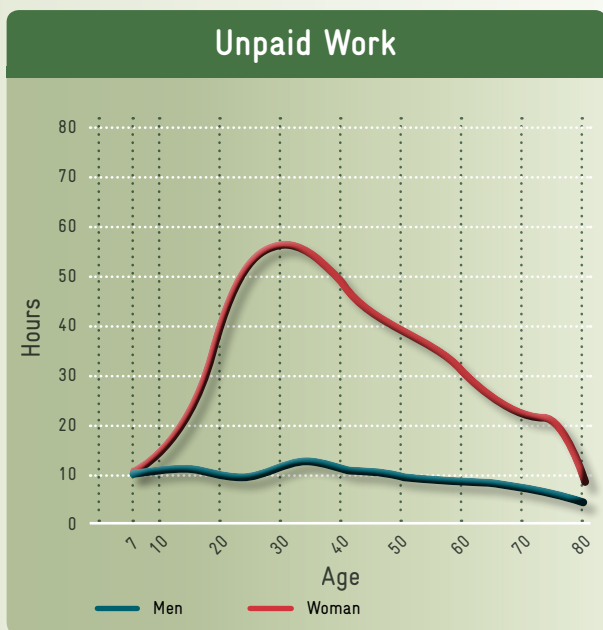
Non-linear estimation using Ghana living standards survey 4 (1998-1999), Tsukada, Raquel and Silva Elydia (2009)

4.6 Municipal/district assemblies

The municipal/district assemblies may benefit slightly in the medium term through the levies collected on 80 kg tare weight of raw cashew nuts leaving the assemblies. At the political capability level, the internally generated revenue from these levies should be utilised to provide physical projects to support the agricultural sector, e.g. rehabilitation of feeder roads and construction of district markets. Nonetheless, the budget could suffer if the targeted producers are not supported through the sustainable provision of infrastructure, an enabling environment and access to market information. The project should discuss rural development issues with municipal/district assemblies and debate their role in the value chain approach.

4.7 Other stakeholder and intermediaries

The assessment of the intermediaries and implementing partners refers to the enhancement of their capabilities to better support the project intervention and contribute to achieving the project's goals and objectives. It also refers to whether the project would be accepted and integrated into the societies of the targeted implementation areas.



Stakeholders	Outcomes in terms of capabilities												Quality of information			
	Economic (+/-)			Human (+/-)			Political (+/-)			Socio-cultural (+/-)				Protective security (+/-)		
	short term	medium term	medium term	short term	medium term	medium term	short term	medium term	medium term	short term	medium term	short term		medium term	medium term	
Main Target Groups																
Chiefs (with cashew?)	0	+?		0	0+	0	0	0	0	0+	0+	0+	0+	0+	good	
Municipal/district Assemblies	0+	+		0	0	0	0	0	?	0	0+	0+	0+	0+	good	
Processing companies	0	++		+	+ Knowledge	0	0	0	++ Nat. & int. Net-works	0	0	0	?	?	adequate	
Traders and agents	0	0+		0	0	0	0	0	?	0	0	0	0	0	good	
Exporters	+	++		0	0	0	0	0	0	0	0	0	0	0	good	
MOFA-Cashew Development Project & District Agricultural Development Units	0+	0+		0+	0+	0	0	0	+?	0+	0+	0+	0+	0+	excellent	
Non-Governmental Organisations	0+	0+		0+	0+	0	0	0	+?	0+	0+	0+	0+	0+	good	
Implementing partners	0+	++		0+	0+	0	0	0	++	0+	0+	0	0	0	excellent	
Key for module 4	++			+	0+				0						--	
Strength/ direction of impact	Highly positive			Positive	Some what positive				Neutral or not significant						Highly negative	
Significance of risk	Very low			Low	Low				Moderate						Very high	
Quality of information and analysis	Excellent			Good	Satisfactory				Moderate						Poor	

5 Analysis of the expected Results in Relation to the MDGs and National Level Strategic Goals

Cashew promotion has the potential to contribute to the achievement of several *Millennium Development Goals (MDGs)* and the successful implementation of the national strategy for reducing poverty. Since this study has been undertaken so early in relation to the intervention, there are

some assumptions which must go into even the simplest assessment of whether a contribution will be made to achieving the *MDGs*. Even if the intervention does not address extreme poverty and hunger, it mainly contributes to **MDG 1** (Eradicate extreme poverty and hunger), **MDG 8** (Develop a global partnership for development), and to a lesser degree **MDG 3** (Promote gender equality and empowerment of women) and **MDG 7** (Ensure environmental sustainability). *Tables 5.1 and 5.2* summarise the contribution of this intervention to the achievement of the *MDGs* and national strategic goals as enshrined in the **GPRS I and II**.

Contribution to MDG 1: Reduction of extreme poverty and hunger

Table 5.1: International targets and indicators

Goal 1: Eradicate extreme poverty and hunger	
Target 1.A: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day	<ul style="list-style-type: none"> ▶ Proportion of population below USD 1 (PPP) per day ▶ Poverty gap ratio ▶ Share of poorest quintile in national consumption
Target 1.B: Achieve full and productive employment and decent work for all, including women and young people	<ul style="list-style-type: none"> ▶ Growth rate of GDP per person employed ▶ Employment-to-population ratio ▶ Proportion of employed people living below USD 1 (PPP) per day ▶ Proportion of own-account and contributing family workers in total employment
Target 1.C: Halve, between 1990 and 2015, the proportion of people who suffer from hunger	<ul style="list-style-type: none"> ▶ Prevalence of underweight children under-five years of age ▶ Proportion of population below minimum level of dietary energy consumption

Indicators should be monitored differentiated by sex and urban/rural areas

Table 5.2: National indicators:

Goal 1: Eradicate extreme poverty and hunger
Indicator: <ul style="list-style-type: none"> ▶ Reduce poverty from 39% to 32% ▶ Reduce extreme poverty from 27% to 21% ▶ Reduce poverty among food farmers from 59% to 46%.





Creation of wealth through the employment, price and productivity transmission channels will promote pro-poor growth and contribute to *MDG 1*. The project will not reduce hunger and extreme poverty, as it neither targets the poorest areas nor the poorest farmers. However it promotes labour intensive agricultural growth. It increases the income of those just above or below the poverty line. In doing so it reduces poverty in rural areas as previously achieved in Ghana. The project will provide decent employment in agro-processing industries in rural areas with remuneration above USD 1 per day. The project will not target the poorest quintile in national consumption, but will reduce inequality by increasing income in rural areas and in the less privileged parts of the Ghanaian society.

The project does not address food farmers, but promotes export oriented agriculture and cash crops. However annual crops used as intercrops in cashew farms provide additional products that eventually do increase income and lessen the vulnerability of food farmers. The project will probably not have a significant impact on the level of hunger and the number of underweight children.

Contribution to MDG 3: promote gender equality and empowerment of women

Basically it is anticipated that the processing companies will employ women to process the raw cashew nuts. This transmission channel would contribute to their economic empowerment and increase their status at home and in society. Women farmers will be targeted for training in good agricultural practices and female staff will be selected for extension services. This supports female cashew farmers and contributes towards more gender equality in the agricultural sector.

Contribution to MDG 7:

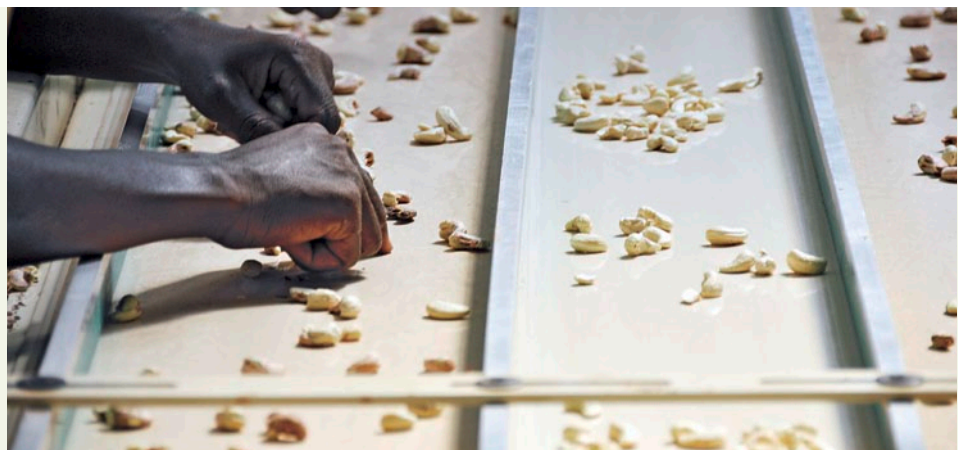
Ensure environmental sustainability

Incorporating cashew trees in the farming ecosystems ensures the integration of economic activity with natural resource management and contributes to carbon sequestration and combats desertification. The project strengthens the cashew sector as such, but does not strictly promote the plantation of new cashew trees.

Contribution to MDG 8:

Develop a global partnership for development.

Improving the business environment will increase the rate of investment in the country. Investors will have confidence in investing in the economy since an enabling environment will be created to conduct business without fear and codes will ensure fairness and justice.





Module 5: Impact summary table

Strategic Development Goals		Impact of African Cashew initiative				Sources of Information and Reliability of Information
MDG	GPRS	Positive Elements	Risk	Assessments		
				ST	MT	
MDG 1 Eradicate extreme poverty and hunger. Indicator: > Reduce poverty from 39% to 32% > Reduce extreme poverty from 27% to 21% > Reduce poverty among food farmers from 59% to 46	<p>Strategic orientation: Creation of wealth for pro-poor growth</p> <p>Goal:</p> <ul style="list-style-type: none"> ▲ To foster an attractive environment and promote investment ▲ To intensify adjustment within businesses ▲ To increase the employment intensity of growth. <p>Indicator:</p> <ul style="list-style-type: none"> ▲ Rate of investment ▲ Number of jobs created ▲ Increase in income. 	<p>Producers may obtain between 10 -20% increase in prices.</p> <p>Increased productivity and income of farmers.</p> <p>Additional jobs created in the processing companies and production sector.</p>	<p>Very little margin for processing companies.</p> <p>Required working capital to expand the national processing capacities.</p> <p>Bush fires, increased by climatic change.</p>	+	++	GPRS I & GPRS II. Grant proposal
MDG 2. Target: Ensure primary education for all Indicator: Proportion of pupils who complete primary education	<p>Strategic orientation: More rapid access to basic social services.</p> <p>Goal: To develop preschool education and promote completion of elementary and primary education.</p>			0	0	
MDG 3. Target: Promote gender equality and empower women Indicator: Eliminate gender disparity at all levels	<p>Strategic orientation: Social welfare, prevention and management of risks.</p> <p>Goal: To promote gender equity and equality.</p> <p>Indicator: Level of involvement of women and extent to which their activities are taken into consideration.</p>	<p>Provisions made for involving women in processing activities.</p> <p>Selection of female staff for agricultural extension and targeting on female farmers.</p>	<p>Insufficient trainings specific to women and supporting their courses.</p>	+	+	
MDG 4. Target: Reduce child mortality Indicator: Reduce the under-five mortality rate by two-thirds	<p>Strategic orientation: More rapid access to basic social services.</p> <p>Goal: To improve maternal and infant-juvenile health.</p> <p>Indicator:</p> <ul style="list-style-type: none"> ▲ Vaccination levels ▲ Weight profiles (weight/age ratio) of children aged 0 to 5. 			0	0	
MDG 5. Target: Improve maternal health Indicator: Maternal mortality rate is reduced by three-quarters	<p>Strategic orientation: More rapid access to basic social services.</p> <p>Goal: To improve maternal and infant-juvenile health.</p> <p>Indicator: Proportion of births attended by skilled personnel.</p>			0	0	
MDG 6. Target: Combat HIV/AIDS, malaria and other diseases Indicator: The spread of HIV/AIDS, malaria and other major diseases is halted	<p>Strategic orientation: More rapid access to basic social services.</p> <p>Indicator:</p> <ul style="list-style-type: none"> ▲ Sanitation coverage rate maintained ▲ Incidence of HIV (AIDS). 			0	0	

Strategic Development Goals		Impact of African Cashew initiative				Sources of Information and Reliability of Information
MDG	GPRS	Positive Elements	Risk	Assessments		
				ST	MT	
MDG 7. Target: Ensure environmental sustainability Indicators: The principles of sustainable development are integrated into national policy and the current trend of losing environmental resources is reversed	<p>Strategic orientation: More rapid access to basic social services</p> <p>Target:</p> <ul style="list-style-type: none"> Ensure improved access to appropriate, descent arable land. Improve the rural and urban environment. <p>Indicator: Proportion of the urban and rural population with access to land.</p>	Planting of cashew trees may help to combat desertification and contribute to vegetative cover.	Bush fires	0 +	0 +	GPRS I & GPRS II. Grant proposal
MDG 8. Target: Develop a global partnership for development Indicators: > Satisfaction level regarding the principles of good governance > Level of public assistance for development	<p>Strategic orientation: Good governance and decentralised, participatory development.</p> <p>Target: To extend judicial reform and improve the business environment.</p> <p>Indicator: Rate of investment.</p>	<p>Building of trade capacity (Ind. 8.9)</p> <p>Public – Private – Partnership approach for the implementation of the project.</p> <p>Promotion of fair trade certification and direct market linkages linkages.</p>	In case any partner does not show commitment to the project, other parts of the chain may be affected.	++	++	
Key for module 5	++	+	0 +	0	-	--
Degree/direction of impact	highly positive	positive	some what positive	not significant	negative	highly negative



W 180

W 210

W 240

W 320

DP

PCP

OW

OP

KLP

BB2

WB

PKW3

HUSK

PKP

VK

PKW4

PKW 2

LOCAL GRAD



EXPORTABLE GRADES

6 Conclusions and Recommendations

6.1 Conclusions

- ▶ **The project does not target the poorest regions or poorest farmers of Ghana since most cashew farmers and cashew farming areas seem to be at a rather similar poverty level as that of the national average of 29%**, while most poverty in Ghana is concentrated in the northern part of the country (Upper East, Upper West and Northern regions) where poverty incidence reaches up to 88%, which is equivalent to 40% of overall poverty in Ghana. The region with major cashew production – Brong-Ahafo – contributes 10% to national poverty.
- ▶ **Cashew farmers were not seen by the interview partners as the poorest farmers in the Brong-Ahafo region.** Even if the information obtained by the *PIA* team is not statistically representative, it indicates that cashew farmers in Brong-Ahafo tend to have bigger farm land than the average farmer in Brong-Ahafo. The results of the livelihood study by the Ministry of Food and Agriculture suggest that only medium and better-off farmers produce cashew.
- ▶ **Multi-dimensional poverty in the region:** Besides economic poverty, many farmers suffer from health problems and are constrained by **low education levels**. About 12% of the respondents interviewed for the Ghana Living Standards survey reported that they had to stop their regular economic activities because they are currently ill. **The distance of a village from marketing centres** is critical to the poverty situation of households, as identified by the participatory poverty mappings of the districts. If the project wants to include the poorer farmers, it should try to target these remote areas and use poverty as one criterion for the selection of the project regions.
- ▶ One third of cashew production may come from bigger farms. These farmers are likely to benefit from larger marketing opportunities created by the project.
- ▶ **The general project idea to increase rural incomes via export crops seems viable.** Farmers growing export crops, mainly cocoa, have significantly reduced their poverty levels over the past 15 years in Ghana. However critical reviews of Ghana's agricultural policies show that this export-oriented agricultural policy neglects the problems and needs of the food-producing poorer northern part of the country, thereby neglecting the issue of food security of the country (*OECD DAC 2008*).
- ▶ **The major effects on poverty reduction result from the increase of productivity of the cashew plantations in the smallholder farms and from the creation of employment in processing companies.** The project proposal **overestimates the potential of direct sales premiums**, and underestimates the potential of the increase in productivity.
- ▶ **Increase of cashew production will probably have additional poverty impacts through hired labour in cashew farms.** Hence the increase in production indirectly benefits the poor and extremely poor farmers or seasonal migrants in the region.
- ▶ **Cooperatives can play an important role in two ways:** First, they can **achieve higher prices for raw cashew nuts**, even higher than those prices that could be achieved by linking farmers to processing companies. Second, cooperatives can be **a vehicle to include poorer cashew farmers** in the project and ensure that they equally benefit from the project. However cooperative management structures in the region – with some good exceptions – are very weak and face the risk of misuse of cooperative funds.
- ▶ The *PIA* team had found **no signs that small farmers will be driven out by big commercial plantations** (*'there is enough land'*); however it was not clarified if changes to the traditional land rights system combined with the commercialisation of agriculture may reduce the access of vulnerable groups to land or increase rents for tenants and settlers or long-term migrants working under sharecropping conditions and who do not own land.



6.2 Monitoring needs, information gaps and potential risks to be monitored

The project should especially monitor the risks and critical components that might jeopardise its success. These include the situation of the poorest farmers, migrants, employment opportunities (for the landless, migrants, women), gender bias, land distribution, processing problems (efficient technology and equipment, efficiency of labour) cooperatives and market development. The following facts and figures should be established through a baseline survey to assess poverty impacts and must be monitored during project duration:

- ▶ Poverty status of cashew producing farmers disaggregated by farm size and productivity level and other socioeconomically relevant variables (such as age, gender, sex of household head, education level, proximity to roads and markets, migration, form of land tenure, etc.) and comparison of these cashew producing farmers with the other farmers in this region.
- ▶ Effects of cashew production on the workload of women and on other agricultural activities on their own farms.
- ▶ Employment effects of casual labour on farms and in processing before, during and after the project period; disaggregated by key socioeconomic variables such as gender, age, background, education, place of permanent residence and of origin, poverty status of the labourers, wages, regularity of payment, job security, etc.
- ▶ Price margins and their distribution along the value chain and the different marketing channels.
- ▶ Existence of farmer based organisations and cooperatives oriented on cashew production, and selected information on their operation and impact on cashew production (number, sex and regional distribution of members, type of organisation, accountability mechanisms, implementation of auditing, amount of cashew bought and sold by the cooperative and prices achieved, etc)

- ▶ Distance to markets and their accessibility for farmers by road.
- ▶ Bush fires affecting the cashew plantations.

The general impact monitoring should ensure that the data is collected, processed and reported categorised by sex, geographical area (region, district, and accessible versus remote areas) and socioeconomic groups (poor, medium, rich) and with regard to the type of land ownership. There should be special focus on the effects on and opinions of women. The secondary poverty effects of employment in cashew processing companies should be further explored. It is recommended that a Poverty Impact Assessment be conducted during the mid-term evaluation or at the final evaluation at the end of the project's first phase. This is to evaluate (based on the real data gathered by the *M&E system*) the project' poverty outcomes and to verify the judgements and hypotheses of this ex-ante assessment.

6.2.1 Information gaps

- ▶ Situation of the poorest farmers and poverty pockets.
- ▶ Land distribution and security of land tenure, especially situation of long-term migrants or settlers, and their access to land tenure and tree cropping.
- ▶ Gender aspects: Income distribution within the households, land security for women, access of female-headed households to cashew, etc.





6.2.2 Potential risks

- ▶ **Capacity gap** – Not having enough qualified staff in the field to promote more productivity.
- ▶ **Financing risks** – Insufficient supply of loans to processors for crucial investment into processing factories.
- ▶ **High labour turnover and limited human capital** – High labour turnover in the processing companies (e.g. *Mim Products Ltd.*, *Kona Processing Ltd.*).
- ▶ **Affordability of farm inputs** – Inputs such as cashew seedlings (grafts), pesticides, high labour cost may not be affordable to the target groups.
- ▶ **Uneven distribution of price gains** – Processing companies normally receive small margins from their operations and it is possible that producers may not obtain appreciable shares of the profit, leading to reduced motivation among farmers.
- ▶ **Volatility of market prices** – Cashew prices tend to fluctuate depending on world market prices which destabilises the entire value chain.
- ▶ **Price decreases in concordance with productivity gains** – With increasing productivity and growing supply on the Ghanaian cashew market, prices for raw cashew nuts may decline, even if competition for the raw product increases → need for good bargaining power of farmers/cooperatives.
- ▶ **Unclear situation of land tenure system** – Commercialisation of agriculture may reduce vulnerable groups' access to land (information gap).
- ▶ **Bush fires** – Although most farmers have been trained to construct fire belts to minimise bush fires due to negligence, cashew farms are lost through bush fires during the harmattan season.

6.3 Recommendations

- ▶ **Increased attention to on-the-ground support for cashew farmers to increase productivity and promote good agricultural practices.** As increased productivity is expected to have major effects on the household incomes of cashew farming families, this work stream is critical for the project's poverty outcomes. Since Ghana has had a number of cashew farming promotion projects, the *ACi* needs to build on these projects' successes, particularly on the poverty impacts known so far. In order to multiply and scale up the project, there is a need for qualified staff and intermediaries to implement the project in the field. For instance, *MOFA's Cashew Development Project* and some NGOs (e.g. *ADRA*) are already working in the regions supporting cashew production. The *ACi* should analyse how it can cooperate with them and what would be the best division of labour among these existing initiatives. It is recommended that **the roles and expectations be clarified** with regard to extension services between the processing companies, the *Cashew Development Initiative* and other possible partners such as the *Cashew Development Programme* and *MOFA*. This is because the processing companies' role may be limited to providing information on quality requirements and not cover integral good agricultural practices.
- ▶ **Inclusive project strategy:** The project should develop a strategy and criteria on how to include the poorer farmers in its agricultural extension services. It should try to **target these remote areas** and use poverty as one criterion for the **selection of project regions**. Project staff need to be sensitised in questions of poverty relevance, inclusion and gender. The good experiences of previous programmes with other institutions should be continued and stepped

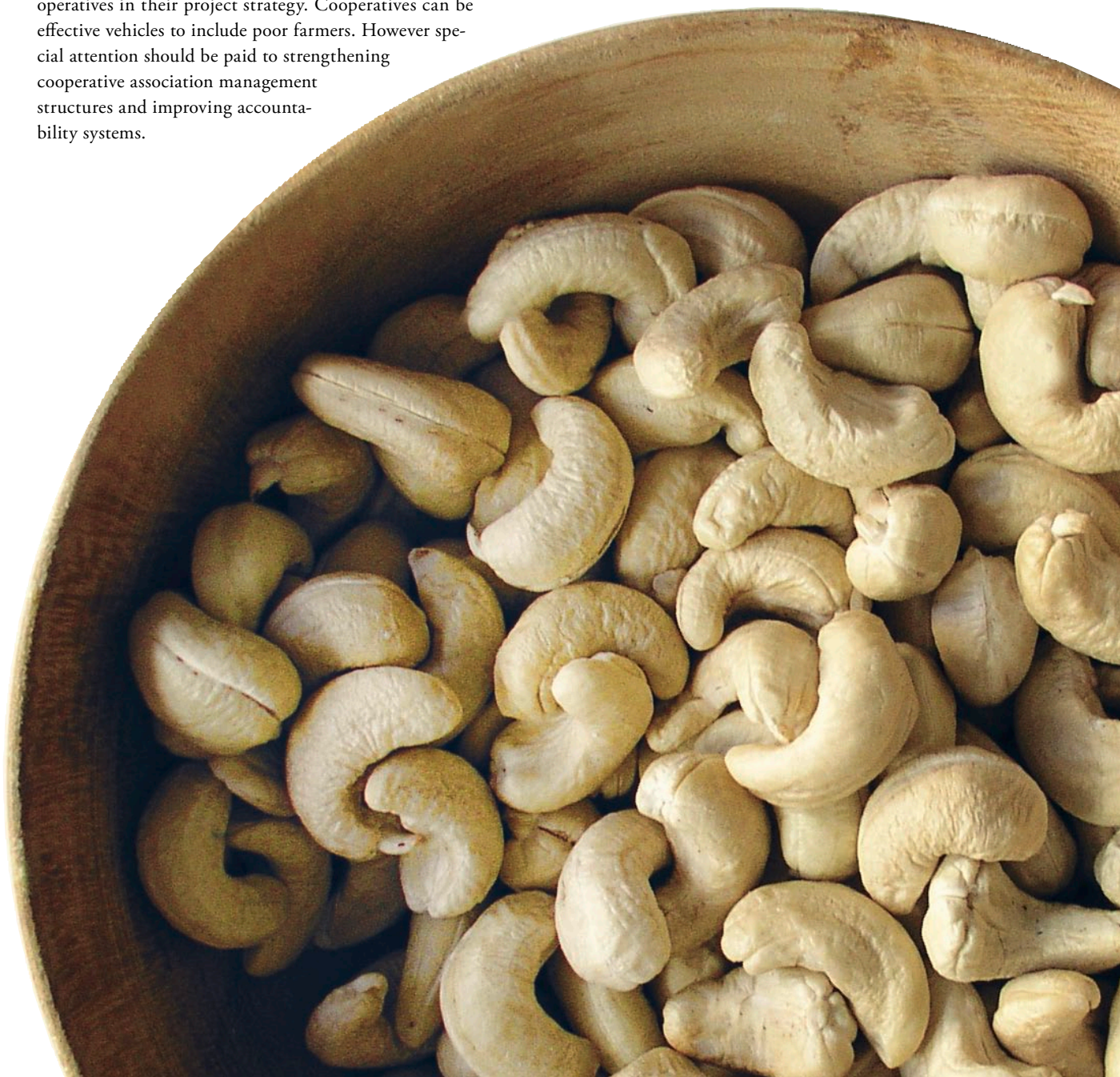




up (e.g. collaboration with decentralised government extension staff). A critical assessment should be made as to whether the Upper West and Northern regions could be included as project regions (analysing current cashew production per region).

- ▶ **Gender Sensitivity:** Ensure during implementation that women producing cashew and female-headed households are not marginalised. The project sets process as well as impact indicators to ensure that women are included in project activities and will also benefit from the project. The project should pay special attention to fulfilling these targets, and monitor compliance after two years. It is recommended that a gender study be commissioned in the second year of the project to deepen the understanding of gender relations in cashew farming.
- ▶ **Cooperatives as vehicles to include poorer farmer:** The project should reflect on and critically discuss the pros and cons of promoting farmer-based organisations and cooperatives in their project strategy. Cooperatives can be effective vehicles to include poor farmers. However special attention should be paid to strengthening cooperative association management structures and improving accountability systems.

- ▶ **Access to information:** Information systems aimed at informing farmers on prices and market criteria should take into account that about 66% of women and about 38% of men in the rural forest zone are illiterate. Most farmers, even the poor, have radios. However access to information via radio is constrained by the fact that nearly every district has a different radio station.
- ▶ The Government of Ghana and the regional and municipal bodies must create an enabling environment to encourage cashew processing companies to play more active roles in the economic activity of the rural communities (e.g. support in different ways to make them more competitive as in the case of Nigeria).







List of Acronyms

ACi	African Cashew initiative
ACA	African Cashew Alliance
CDP	Cashew Development Program
DFID	Department for International Development
DPCU	District Planning Coordinating Unit
FGP	Farm Gate Price
FOB	Free on Board (Price)
GLSS	Ghana Living Standards Survey
GNC	New Ghanaian Cedi
GPRS	Growth and Poverty Reduction Strategy
GSS	Ghana Statistical Service
GIZ	Gesellschaft für Internationale Zusammenarbeit GmbH (German International Cooperation)
MDG	Millennium Development Goals
MOFA	Ministry of Food and Agriculture
NGO	Non-Governmental Organisation
OECD DAC	Economic Co-operation and Development; Development Assistance Committee
PIA	Poverty Impact Assessment
PPG	Pro-Poor Growth
PPMED	Policy, Planning, Monitoring and Evaluation Directorate
RCN	Raw Cashew Nut
SRID	Statistical, Research and Information Directorate
USD	United States Dollars

Glossary

Abunu:	a customary share contract arrangement by which the harvest or the land is divided into two parts – one for the landlord, one for the tenant.
Abusa	an older customary contract arrangement by which shares in either the crop or the land are divided into three parts; and the tenant receives two-thirds of the crop in return for developing the whole.
Tenant	a person who is granted the right to use another person's land (or a part of it) under agreed terms.

Currency Exchange Rates and Calculations of Land Sizes (as of 20th of September 2009)

1 New Ghanaian Cedi (GNC)	=	10 000 Old Ghanaian Cedi (GHC)
1 US-Dollar (USD)	=	1.47 New Ghanaian Cedi (GNC) 14 731 Old Ghanaian Cedi (GHC)
1 Euro (EUR)	=	2.17 New Ghanaian Cedi (GNC)
1 USD (US-Dollar)	=	0.6799 Euro (EUR)
1 Acre	≈	0.4 ha
1 ha	≈	2.5 acre

In the following study, all prices are quoted either in USD or GNC.

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Annex I: Schedule of the PIA Mission “African Cashew initiative – Ghana”

Team members: Seth Osei- Akoto and Claudia Gottmann

Day	Name	Place
Monday, 7 September	Shakti Pal – Business Advisor (Technoserve)	Accra
	Mr Samuel Asante- Mensah (Project Manager) and Mr Anthony Mainoo – ADRA/MIDA Agric Project	Accra, ADRA Office
	Peter Keller, Team Leader , GIZ- ACi	Accra, GIZ Office
Tuesday, 8 September	Ms. Audrey, GIZ, SfDR.	Accra, GIZ Office
	Prof. Friederike Diaby-Pentzlin, Internal legal advisor, House of Chiefs	Accra
	Dr Lothar Diehl, Programme director, Team leader, GIZ-MOAP	Accra, GIZ Office
	Agnes Otoo Yeboah, Tipcee – Export Bus. Dev. Operations Manager	Accra, Tipcee Office
Wednesday, 9 September	Mr Francis K. Korankye, Sunyani MOFA, IT Department and Mr Oppong-Dankwah, MOFA M&E Department	Sunyani/Brong-Ahafo Region MOFA Office
	Ines Wiedeman; DED Advisor and Regional Coordinator for the MOAP programme in Brong-Ahafo, Sunyani	Sunyani/Brong-Ahafo Region MOFA Office
Thursday, 10 September	Mr Lars Wallevik, Mim Processing Company	Mim/Brong-Ahafo Region
	Meeting with farmers and Mr Adjei Boahen (ADRA officer & Ex MOFA staff Techiman)	Tanoboase/Brong-Ahafo Region
	Nana Owusu Gyareb (Cashew farmer, chief and Managing Director of Premier Agro Forestry Ventures, Techiman)	Techiman/Brong-Ahafo Region
Friday, 11 September	Meeting with members of the Wenchi farmers' cooperative, Mr Kwaku Aidoo, (Chairman) and Mr Wayne Tilton, Peace Corp Volunteer, USA	Wenchi, Brong-Ahafo Region
	Meeting with members of the Nsawkaw cashew processing cooperative	Tain, Brong-Ahafo region
	Mr Samu, Tain district planning coordination unit	Tain, Brong-Ahafo region
Saturday, 12 September	Rev. Fr. Giles Conacher (Monastery, Tanoboase)	Monastery –Tanoboase near Techiman
Monday, 14 September	Julius Spatz – Programme for Sustainable Economic Development	Accra, GIZ office
	Dr Bernard Agbo, technical advisor cashew production, GIZ, ACi	Accra, GIZ office
	Ms Abena Osei-Akoto, Ghana Statistical Services	Accra, GSS Building
	Venessa Adams – Director, West Africa Trade Hub (USAID) and Frank Gyabaah, office manager, African Cashew Alliance	Accra, West African Trade Hub Office
Tuesday, 15 September	Martin Poku, Ghana Statistical Service GSS	Accra, GSS Building
	Jackline Anum, Ghana Statistical Service GSS	
	Mritunja Das, OLAM, Cashew trader/Exporter	Accra, West African Trade Hub Office
Wednesday, 16 September	Preparation for stakeholder workshop	
Thursday, 17 September	Stakeholder Workshop to present preliminary findings	Accra, GIZ Office
Friday, 18 September	Review and analysis of information. Interview with Cashew Development Project (MOFA), Mr James O.K. Larbi	Cashew Development Project (MOFA) Accra
Saturday, 19 September	Departure to Germany (Claudia Gottmann)	

Annex II: Official List of MDG Indicators

All indicators should be disaggregated by sex and urban/rural as far as possible.
Effective 15 January 2008

Millennium Development Goals (MDGs)	
Goals and Targets (from the Millennium Declaration)	Indicators for monitoring progress
Goal 1: Eradicate extreme poverty and hunger	
Target 1.A: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day	<ul style="list-style-type: none"> ▶ Proportion of population below USD 1 (PPP) per day⁴⁰ ▶ Poverty gap ratio ▶ Share of poorest quintile in national consumption
Target 1.B: Achieve full and productive employment and decent work for all, including women and young people	<ul style="list-style-type: none"> ▶ Growth rate of GDP per person employed ▶ Employment-to-population ratio ▶ Proportion of employed people living below USD 1 (PPP) per day ▶ Proportion of own-account and contributing family workers in total employment
Target 1.C: Halve, between 1990 and 2015, the proportion of people who suffer from hunger	<ul style="list-style-type: none"> ▶ Prevalence of underweight children under-five years of age ▶ Proportion of population below minimum level of dietary energy consumption
Goal 2: Achieve universal primary education	
Target 2.A: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling	<ul style="list-style-type: none"> ▶ Net enrolment ratio in primary education ▶ Proportion of pupils starting grade 1 who reach last grade of primary ▶ Literacy rate of 15–24 year-olds, women and men
Goal 3: Promote gender equality and empower women	
Target 3.A: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015	<ul style="list-style-type: none"> ▶ Ratios of girls to boys in primary, secondary and tertiary education ▶ Share of women in wage employment in the non-agricultural sector ▶ Proportion of seats held by women in national parliament
Goal 4: Reduce child mortality	
Target 4.A: Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate	<ul style="list-style-type: none"> ▶ Under-five mortality rate ▶ Infant mortality rate ▶ Proportion of 1 year-old children immunised against measles
Goal 5: Improve maternal health	
Target 5.A: Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio	<ul style="list-style-type: none"> ▶ Maternal mortality ratio ▶ Proportion of births attended by skilled health personnel
Target 5.B: Achieve, by 2015, universal access to reproductive health	<ul style="list-style-type: none"> ▶ Contraceptive prevalence rate ▶ Adolescent birth rate ▶ Antenatal care coverage (at least one visit and at least four visits) ▶ Unmet need for family planning
Goal 6: Combat HIV/AIDS, malaria and other diseases	
Target 6.A: Have halted by 2015 and begun to reverse the spread of HIV/AIDS	<ul style="list-style-type: none"> ▶ HIV prevalence among population aged 15–24 years ▶ Condom use at last high-risk sex ▶ Proportion of population aged 15–24 years with comprehensive correct knowledge of HIV/AIDS ▶ Ratio of school attendance of orphans to school attendance of non-orphans aged 10–14 years
Target 6.B: Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it	<ul style="list-style-type: none"> ▶ Proportion of population with advanced HIV infection with access to antiretroviral drugs
Target 6.C: Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases	<ul style="list-style-type: none"> ▶ Incidence and death rates associated with malaria ▶ Proportion of children under 5 sleeping under insecticide-treated bed nets ▶ Proportion of children under 5 with fever who are treated with appropriate anti-malarial drugs ▶ Incidence, prevalence and death rates associated with tuberculosis ▶ Proportion of tuberculosis cases detected and cured under directly observed treatment short course

⁴⁰ For monitoring country poverty trends, indicators based on national poverty lines should be used, where available.

Millennium Development Goals (MDGs)	
Goals and Targets (from the Millennium Declaration)	Indicators for monitoring progress
Goal 7: Ensure environmental sustainability	
Target 7.A: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources	<ul style="list-style-type: none"> ▶ Proportion of land area covered by forest ▶ CO₂ emissions, total, per capita and per USD 1 GDP (PPP) ▶ Consumption of ozone-depleting substances ▶ Proportion of fish stocks within safe biological limits
Target 7.B: Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss	<ul style="list-style-type: none"> ▶ Proportion of total water resources used ▶ Proportion of terrestrial and marine areas protected ▶ Proportion of species threatened with extinction
Target 7.C: Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation	<ul style="list-style-type: none"> ▶ Proportion of population using an improved drinking water source ▶ Proportion of population using an improved sanitation facility
Target 7.D: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers	<ul style="list-style-type: none"> ▶ Proportion of urban population living in slums⁴¹
Goal 8: Develop a global partnership for development	
Target 8.A: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system Includes a commitment to good governance, development and poverty reduction – both nationally and internationally	<p>Some of the indicators listed below are monitored separately for the least developed countries (LDCs), Africa, landlocked developing countries and small island developing States.</p> <p>Official development assistance (ODA)</p> <ul style="list-style-type: none"> ▶ Net ODA, total and to the least developed countries, as percentage of OECD/DAC donors' gross national income ▶ Proportion of total bilateral, sector-allocable ODA of OECD/DAC donors to basic social services (basic education, primary health care, nutrition, safe water and sanitation) ▶ Proportion of bilateral official development assistance of OECD/DAC donors that is untied ▶ ODA received in landlocked developing countries as a proportion of their gross national incomes ▶ ODA received in small island developing States as a proportion of their gross national incomes <p>Market access</p> <ul style="list-style-type: none"> ▶ Proportion of total developed country imports (by value and excluding arms) from developing countries and least developed countries, admitted free of duty ▶ Average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries ▶ Agricultural support estimate for OECD countries as a percentage of their gross domestic product ▶ Proportion of ODA provided to help build trade capacity <p>Debt sustainability</p> <ul style="list-style-type: none"> ▶ Total number of countries that have reached their HIPC decision points and number that have reached their HIPC completion points (cumulative) ▶ Debt relief committed under HIPC and MDRI Initiatives ▶ Debt service as a percentage of exports of goods and services
Target 8.B: Address the special needs of the least developed countries Includes: tariff and quota free access for the least developed countries' exports; enhanced programme of debt relief for heavily indebted poor countries (HIPC) and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction	
Target 8.C: Address the special needs of landlocked developing countries and small island developing States (through the Programme of Action for the Sustainable Development of Small Island Developing States and the outcome of the twenty-second special session of the General Assembly)	
Target 8.D: Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term	
Target 8.E: In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries	<ul style="list-style-type: none"> ▶ Proportion of population with access to affordable essential drugs on a sustainable basis
Target 8.F: In cooperation with the private sector, make available the benefits of new technologies, especially information and communications	<ul style="list-style-type: none"> ▶ Telephone lines per 100 population ▶ Cellular subscribers per 100 population ▶ Internet users per 100 population

The Millennium Development Goals and targets come from the Millennium Declaration, signed by 189 countries, including 147 heads of State and Government, in September 2000 (<http://www.un.org/millennium/declaration/ares552e.htm>) and from further agreement by member states at the 2005 World Summit (Resolution adopted by the General Assembly – A/RES/60/1,

<http://www.un.org/Docs/journal/asp/ws.asp?m=A/RES/60/1>). The goals and targets are interrelated and should be seen as a whole. They represent a partnership between the developed countries and the developing countries 'to create an environment – at the national and global levels alike – which is conducive to development and the elimination of poverty'.

⁴¹ The actual proportion of people living in slums is measured by a proxy, represented by the urban population living in households with at least one of the four characteristics: (a) lack of access to improved water supply; (b) lack of access to improved sanitation; (c) overcrowding (3 or more persons per room); and (d) dwellings made of non-durable material.

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