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A F R I C A N D E V E L O P M E N T F U N D

PROJECT APPRAISAL REPORT

REGIONAL WEST AFRICA RESILIENT RICE VALUE CHAINS (REWARD) PROJECT-GHANA

REPUBLIC OF GHANA

Classification: Internal

AFRICAN DEVELOPMENT FUND

PROJECT APPRAISAL REPORT

REGIONAL WEST AFRICA RESILIENT RICE VALUE CHAINS (REWARD) PROJECT-GHANA

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CURRENCY EQUIVALENTS

Exchange rate effective [November 2025]

Currency Unit1	Equivalent
1 Unit of Account	1.34 USD
1 United States Dollar	GHS 10.97

FISCAL YEAR

1 January – 31 December

WEIGHTS AND MEASURES

1 Metric ton	2,204.62 Pounds (lbs)
1 Kilogramme (kg)	2.20462 lbs
1 Meter (m)	3.28 Feet (ft)
1 Millimetre (mm)	0.03937 Inch (“)
1 Kilometre (km)	0.62 Mile
1 Hectare (ha)	2.471 Acres

ABBREVIATION AND ACRONYMS

AAFORD	Affordable Agricultural Financing for Resilient Rural Development
ADF	African Development Fund
AEFPF	African Emergency Food Production Facility
AF	Additional Financing
AFD	L'Agence Française de Développement
AfDB	African Development Bank
AGRA	Alliance for Green Revolution in Africa
AIDS	Acquired Immunodeficiency Syndrome
ASWG	Agriculture Sector Working Group
AU	African Union
BoG	Bank of Ghana
CA	Conservation Agriculture
CAADP	Comprehensive African Agricultural Development Programme
CAD	Canadian Dollar
CPESDPs	Coordinated Program for Economic and Social Development Policies
CPIP	Country Portfolio Improvement Plan
CPPR	Country Portfolio Performance Report
CRFA	Country Resilience and Fragility Assessment
CSP	Country Strategy Paper
DP	Development Partners
EIRR	Economic Internal Rate of Return
EPA	Environmental Protection Agency
E&S	Environmental and Social Safeguards
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
ESCON	Environmental and Social Compliance Note
EU	European Union
EUR	Euro
FAO	Food and Agriculture Organization
FCDO	Foreign, Commonwealth and Development Office
FC	Foreign Currency
FIRR	Financial Internal Rate of Return

FSNMS	Food Security and Nutrition Monitoring System
GAC	Global Affairs Canada
GAFSP	Global Agriculture and Food Security Program
GASIP	Ghana Agriculture Investment Programme
GDP	Gross Domestic Product
GHG	Green House Gases
GHS	Ghana Cedis
GIRSAL	Ghana Incentive Based Risk Sharing for Agricultural Lending
GIZ	German Development Co-operation
GSS	Ghana Statistical Services
HA	Hectares
HIV	Human Immunodeficiency Virus
ICT	Information and Communications Technology
IFAD	International Fund for Agricultural Development
IFPRI	International Food Policy Research Institute
IFR	Interim Financial Reports
IRM	Independent Recourse Mechanism
IPC	Integrated Food Security Phase Classification
IPR	Implementation Progress Report
ISS	Integrated Safeguard System
JICA	Japan International Cooperation Agency
KfW	German Development Bank
LEAP	Livelihood Empowerment Against Poverty
LC	Local Currency
MAG	Modernizing Agriculture in Ghana
MoFA	Ministry of Food and Agriculture
M&E	Monitoring and Evaluation
MSME	Micro, Small and Medium Enterprises
MT	Metric Tonnes
NDA	Northern Development Authority
NDVI	Normalized Difference Vegetation Index
NGO	Non-Governmental Organisation
NPSS	National Project Steering Committee
NPV	Net Present Value
OCB	Open Competitive Bidding

OS	Operational Safeguards
OVCF	Out grower and Value Chain Fund
PAR	Project Appraisal Report
PCMU	Project Coordination Management Unit
PCN	Project Concept Note
PCR	Project Completion Report
PfJ	Planting for Food and Jobs
PLW	People Living with Disabilities
PMP	Pesticide Management Plan
PRCA	Procurement Risks and Capacity Assessment
PROSPER	Promoting Rural Opportunities for Sustainable Profit and Environmental Resilience
RAP	Resettlement Action Plan
RfJ	Rearing for Food and Jobs
RLF	Results-Based Logical Framework
SA	Special Account
SADEP	Savannah Agriculture Value Chain Development Project
SAPIP	Savannah zone Agriculture Productivity Improvement Project
SDG	Sustainable Development Goals
SEAH	Sexual Exploitation and Harassment
SIP	Savannah Investment Program
STDs	Sexually Transmitted Diseases
SNV	Netherlands Development Organisation
TAAT	Technologies for Africa Agriculture Transformation
TC02	Total Carbon Dioxide
UA	Unit of Account
USAID	United States Agency for International Development
USD	United States Dollar
UN	United Nations
VLSA	Village Savings and Loan Association
WFP	World Food Programme

**Note: The table above provides abbreviations and acronyms used in this annotated format document. Revise/amend to reflect those used in your actual PAR document.*

**Note: Abbreviations and acronyms should be listed in alphabetical order*

PROJECT INFORMATION SHEET

CLIENT INFORMATION

Project Name	Regional West Africa Resilient Rice Value Chains (REWARD) Project- Ghana
Sector	Agriculture
Grant Recipient	Republic of Ghana
Project Instrument	ADF Grant
Executing Agency	Ministry of Food and Agriculture (MoFA)

COUNTRY AND STRATEGIC CONTEXT

Country Strategy Paper Period:	2024-2029
Country Strategy Paper Priorities supported by Project:	Ghana CSP intervention areas are (i) Support industrialization and private sector development; and (ii) Promote sustainable transport infrastructure development for regional integration and trade.
Government Program (PRSP, NDP or equivalent):	Ghana Medium-Term Development Framework (MTDF) 2022-2025 and the Coordinated Program for Economic and Social Development Policies (CPESDPs) 2021-2025 and Vision 2057 (Ghana@100), the long-term development plan aims to transform the country into a democratic, inclusive, and self-reliant developed nation by 2057. The CPESDP seeks to provide conditions for the private sector to boost growth and create abundant employment opportunities, especially for the youth. It outlines five strategic pillars to anchor growth and development: (a) revitalizing the economy, (b) transforming agriculture and industry, (c) strengthening social protection and inclusion, (d) revamping economic and social infrastructure, and (e) reforming public service delivery institutions. It is aligned with the Comprehensive African Agricultural Development Programme (CAADP) and the National Rice Development Strategy II.
Project classification:	Project is aligned with the Bank's four cardinal priorities specifically on i) Building Resilient Infrastructure System for a sustainable and improved climate resilient rice production, ii) Harnessing Demographic Transformation specifically on creating jobs and enhancing enterprises for youth and women empowerment while delivering strong contributions in strengthening long-term food and economic resilience.
	It is aligned with SDG 2 – Zero Hunger and SDG 1 – No Poverty; SDG 5 – Achieve Gender Equality and Empower All Women & Girls.
Selectivity priority/ies[2]:	Prioritized value chain is Rice.
Country Performance and Institutional Assessment[3]:	4.1 out of a total of 6 points (among top ten high performers) in 2023.
Projects at Risk in the country portfolio:	The country has no project at risk. As of April 2026, the share of red-flagged projects stands at 21% while projects under close watch and projects that are satisfactory stand at 25% and 54% respectively.

PROJECT CATEGORISATION

Environmental and Social Risk Categorization	Category 1, (November 2025), per Categorization Memorandum validated on ISTS and confirmed on SAP on 28th March 2025. The E&S instruments were disclosed by the Recipient on 3 November 2025 and by the Bank on 5 November 2025. The FA-ESMP was disclosed by the Recipient on 20 November 2025 and by the Bank on 24 November 2025, in accordance with the Bank's ISS requirements.

[2] Refer to guidance here - Sharpening the Bank's Strategic Focus- A proposal to increase the Bank's selectivity

[3] Obtain CPIA rating here - Country Policy and Institutional Assessment (afdb.org) (VPN required)

Does the project involve involuntary resettlement?	Yes
Climate Safeguards Categorization:	Category 1. The project is Paris aligned in line with priorities articulated in both the National Determined Contributions and the National Adaptation Plan. It is also aligned with the Bank's climate change and green growth strategy (2021-2030), which aims to strengthen climate resilience in the agriculture sectors.
Fragility Lens Assessment:	Yes: the project is aligned to the Bank's Strategy of Addressing Fragility and Building Resilience in Africa 2022-2026 considering the priority of building resilience societies and catalyzing private investments to stimulate job creation for women and youth in transition context.
Gender Marker System Categorization:	Category 2
Youth Skills and Jobs Maker System Categorization	Category 2

ADF/ADB KEY FINANCING INFORMATION

Source	**Amount (millions)**		**Financing Instrument**
	UA	**USD**	
African Development Fund (ADF)	13.7	18.8	ADF 16 -PBA-Grant
Government Counterpart Contribution:	1.96	2.7	In Kind
Total Project Cost:	**15.66**	**21.5**	

PROJECT DEVELOPMENT OBJECTIVE AND COMPONENTS

Project Development Objective:	The main objective of the REWARD program is to achieve national food self-sufficiency and reduce imports bills through increase in productivity and production, market development in rice value chain, and create gainful employment particularly for women and young people.
Project Components:	Component 1: Development of sustainable and climate-resilient rice production systems [UA 10.3m]
	Component 2: Development of low-carbon rice processing clusters, and commercial linkages for trade facilitation [UA 1.57m]
	Component 3: Policy and regulatory reforms with regional technical support to strengthen competitiveness of the rice value chain at the national level. [UA 0.950m]
	Component 4: Project Coordination and Management [UA 2.84m]

PROJECT PROCESSING SCHEDULE TO BOARD APPROVAL

PCN Approval:	November 2024
Pre-Appraisal Mission	March 2025
Appraisal Mission:	November 2025
Planned Board Presentation:	20th May 2026
Effectiveness:	20th July 2026
Project Implementation Period:	2026 – 2030
Planned Mid-term Review:	2028
Project Closing Date:	31st December 2030

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1 STRATEGIC CONTEXT

A. Country Context, Strategy and Objectives

1. The proposed Regional West Africa Resilient Rice Value Chains Development Project (REWARD-Ghana) is firmly anchored in the Medium-Term National Development Policy Framework (MTNDPF) and Coordinated Programme of Economic and Social Development Policies (CPESDP) 2021–2025, which prioritize structural economic transformation through productivity growth of selected commodities including rice, through productivity enhancement, value addition, and agribusiness development. The project is structured to operationalize these objectives through strengthening climate-resilient rice production ecosystems to improve the competitiveness of local produced rice (Ghana Rice), while creating employment opportunities along the value chain, particularly for women and youth, and improving household livelihood. The project is further guided by the pillars of the Food and Agriculture Sector Development Policy II (FASDEP II), Ghana's roadmap for implementing the Comprehensive Africa Agriculture Development Programme (CAADP), using the integrated single commodity focused value-chain approach, to address food security, income growth, market integration, to boost productivity and improved the competitiveness of Ghana Rice. Beyond national policy alignment, the project contributes to several Sustainable Development Goals (SDGs[4]), and the Food and Agriculture Sector Development Policy II (FASDEP II), Ghana's roadmap for implementing the Comprehensive Africa Agriculture Development Programme (CAADP), notably to boost food and nutrition security, decent employment, inclusive economic growth, and climate resilience, and as well as the African Union Agenda 2063, particularly Aspiration 1 on High Standard of Living, Quality of Life and Aspiration 5 on modern agriculture for increased productivity.

2. REWARD-Ghana is aligned with the Pillar 1 of the Country Strategy Paper (CSP) 2024-2029 which focuses on supporting industrialization and private sector development activities to promote trade as well as regional integration. The project contributes directly to this pillar by catalysing investments in critical infrastructure gaps to promote rice productivity, improve private sector participation in rice processing and marketing, and create employment for vulnerable group. The project embodies the objectives of the Bank's Ten-Year Strategy (2024 -2033) with its dual focus on inclusive growth and transition to green growth, as well as the Bank's Multisectoral Nutrition Action Plan (2018-2025), the Bank's strategic framework on Climate Change and Green Growth Policy, Strategy (2021-2030) and Action Plan (2021-2025) which prioritizes investments that support provision of services for climate smart agriculture as a measure to enhance adaptation in the agriculture sector. The project incorporates gender-sensitive design elements in line with the Bank's Gender Strategy (2021–2025), ensuring active participation and benefit-sharing by women and youth. Moreover, it responds to the Bank's Strategy for Addressing Fragility and Building Resilience (2022–2026) by building economic resilience in fragile regions. It contributes directly to the Bank's cardinal priorities by building a climate-resilient productive systems that strengthens long-term food and economic resilience as well as harnesses demographic transformation by promoting youth and women job creation and entrepreneurship development.

3. REWARD Ghana is aligned with the Bank's selectivity framework and current strategic priorities by concentrating resources where the Bank has clear comparative advantage and can achieve impact: strengthening agricultural value chains through the regional framework, scaling proven agriculture and climate resilience technologies across borders, leveraging co-financing from development partners, and crowding in private sector investments throughout the design. As a flagship contribution to Dakar 2, the project provides a scalable and transformative platform for inclusive agro-industrial development in a low-income and fragile context, directly supporting

[4] SDG 1: No poverty; SDG 2: No Hunger; SDG 10: Reduced inequalities; SDG 13: Climate Action

national objectives for rice self-sufficiency while advancing structural transformation and sustainable development outcomes.

B. Sector and Institutional Context

4. Ghana's agriculture sector remains the backbone of the economy, contributing approximately 22% to GDP and employing about 38% of the labour force, while playing a central role in food security, rural livelihoods, and export earnings. Despite the sector's importance, productivity growth in major food crops, including rice, has stagnated due to low adoption of improved technologies, inadequate mechanization, weak seed systems, limited irrigation development, and insufficient private investment across the value chain. Recognizing these constraints, the Government, through the MTNDPF, has prioritized agricultural modernization, value addition, and the creation of enabling conditions for private-sector-led transformation. Policy initiatives such as the Feed Ghana Programme, anchored in the Agriculture for Economic Transformation Agenda, reinforce commitments to productivity enhancement, climate-resilient production systems, and sustainable market development. However, implementation gaps persist, particularly in the northern belt regions where poverty, climate vulnerability, and weak market integration remain pronounced.

5. Rice occupies a strategic position under the national food security and import substitution agenda. Although domestic rice production and productivity have improved since 2008, these gains have not kept pace with rapidly rising demand driven by population growth, urbanization, and changing dietary preferences. Per capita rice consumption is estimated at about 45 kg and is projected to increase further by 2030. As a result, Ghana continues to import nearly two-thirds of its rice requirements, exposing households and public finances to international price volatility and foreign exchange pressures. Strengthening domestic rice value chain is therefore both an economic and strategic imperative for food security, macroeconomic stability, and poverty reduction.

6. REWARD Ghana is designed to address the structural sector bottlenecks within the existing national policy framework including fragmented production systems, inconsistent paddy quality, inadequate post-harvest infrastructure, and weakly structured markets undermining the competitiveness of locally produced rice. By concentrating the interventions in the Northern Savannah Ecological Zone (NSEZ), one of the major rice producing regions in the country, offers a strong comparative advantage for both rain-fed and irrigated rice systems. The project will strengthen seed systems, mechanization services, irrigation development, post-harvest management, research and innovation, and private-sector-led value chain investments, while explicitly linking smallholders and commercial actors to structured markets and regional trade opportunities. A particular focus will be placed on simultaneously addressing regional disparities and promoting inclusive growth across geography, gender, and age groups, as this zone remains characterized by its high poverty and vulnerability.

C. Rationale for Bank's Involvement

7. The Bank's prior and on-going investments in the northern savannah through operations such as Savannah Zone Agricultural Productivity Improvement Project (SAPIP), Savannah Agriculture Value Chain Development Project (SADEP), Savannah Investment Program (SIP) demonstrate the effectiveness of targeted value-chain approaches. These programmes expanded commercial maize and soybean production by over 20,000 ha, generating approximately 150,000 MT annually which has set pace for transformation of the rural agriculture through integrated private sector intervention. REWARD-Ghana builds on this foundation by extending the model to rice, with an expected additional annual production of at least 20,000 MT, while leveraging existing agricultural infrastructure and systems to support rice production and productivity. This incremental output will

make a meaningful contribution to import substitution and food availability among vulnerable households.

8. REWARD Ghana's core rationale is to strengthen the productive capacity and resilience of vulnerable and food-insecure households while catalysing private sector engagement along the rice value chain. The project promotes agricultural transformation through increased rice productivity, supported by access to high-yielding and climate-resilient inputs, strengthened extension and skills development, and investments in land and water management systems that enable year-round production. These interventions are designed to improve the quality and volume of domestic rice, raise farm incomes, and enhance household food and nutrition security.

9. The Bank's support is timely and catalytic. REWARD-Ghana operationalizes Ghana's policy commitments under the Feed Ghana Strategy and the National Rice Development Strategy II, which aim to achieve near rice self-sufficiency by 2027. In a context of increasing climate risks and macroeconomic pressures, failure to act would further entrench rural poverty, youth underemployment, and regional inequalities. By stabilizing farm incomes, strengthening local food systems, and reducing exposure to climate and market shocks, the project delivers resilience-building and fragility-prevention benefits. The project will also leverage on the complementary innovative agricultural financing mechanisms (the Ghana Incentive Based Risk Sharing Systems for Agricultural Lending (GIRSAL) that is established with the assistance of the Bank in conjunction with the Bank of Ghana. It will also operationalise the activities of the TAAT framework and link up with TASI as a vehicle for attracting private sector investment in agriculture in the savannah zone of Ghana.

D. Development Partners Coordination

10. Donor coordination mechanisms for the agricultural sector in Ghana are assessed to be effective. Coordination under the *Agriculture Sector Working Group (ASWG)* began in 2002 and provides a platform for sharing information on ongoing and future activities with the aim of harmonizing interventions for efficiency. The ASWG is currently co-chaired by the Development Partner (DP) and MoFA. The Project will collaborate with the ASWG to provide a platform for sharing on interventions with the aim of harmonizing and minimise duplication of efforts.

11. There are various projects being implemented in the northern savannah zone, varying in coverage and strategic focus, including IFAD's Program Promoting Rural Opportunities for Sustainable Profit and Environmental Resilience (PROSPER) Project and the World Bank's Food Systems Resilience Programme (FSRP). The REWARD Ghana will leverage or complement these projects by building on the established platforms for farmer organization strengthening, technical support, aggregation, and access to finance to contribute to household income generation, poverty alleviation, women empowerment and vulnerable groups to build resilience.

12. By aligning geographically and institutionally with complementary initiatives, REWARD minimizes duplication in the proper targeting beneficiaries and build the strength of each partner to deliver better and maximize the developmental impact particularly for marginalised communities and vulnerable populations bearing the brunt of increased input and food prices but underserved with the existing projects. This will help enhance overall investment coherence across the sector. A detailed Development Partners coordinated Projects is presented in Annex 5-7 of Technical Annexes.

2 PROJECT DESCRIPTION

A. Project Development Objective

13. The overall development objective of the REWARD program is to achieve national food self-sufficiency and reduce imports bills through increase in productivity and production, market development in rice value chain, and create gainful employment particularly for women and young people.

14. The specific objectives of the REWARD-Ghana are to: (i) develop sustainable and climate-resilient rice production systems to increase yields and reduce climate risks; (ii) develop rice processing clusters, agribusiness and market links to facilitate trade and strengthen market competitiveness; and (iii) support policy and regulatory reforms and innovation-oriented regional technical support to make competitive rice value chain and reduce imports. The REWARD-Ghana will seek to address the following critical intervention areas: enhancing access to developed land and water management, improved high-yielding climate resilience seeds and mechanization services, rice production intensification for commercialization, and market competitiveness of Ghana-Rice through a private sector-led intervention.

B. Theory of Change

15. The rice sector faces a structural productivity challenge that constrain productivity and competitiveness. Smallholders largely operate under rain-fed, low-input conditions characterized by weak seed systems, limited mechanization, poor land development, and high post-harvest losses, while downstream processing and markets are fragmented, and under-serviced. This keeps production costs high, quality inconsistent, and private investment risky, thereby sustaining a persistent production and consumption gap that drives imports, strains foreign exchange reserves, and heightens food insecurity. Consequently, this further weaken the country's drive to achieve rice self-sufficiency.

16. The REWARD–Ghana Rice Value Chain Project is designed to address these systemic constraints that aligns land development and production (component 1), through aggregation, processing to market development (component 2) and enhanced policy and regulatory reforms (component 3). The project's intervention logic is anchored on four mutually reinforcing objectives: (i) improving rice productivity to enhance the competitiveness of locally produced rice; (ii) strengthening the resilience and adaptive capacity of rice farms and production systems to climate change; and (iii) increasing the marketing of rice and promoting intra-regional trade.

17. These interventions are expected to strengthen rice value chain, ensure a consistent supply of quality paddy rice for processing/milling, and expand local processing capacity. These resulting outcomes will translate into increased availability of quality Ghanaian rice that meets consumer preferences, improved stability of rice supply all year, improved farm incomes and employment opportunities, and a gradual reduction in rice import dependence. At the impact level, the project will contribute to strengthening national food security and improving livelihoods.

18. The assumptions underpinning the ToC include a stable macroeconomic and policy environment; provision and maintenance of enabling infrastructure (land development), effective seed certification and quality control systems; manageable levels of climate variability; and sustained policy consistency to attract private investment and financing. When these conditions are maintained, the project provides a credible and scalable pathway toward a competitive, and inclusive rice value chain, contributing to building resilience and reinforcing the country's long-term food security and industrialization objectives. A detailed Theory of Change diagram illustrating the causal pathways from inputs and outputs to outcomes and impacts is presented in Technical Annex 2-1.

C. Project Components

19. The Project has four (4) main components namely (i) Development of sustainable and climate-resilient rice production systems; (ii) Development of low-carbon rice processing clusters and commercial linkages for trade facilitation; (iii) Policy and regulatory reforms with regional technical support to strengthen competitiveness of the rice value chain at the national level; and (iv) Program coordination and management.

Component 1: Development of sustainable and climate-resilient rice production systems, (UA 10.3m)

20. This component aims to address low rice productivity, climate vulnerability, and high production costs in the NSEZ by strengthening climate-resilient production systems in key rice areas. The interventions will address upstream constraints related to land development, water-controlled infrastructure, limited access to inputs and mechanization services, and weak extension systems. By promoting climate-smart agricultural practices and improving land development and water-controlled production systems, the component will contribute to sustained yield increases, reduced climate risks, and a more reliable supply of paddy to downstream processors. The component comprises two sub-components namely:

Sub-component 1.1: Development of sustainable climate-resilient rice production systems and management services. This sub-component will strengthen water management and land development systems in rice production clusters through the development and rehabilitation of approximately **3,200 hectares of climate-resilient rice production areas**. Investments will address weaknesses in production performance under existing irrigation system and rainfed production covering water control structures, bunding, drainage, and lowland development works to improve irrigation efficiency and enhance resilience to rainfall variability. Complementary farm-level infrastructure such as drying patios and climate-resilient storage facilities will also be supported to reduce post-harvest losses and improve paddy quality. Capacity building will be provided to farmers, extension agents, producer organizations, and Water Users Associations on good agricultural practices, water management, climate-smart technologies, and commercialized production.

Sub-component 1.2: Improved availability and access to quality inputs, mechanization services and climate-resilient knowledge. This sub-component will address persistent constraints related to limited access to quality seed, farm inputs, mechanization services, and technical knowledge. The project will collaborate with private seed producers through the CSRI-**Savannah Agricultural Research Institute (SARI)** with technical support from **AfricaRice and AfricaSeed** to strengthen seed multiplication, seed cleaning, and quality assurance systems. Access to inputs will be enhanced through alignment with existing government input programs. The project will expand mechanization services through competitively selected **Agricultural Mechanization Service Centres (AMSECs)** to support land preparation, harvesting, and post-harvest operations. Capacity building will target farmers, extension agents, input suppliers, and processors through training programs, demonstration plots, field days, and digital knowledge platforms to promote the adoption of climate-smart rice production technologies.

Component 2: Development of low-carbon rice processing clusters, and commercial linkages for trade facilitation (UA 1.57m)

This component focuses on improving rice processing, rice quality and enhancing the competitiveness of Ghana Rice by developing integrated rice processing clusters linked to production sites under Component 1. It will address midstream and downstream bottlenecks related to post-harvest losses, processing inefficiencies, inconsistent grain quality and fragmented market. Collectively, these interventions will enhance the commercial viability and market acceptance local produced rice.

Sub-component 2.1: Modernization of low-carbon rice processing infrastructure and capacity building. This sub-component will support upgrading of existing rice milling facilities on needs-based with value-addition equipment such as dryers, destoners, color sorters and strengthen processing systems capable of producing high-quality rice that meets market standards. Tailored capacity building will be provided to mill operators, processors, artisans, on improved processing techniques, equipment maintenance, and quality control including Good Manufacturing Practices (GMP), basic HACCP readiness, grading standards, and traceability systems. In collaboration with Ghana Standards Authority, training will focus on improving milling efficiency and ensuring that locally milled rice meets market expectations in terms of grain uniformity, cleanliness, packaging, and shelf life.

Sub-component 2.2: Development of market information systems, standardization and a consumer-oriented branding. The sub-component will strengthen market access for locally produced rice through improved information systems, quality certification, branding, and consumer awareness. The project will support digital market information platforms to improve price transparency and supply coordination across the value chain. Technical assistance will be provided to processors and SMEs on product certification, packaging, branding, and marketing strategies including national fairs/ exhibitions will enhance the market visibility of Ghanaian rice. Collaboration with institutions such as Women in Agricultural Development (WIAD), will support consumer education to promote nutritional attributes of locally produced rice, and while also strengthening the role of women as market intermediaries, brand ambassadors, and quality champions along the value chain.

Sub-component 2.3: Promoting private sector participation and inclusive agribusiness development: This sub-component will strengthen the participation of private sector actors in the rice value chain and improve the commercial sustainability of processing clusters. Access to finance will be facilitated through collaboration with the GIRSAL. The project will support operational strengthening of AMSECs and other service providers involved in aggregation, mechanization, and post-harvest services. Structured contract farming and outgrower arrangements will be promoted between farmers, aggregators, and millers to ensure reliable supply of quality paddy and predictable market outlets for smallholders. Special emphasis will be placed on supporting women- and youth-led agribusiness enterprises involved in rice processing, packaging, logistics, input supply, and product innovation. The project would also facilitate the deployment of improved parboiling technologies, notably AfricaRice mini-GEM vessels, specifically for women and youth empowerment.

Component 3:* Policy and regulatory reforms with regional technical support to strengthen competitiveness of the rice value chain at the national level *(UA 0.950m).

This component will address systemic policy, regulatory, and coordination constraints that limit the competitiveness of Ghana's rice value chain in the face of sustained import pressure. At the national level, the project will support the sensitization, operationalization, and monitoring of the National Rice Development Strategy II (NRDS II), to translate strategic priorities into actionable policies, investment frameworks, and enforceable quality standards. The project will facilitate structured policy dialogue platforms bringing together public agencies, private sector actors, farmer organizations, processors, financial institutions, and consumer representatives to strengthen coordination across production, processing, quality assurance, and market access policies, that strengthen trust between the State and market actors. At the regional level, the project will promote policy harmonization and regulatory alignment with ECOWAS and AfCFTA frameworks to facilitate cross-border trade in rice and rice-based products.

Component 4: Project Coordination and Management (UA2.84m)

This component will support regional and national coordination, monitoring and evaluation and facilitate results management and reporting on the implementation of the project. Specific activities will comprise reporting (including annual financial and E&S audits), operations (including procurement and day-to-day management), beneficiary impact assessments, communication and visibility enhancement (TV and other mass media) and knowledge management; as well as monitoring and evaluation (Mid-term Review and Project Completion Report). Additionally, the component will facilitate the planning and technical review meetings of the Project Steering Committee (PSC) and ensuring seamless collaboration among implementing partners and stakeholders. Project management will focus on the development of annual work plans and budgets, the establishment of a results-based monitoring and evaluation (M&E) system, the implementation of periodic studies and consultations to guide decision-making.

D. Project Cost and Financing Arrangements

21. The total cost of the REWARD-Ghana Project is estimated at UA 15.66 million (USD 21.53 million) at March 2025 price levels, net of taxes and duties. This consists of UA 8.10 million (51.72%) in foreign exchange costs and UA 7.56 million (48.28%) in local currency costs. The estimate includes provisions for physical contingencies (UA 439.08 thousand, 2.80%) and price contingencies (UA 215.01 thousand, 1.37%). These figures are based on detailed technical inputs from Government official sources 2025 market price analysis and validated during the appraisal field mission. These are fully consistent with the Bank's costing methodology and COSTAB framework. The programme will be co-financed through; i) **ADF Grant:** UA 13.70 million (USD 18.84 million), covering 87.46% of total project costs. This will finance all foreign exchange costs and the bulk of local expenditure for investment activities; ii) **Government of Ghana (GoG) Contribution**: UA 1.96 million (USD 2.70 million), representing 12.54% of total costs. This in-kind contribution will cover selected local costs, including land facilitation, tax exemption on machinery ($600,000), salary of staff on secondment to the project ($1.4m), rent of office space ($0.7m), and support services, in line with Bank financing principles.

22. The cost structure reflects a strong focus on enhancing farm-level productivity and climate resilience, complemented by targeted investments in processing, value chain efficiency, policy support, and robust implementation arrangements. A detailed breakdown of costs by component, source of financing, expenditure category, and implementation schedule is presented in Tables 1 to 4 below.

Table 1: Estimated Cost of the Project by Component (USD/UA)

PROJECT COMPONENTS (excluding taxes)	(USD '000)			(U.A '000)			% Foreign Exchange	% Total Base Cost
	Local	Foreign	Total	Local	Foreign	Total		
COMPONENT 1 (National): Development of Sustainable and Climate-Resilient Rice Production Systems	5,213.89	6,223.09	11,436.98	3,792.56	4,526.64	8,319.20	54.41	63.77
COMPONENT 2 (National): Development of Low-Carbon Rice Processing Clusters and Commercial Linkages for Trade Facilitation	605.15	1,109.85	1,715.00	440.18	807.30	1,247.48	64.71	9.56
COMPONENT 3 (Regional): Policy and regulatory reforms with regional technical support to strengthen competitiveness of the rice value chain at the national level	388.50	706.50	1,095.00	282.59	513.90	796.50	64.52	6.11
COMPONENT 4: Program Coordination and Management	2,609.98	1,079.13	3,689.10	1,898.48	784.95	2,683.43	29.25	20.57
Total Baseline Costs	**8,817.52**	**9,118.56**	**17,936.08**	**6,413.81**	**6,632.79**	**13,046.60**	**50.84**	**100.00**
Physical Contingencies	271.79	331.85	603.64	197.70	241.38	439.08	54.97	3.37
Price Contingencies	117.66	177.93	295.59	85.58	129.43	215.01	60.20	1.65
Total Project Costs	**9,206.97**	**9,628.34**	**18,835.30**	**6,697.10**	**7,003.60**	**13,700.70**	**51.12**	**105.01**

Table 2: Project sources of financing

Sources of financing	(USD '000)	(U.A '000)

	Foreign	Local	Total	Percent	Foreign	Local	Total	Percent
GOVERNMENT OF THE GHANA	1,514.75	1,186.13	**2,700.88**	12.54	1,101.82	862.79	**1,964.61**	12.54
ADF FUND	9,628.34	9,206.97	**18,835.31**	87.46	7,003.60	6,697.10	**13,700.70**	87.46
Total Financing Cost	11,143.09	10,393.10	**21,536.19**	100.00	8,105.42	7,559.89	**15,665.31**	100.00

Table 3: Project cost by category of expenditures (USD/UA)

Category	**(USD '000)**			**(U.A '000)**			**% Foreign Exchange**	**% Total Base Cost**
	Local	**Foreign**	**Total**	**Local**	**Foreign**	**Total**		
WORKS	3,634.74	3,537.66	7,172.40	2,643.89	2,573.27	5,217.16	49.32	39.99
GOODS	1,725.20	3,265.67	4,990.87	1,254.90	2,375.43	3,630.33	65.43	27.83
SERVICES	1,322.68	2,180.54	3,503.21	962.11	1,586.11	2,548.22	62.24	19.53
PERSONNEL	1,881.60	-	1,881.60	1,368.67	-	1,368.67	0.00	9.4
OPERATION	253.3	134.7	388	184.24	97.98	282.23	34.72	2.16
Total Baseline Costs	**8,817.52**	**9,118.56**	**17,936.08**	**6,413.81**	**6,632.79**	**13,046.60**	**50.84**	**100.00**
Physical Contingencies	271.79	331.85	603.64	197.70	241.38	439.08	54.97	3.37
Price Contingencies	117.66	177.93	295.59	85.58	129.43	215.01	60.20	1.65
Total Project Costs	**9,206.97**	**9,628.34**	**18,835.30**	**6,697.10**	**7,003.60**	**13,700.70**	**51.12**	**105.01**

Table 4: Project Expenditure Schedule

Component	**Total Including Contingencies (U.A '000')**					
	2026	**2027**	**2028**	**2029**	**2030**	**Total**
COMPONENT 1: Development of sustainable and climate-resilient rice production systems	7,320.79	2,195.60	358.46	382.58	40.10	10,297.53
COMPONENT 2 (NATIONAL): Development of Low-carbon rice processing clusters, and commercial linkages for trade facilitation	94.78	262.80	1,188.13	28.68	-	1,574.39
COMPONENT 3 (REGIONAL): Policy and regulatory reforms with regional technical support to strengthen competitiveness of the rice value chain at the national level	442.22	467.27	31.71	9.37	-	950.57
COMPONENT 4: Program coordination and management	452.57	267.67	729.04	700.42	693.11	2,842.81
Total Project Costs	8,310.36	3,193.34	2,307.34	1,121.05	733.20	15,665.30

E. Project's Target Area and Population Beneficiaries and other Stakeholders

23. The proposed project will be implemented in seven (07) districts across Ghana's **Northern Savannah Ecological Zone**, covering the Northern, North East, Savannah and Upper West Regions, namely: **Tamale Metropolitan, Mion, Savelugu, West Gonja, Wa Municipal, Mamprugu-Moagduri and Nandom**. These districts were selected based on their high rice production potential, existing irrigation and land development infrastructure, and strong complementarities with past and ongoing African Development Bank–financed operations, including **SIP, SADEP, and SAPIP**, allowing the Project to consolidate prior investments gains, reduce start-up cost and accelerate rice value chain transformation in the project areas.

24. The Project will target at least 20,000 beneficiaries (which 30% are women and youth) that are economically active smallholders living in the selected northern savannah zone; and the processing firms that serve as a direct market for the farmers. This number is expected to increase significantly when other economically active value chain entrepreneurs get involved in the Project. Among the target group, women and youth play a major role in crop production, processing, small enterprises operation and marketing. Indirect beneficiaries will include local consumers and the wider population, who will benefit from increased availability, improved quality, and greater affordability of locally milled rice, as well as business associations, transporters, financial institutions, input suppliers, and other service providers linked to the rice value chain.

25. The preparation mission had a general consultation and technical working sessions with Government personnel and key stakeholder groups in agriculture including development partners. The outcome of the discussions was the development of a logical framework for the Project and the preparation report that is forming the basis for the appraisal report. Off-takers, rice producers, private sector players, processors, input dealers, mechanization service providers, women groups and youth participated in a stakeholder meeting held in Tamale. Under component 1, key issues such as low productivity, limited access to quality inputs and mechanization services, weak and unreliable market linkages raised by beneficiaries and stakeholders during the consultation will be addressed.

F. Bank Group Experience and Lessons Reflected in Design

26. The project design has drawn on lessons learnt from the Bank funded Projects and other DPs' extensive experience in Ghana, particularly in the agricultural sector. Some key lessons have been drawn from these projects implementation which has informed the design of the REWARD-Ghana project. A detailed tabulated lessons and its mitigations within the REWARD project per on-going rice projects is detailed in the technical annex 2-4, a summary of these lessons learnt include the (i) importance of quality at entry as lack of designs at project start-up results in implementation delay; and (ii) ensuring adequate consultation to enhance project ownership and sustainability. Based on the above lessons, REWARD- Ghana is designed to support existing government institutions such as the CSIR-SARI, to strengthen their delivery of services that are under their mandate such as breeder and foundation seed production; and soil nutrient analysis through private sector dealers to ensure continuity and sustainability especially as the poor exit-strategy of national institutions has been flagged from previous as well as on-going projects. The project is also designed to leverage on private sector investment on the ground, such as existing AMSECs and catalyse their activities (e.g. mechanization and primary processing), without creating a full dependency on the project funds. Additionally, the project will leverage on the government's own input and mechanization support program in which case mechanized service providers are able to acquire machinery / equipment from the government with a concessionary repayment arrangement including a grant element. Lastly, REWARD-Ghana is not introducing a one fit all training program, but a tailored-made training package will be developed following a detailed needs assessment to maximize impact.

3 PROJECT FEASIBILITY

A. Financial and Economic Analysis

27. A comprehensive financial and economic analysis of the REWARD Project was conducted using activity-based cost models and prevailing market prices. The key assumptions underlying the analyses include: (i) 20,000 farmers being actively engaged in farming at full capacity of the project; (ii) additional 25% increase in income will be earned under the project; (iii) farmers will adopt the improved seed varieties; (iv) a 20-year time period was used to measure the incremental benefits from the project; (v) the opportunity cost of capital (OCC) used for discounting future benefits was estimated to be 12%.

28. For the economic analysis, (vi) hired labour value was adjusted by a conversion factor of 0.75; (vii) the rehabilitation of the seed system will ensure national quality seed supply. These analyses were carried out with financial and economic costs generated using COSTAB version 3.3.0. Summary of financial and economic analysis is in Annex VII and further elaborated in Annex B6 in Volume II of the appraisal report. The project is expected to generate the following benefits: (i) increased domestic rice production and reduced import dependency; (ii) enhanced farmer incomes and job creation along the value chain; (iii)improved climate resilience and sustainable land/water management; and (iv) improve average household income.

Table 5: Key economic and financial figures (for cost benefit analysis)

Indicator	Value
Financial Internal Rate of Return (FIRR)	**21.5%**
Net Present Value (NPV) — Financial	**USD 11,820,000**
Economic Internal Rate of Return (EIRR)	**25.3%**
Net Present Value (NPV) — Economic	**USD 17,850,000**

29. ***Financial Analysis:*** Based on the above assumptions, the project yields a Financial Internal Rate of Return (FIRR) of 21.5%, which exceeds the opportunity cost of capital (12%). The Financial Net Present Value (NPV) is USD 11.82 million, indicating strong financial viability and attractiveness to farmers and private sector participants.

30. ***Economic Analysis:*** The economic analysis was conducted using the same approach as the financial analysis to reflect shadow prices for tradable goods, labor, and foreign exchange. It also incorporates additional indirect benefits expected such as reduced rice imports (saving foreign exchange), reduction in post-harvest losses; provision of mechanic service centre for agro equipment, reliable soil information system for fertilizer blends, efficient input distribution system through the farmer database system, Environmental benefits from climate-smart practices (water conservation, reduced GHG emissions) and job creation. However, these additional benefits were difficult to adequately value in monetary terms due to the limited scope of this report. In these conditions, the economic analysis yielded an NPV of USD 17.85 million and the economic internal rate of return (EIRR) calculated at 25.3%, in the technical annexes. These results confirm the project's high economic justification and alignment with national development goals, including food self-sufficiency, poverty reduction, and climate resilience.

31. ***Sensitivity Analysis:*** The results of the sensitivity analysis indicate that the FIRR remains above 18% even with a 15% decrease in yield or a 20% increase in input costs. Even under a severe combined downside scenario, the FIRR remains at 15.4%, confirming strong financial resilience. The most sensitive variable is rice market price; however, the project's focus on quality improvement and branding mitigates this risk. This sensitivity analysis confirms that the project is financially robust and economically justified under all plausible downside scenarios. The FIRR remains well above the 12% opportunity cost of capital in all tested cases. Financial returns consistently exceed the Bank's opportunity cost of capital, demonstrating strong resilience to production, cost, price and implementation risks.

Additional Positive Effects: The REWARD-Ghana Project is both financially viable and economically justified. The project is expected to stimulate private sector participation and investment across the value chain that would otherwise be reluctant to enter a nascent, high-risk market such as agriculture, and contribute to macroeconomic stability through reduced reliance on rice imports. Additionally, its positive impacts extend to food security, farmer livelihoods, and climate resilience. The project will further generate demonstration effects for integrated agro-processing cluster zones in fragile settings, promote adoption of quality, food-safety and environmental standards, and advance gender-inclusive and youth-responsive business models.

B. Environmental and Social Safeguards

Environmental

32. The project is classified as Category 1 (High Risk) in accordance with the Bank's Integrated Safeguards System (ISS) and applicable national legislation. The Categorization Memorandum has been validated on ISTS and confirmed on SAP on 28th March 2025.

33. The required safeguards instruments which include 7 Environmental and Social Impact Assessment (ESIAs), 6 Resettlement Action Plans (RAPs), 1 Stakeholders Engagement Plan (SEP) including a Grievance Redress Mechanism, 1 Pest Management Plan (PMP), and an FA-ESMP, have been prepared by the Recipient. These instruments have been reviewed and cleared by the Bank. The cleared E&S instruments were disclosed by the Recipient on 3 November 2025 and by the Bank on 5 November 2025. The FA-ESMP was disclosed by the Recipient on 20 November 2025 and by the Bank on 24 November 2025, in accordance with the Bank's ISS requirements.

34. The Bank verified that public consultations were satisfactorily conducted across all project communities and districts. More than 200 stakeholders were engaged, including traditional authorities, local government representatives, women's groups, and farmers across the seven districts. Overall, communities expressed strong support for the project and recognized its anticipated socioeconomic benefits.

35. Key environmental risks include chemical runoff from agrochemicals, fire risks, and concerns related to labour and working conditions. Key environmental impacts include air and noise emissions, waste generation and disposal issues, soil degradation and erosion. Social risks include potential social conflicts arising from inequitable resource access, labour rights violations, child labour and GBV/SEAH issues loss of community cohesion, and heightened grievances and occupational and community health and safety risks due to agrochemicals exposure and construction-related hazards., Key social impacts include: loss of economic trees (shea and baobab) due to land development, economic displacement of 137 farmers cultivating yam in some of the rice valleys. restrictions on access to land during land development. All these E&S risks and impacts have been appropriately assessed in the ESIA with implementable mitigation measures provided.

36. E&S risks will be mitigated through the implementation of the measures in ESMPs approved as result of the ESIAs, the RAP, the SEP, the PMP, and a Contractor's ESMP (C-ESMP) to be prepared by the Contractor and cleared by the Bank prior to the commencement of works. The cost of implementing the E&S measures, including the resettlement, totals USD 606,000, as detailed in the technical annexes.

37. The REWARD Program will be implemented through the existing Savannah Agriculture Value Chain Development Project (SADEP) PIU. The PIU currently includes one Environmental Management Specialist and one Social Safeguards Specialist, both of whom have received training on implementing AfDB-funded projects. Additional capacity building will be delivered to strengthen their ability to manage the specific E&S risks associated with REWARD. Also, two (2) Community Liaison Officers (CLOs) will be recruited to strengthen the PIU capacity to implement the E&S measures of the REWARD project.

38. ***Involuntary Resettlement:*** An assessment of the project beneficiary communities showed that there is no physical displacement or land acquisition by the project as the project is designed around existing farmers. However, the project will result in economic displacement of 137 farmers at 6 out of the 7 project areas who cultivate yam and pick fruits of shea and baobab, due to land development. Out of the 137 project affected persons (PAPs), 111 are males and 26 are females. Alternative land, which may be farther than the original yam cultivation, shea and baobab picking areas, exists for the PAPs to pick fruits and cultivate yam. The negotiations with the PAPs indicate that compensations to be received will be used to procure bicycles or other suitable means of transport to facilitate access to the alternative cultivation and picking sites. A total resource for the implementation of the 6 RAPs is GHS 310,393.82 in equivalence of about US$ 28,217.62 included in the Bank's grant. The total resettlement cost will be financed from the project grant.

39. ***Environmental and Social Compliance***: In addition to the full and adequate implementation of all the disclosed E&S plans, including measures to address non-anticipated risks and impacts

occurring during project implementation, the Recipient will prepare monthly E&S measures implementation reports. Also, an annual E&S performance audit conducted by an independent E&S safeguards expert will be submitted annually and no later than the end of the first quarter of the following year. All these reports will be shared with the Bank and made accessible to the stakeholders. Also, the Recipient is committed to establishing the project-level Grievance Redress Mechanism (GRM) at the onset of the implementation, making it known by all the stakeholders and maintaining it functional over the project's lifecycle. Further, in the event of an Environmental-Occupational-Health and Safety (EOHS) incident on a project site, the Recipient is committed to notify the Bank immediately, no later than 48 hours after the occurrence, share the relevant national Authority's investigation report and when deemed necessary by the Bank to submit a Root-Cause Analysis (RCA) report, prepared by an independent OHS expert, to be cleared by the Bank for the implementation of the Corrective Action Plan (CAP) by the Recipient. These obligations are reflected in the E&S conditions of the financing agreement and its annexed ESMP. The project is compliant and ready for submission to Board consideration, as evidenced by the ESCON in annex.

Climate Change and Green Growth

40. The Northern-Savannah Zone of Ghana faces severe climate change risks, threatening agriculture and livelihoods. Irregular rainfall, droughts, and floods disrupt farming, while rising temperatures and soil degradation weaken crop productivity. Rice cultivation, heavily dependent on seasonal rainfall, is highly vulnerable to water stress. However, the erratic rainfall and floods cause soil saturation, root damage, and pest outbreaks, further lowering productivity. These combined factors increase yield uncertainty, economic vulnerability, and food insecurity for rice farmers. Given the climate change impacts experienced in the area, the operation is assessed as Category 1on the Bank's Climate Safeguards System, meaning it is vulnerable to climate risks and requires a detailed evaluation of climate change risks and adaptation measures.

41. The project is designed to build the resilience of the targeted farmers in the Savannah Zone against the above climate risks. A comprehensive risk management and adaptation measures have been integrated in the project design and implementation plans, to build climate resilience in rice production, with focus on: 1) improving existing irrigation and water harvesting production areas, 2) provision of improved drought/flood-resistant rice varieties; 3) training farmers and extension agents in climate adaptation and forecasting for better cropping strategies; 4) developing early warning systems and contingency plans for crop loss, with resources for emergency repairs of developed water management structures; (all under Component 1), 5) ensuring climate resilient rice processing infrastructure and raising community awareness (all under Component 2); and 6) collaborating with urban planners to control erosion in rice-growing areas.

42. Rain-fed rice cultivation generates significant greenhouse gas (GHG) emissions, primarily from methane (CH_4) from fossil fuel-based mechanization and rice processing. **Mitigation measures** proposed ensures that (a) rice will be cultivated on existing fields, optimizing irrigation, soil carbon storage, and efficient water use, and (b) the project will promote climate-sensitive rice storage and explore solar-powered processing technologies, as well as recycling rice by-products such as husks for livestock feed and bioenergy; and (c) providing specific training to enhance the capacity of Small and Medium Enterprises (SMEs) on climate risk management and mainstreaming in their business plans. Agroforestry enhances soil carbon sequestration, and biogas/composting of rice residues prevent emissions from open field burning. These adaptation/resilience and mitigation measures are aligned with the National Climate Change Policy (NCCP) which aims at ensuring a climate-resilient and climate-compatible economy while achieving sustainable development and equitable low-carbon economic growth for Ghana. They are also consistent with priorities established in Ghana's National Adaptation Program for Action (NAPA) and Climate Change Policy. This will ensure that the project facilitates and promotes greater resilience and adaptation to

climate change by promoting climate-smart agriculture using improved agriculture technologies and conservation agriculture.

C. Other Cross-cutting Priorities

Youth, Skills and Job Considerations

43. The REWARD-Ghana project is assigned Category 2 (Integrated Objectives on Youth, Skills or Jobs) under the Youth, Skills and Job Marker System (YJSMS), reflecting its strategic integration of employment and skills outcomes within a broader agricultural transformation agenda with at least 40% of beneficiaries being youth and women, budget allocations of 25%+ for youth employment and skills activities, and relevant indicators in the results-based logical framework, disaggregated by age and sex for rigorous tracking. This categorization is substantiated by dedicated YJS activities across project components, including developing skills of machinery operators with a focus on youth, building capacity of AMSECs on business modules and complementing their machinery stock, promoting private sector investments supporting women- and youth-led businesses with improved access to financing, and empowering youth, persons with disabilities, and women groups on rice-processing by-products, among others.

44. The project will directly benefit 10,000 households, including 3,200 farmers supported across seven districts, trained processors and millers, and youth- and women-led cooperatives/SMEs. Indirect benefits will reach 30,000 people through input supply networks, processing and logistics services, and induced spending effects. More specifically, of the 1,000 jobs expected to be created, 60% will benefit youth and 30% will benefit women, as well as land allocation, training on pesticide use, and its effects on humans and the environment, access to mechanization services along the rice value chain, and meteorological warning information transmission services. Twenty (20) youth and women-led cooperatives/SMEs are also expected to be supported by the project. Beyond job quantity, the project emphasizes job quality by promoting structured contract farming arrangements, facilitating access to formal financing, supporting cooperative formalization, and improving incomes through productivity gains and value addition, thereby contributing to decent work outcomes aligned with the YJSMS quality dimension.

45. The project's theory of change links rice value chain investments to youth employment through three pathways: employment multipliers across production, processing, and marketing nodes; market-relevant skills training addressing Ghana's skills mismatch; and private sector enterprise development through AMSECs, youth-led cooperatives, and access to finance via AFAWA and GIRSAL. Potential negative effects have been assessed with mitigations: mechanization displacement addressed through phased introduction and AMSEC retraining, processing consolidation mitigated by decentralized clusters and cooperative models, and gender risks addressed through the Gender Action Plan. During appraisal, the Joint Impact Model (JIM) will be applied to estimate indirect employment effects across the rice value chain. As a Category 2 project, a Youth, Skills and Job Action Plan will be developed to guide the systematic integration and monitoring of employment outcomes throughout implementation. Implementation may include baseline employment surveys, labor market and skills gap assessments, and youth tracer studies.

Opportunities for Building Resilience

46. Ghana has long been considered one of West Africa’s most politically stable countries, with a strong record of democratic governance, peaceful transitions of power, and well-functioning institutions. However, the country’s fragility landscape has become increasingly complex in recent years. According to the Bank’s Ghana Country Vulnerability and Resilience Assessment (CRFA) carried out in 2024, the drivers of vulnerabilities in Ghana are a result of a combination of external and internal factors. Ghana’s internal vulnerabilities include macroeconomic stress, youth

unemployment, regional inequalities, and climate-sensitive livelihood risks, particularly in the northern regions. Externally, the economy remains exposed to global price volatility, tightening financial conditions, climate-driven shocks, and external security threats from terrorism in the Sahel region.

47. A clear understanding of these intersecting fragility dynamics is essential for addressing the structural drivers of instability and for designing interventions that strengthen social cohesion and resilience. Agriculture remains the backbone of Ghana's economy, contributing significantly to food security, employment, and export earnings. This project focuses on supporting Ghana's agricultural sector by strengthening food security and food sovereignty through targeted investments in the rice value chain. The REWARD Ghana project is timely and relevant in this context. It aims to transform Ghana's rice sector by strengthening climate-resilient rice production systems. By scaling up proven and successful models, the project aims to increase the productivity and production of quality rice, advance national rice self-sufficiency, reduce the country's import bill, and create gainful employment opportunities, particularly for women and young people.

48. The project's design and implementation arrangements are firmly grounded in the Bank's Fragility Agenda and reflect the outcomes of the appraisal mission. By integrating conflict sensitivity, climate risk management, inclusive private sector engagement, and strengthened monitoring systems, the project addresses structural drivers of fragility while adhering to the "Do No Harm" principle. The combination of a fit-for-purpose implementation unit, upstream conflict analysis, enhanced early warning systems, and resilience-oriented market linkages ensures that the project is well positioned to deliver sustainable, inclusive, and shock-responsive outcomes in Northern Ghana. A detailed fragility and resilience assessment can be found in annex 3-2.

Gender Equality and Women's Empowerment Promotion

49. The REWARD project in Ghana, classified as a Gender Marker II initiative, places gender equality at its core by embedding a Gender Action Plan to fully integrate women farmers, processors, traders, and young women into rice value chain development. Key barriers include insecure land tenure, limited access to mechanization, minimal participation in water governance despite rainfed cultivation, and underrepresentation in cooperative leadership, all compounded by care economy constraints that restrict women's time and opportunities. While women dominate post-harvest processing and trading, they remain confined to low-value segments, highlighting the need for training, mechanization services, climate risk management skills, childcare support, and leadership quotas to unlock their potential. Strengthening women's roles in nutrition-sensitive rice chains further enhances household food security and child health. By institutionalizing accountability through gender experts, audits, and sex-disaggregated indicators, the project can shift women's roles from marginalized participants to empowered leaders driving resilience, equity, and value addition across Ghana's rice sector.

50. During the appraisal mission, the project team consulted commercial farmers including women and youth farmers, the Women in Agriculture Development Directorate and SIP/SADEP project staff among other stakeholders. These consultations informed the selection of REWARD gender mainstreaming activities that will focus on increasing women's access to finance, inputs, markets, skills development, reducing potential negative impacts of the project and strengthening coordination of institutions and their activities. These include: (i) continued affirmative action for women in the selection of commercial farmers in terms of land size and age; (ii) increasing women's access to agricultural machinery and other financial resources; (iii) provision of water-controlled land development (levelling and bunding); (iv) skills development in rice production. (v) market linkages for youth and women farmers; (vi) implementation of the Gender Action Learning System (GALS) methodology to sustain the results from women's economic empowerment, address root causes of gender inequality, promote social behaviour change, and mitigate potential negative

impacts such as Gender- Based Violence (GBV) (vii) strengthening women's groups for e.g., joint marketing and transportation, increased bargaining power, policy dialogue and advocacy for public resources they may need such as water; (viii) enhancing coordination between the MOGCSP and MOFA in platforms such as the Agriculture Sector Working Group; (ix) creating and disseminating a localized GBV reporting and referral mechanism and mitigate against Sexual Exploitation Abuse and Harassment (SEAH); and (x) ensuring equitable benefit from training and inputs such as climate resilient seeds and fertilizer.

51. ***Nutrition Considerations***

The REWARD-Ghana project has the potential to increase food supply in response to recent indications of a significant increase in food insecurity in the prevalence of stunting is significantly higher in the Northern Region, with 33% stunting in children under five as compared to the national prevalence of 19%. The Project will contribute to increased dietary diversity among households, and especially among women and children, in the Northern and Upper East regions. The actions envisaged include: (i) community sensitization on good nutrition and hygiene practices, and enhanced management of acute malnutrition, through strengthening of the implementing partners; (ii) linkage of smallholder farmers to the Ghana School Feeding Programme; (iv) technical assistance in rice fortification will be promoted as part of the overall quality improvement effort and enhanced branding initiatives; and (iv) nutrition and hygiene education in schools. Workforce Nutrition initiatives that encourage appropriate childcare facilities that support better nutritional care for working mothers and their children across the project intervention areas specifically on promoting nutrient preserving techniques in rice processing which can ensure better nutrient retention. In order to accommodate all these activities, budget will be allocated to support implementing partners, Food Security and Nutrition Survey to support the M&E component of the Project and evaluate impact in terms of household dietary diversity at district levels.

4 IMPLEMENTATION

A. Institutional and Implementation Arrangements

52. The Executing Agency for this Project will be Ministry of Food and Agriculture. Given the closer linkages of this project with the Savannah Agriculture Value Chain Development Project same Project Coordination and Management Unit of SADEP would be used. The Ministry had used a similar arrangement to successfully implement Bank-financed projects such as the Northern Rural Growth Program (NRGP), Export Marketing and Quality Awareness Project (EMQAP), Livestock Development Project and Afram Plains District Agricultural Development Project (APDADP). The PCMU capacity was assessed to be satisfactory for project implementation.

53. The existing PCMU core team comprises: Project Coordinator, M&E officer, Environmentalist Specialist, Social Safeguards, Agronomist, Value Chain Expert, Agricultural Engineer, (02) Procurement Officers, Financial Controller and Project Accountant, Accounts Assistant based on the key activities to be implemented. The PCMU will be augmented with an M&E Assistant, a Rice Liaison officer, and two (02) E&S Community Liaison officers. These positions would be seconded by the Ministry of Food and Agriculture and where there is no expertise, they will recruit from the market. The performance of all PCMU staff will be assessed annually and approval will be provided by the Bank, should there be need for changes. The head of the PCMU, the Project Coordinator will report to the Chief Director of the Ministry of Food and Agriculture, as the designated representative of the Minister. The PCMU also has relevant logistics including an office space based in Tamale, within the Northern Savannah Zone, to allow for proximity to beneficiaries. The Project will also work closely with CSIR-SARI, the regional and district departments of agriculture for the implementation of the Project.

54. A National Project Steering Committee (NPSC) is already established under SADEP to provide strategic policy direction and oversight guidance for the project implementation. The core activities shall continue to include implementation of Programme strategy, oversee planning, review of progress and impact, review/approval of annual work plans and budget, annual procurement plans, as well as ensuring effective linkages with related Programmes in the agricultural sector. The NPSC membership includes Representative of the Minister, MoFA; Chief Director. MoFA; Director, Policy Planning Monitoring and Evaluation Directorate; Director, Crops Services Directorate; Director, Agricultural Engineering Services Directorate, Director, Plant Protection and Regulatory Services, Directorate (PRSD), Director, Directorate of Agriculture Extension Services, Representative of the Ministry of Finance; Representative of Northern Development Authority; Head of Department, Northern Region Department of Agriculture; and Project Coordinator as Secretary. The NPSC would meet at least twice a year.

B. Procurement

55. In accordance with the provisions of paragraph 4.3 of the Procurement Policy for operations financed by the Bank Group, all procurement of goods, works and consultancy services financed by the Bank's resources, will be carried out in accordance with the Procurement Policy for Operations Financed by the Bank Group ("AfDB Procurement Policy"), October 2015 edition and according to the provisions mentioned in the Financing Agreement.

56. **Executing Agency/cies (EA) Assessment:** The Executing Agency for this operation will be the Ministry of Food and Agriculture (MoFA). Given closer linkages of this project with the Savannah Investment Program (SIP), the Savannah Agriculture Value Chain Development Project (SADEP) and the Building Resilience for Food and Nutrition Security in the Northern Savannah Ecological Zone - Additional Funding to Savannah Investment Program under GAFSP financed by the Bank, the same Project Coordination and Management Unit (PCMU) of the three (3) projects will be used for this project.

57. A procurement capacity of the PCMU was assessed for the project, and it was noted that two (2) procurement experts already on board will be in charge of the project (a **Principal Procurement & Supply Chain Manager and a Programs Procurement Officer).** The highest qualification of the Principal Procurement & Supply Chain Manager is an MSc in Supply Chain Management with over eight (8) years procurement experience working with MoFA with major experiences in the procurement of donor funded projects including supporting the procurement of the Bank’s funded ongoing Savannah Investment Program (SIP), the Savannah Agriculture Value Chain Development Project (SADEP) and the Building Resilience for Food and Nutrition Security in the Northern Savannah Ecological Zone - Additional Funding to Savannah Investment Program under GAFSP from 2020 to present. The Programs Procurement Officer holds a bachelor’s degree in social sciences with major on the job experiences on the Recipient’s procurement system including the use of procurement manuals and standard bidding documents. He has been procuring the Bank’s funded, ongoing Savannah Investment Program (SIP), the Savannah Agriculture Value Chain Development Project (SADEP) and the Building Resilience for Food and Nutrition Security in the Northern Savannah Ecological Zone - Additional Funding to Savannah Investment Program under GAFSP from 2020 to present with experiences in the procurement of donor funded projects including the Ghana Agriculture Sector Improvement Program (GASIP) funded by IFAD (2018-2020) and other projects funded by the World Bank.

58. Project implementation capability assessment of MoFA in general and the assessment of the EA’s organizational structure for implementing the project including the available capacity for delivering on the procurement activities have been undertaken. These assessments revealed that the resources, capacity, expertise, and experience of MoFA are currently adequate to carry out the

procurement function partly due to the availability of the head of procurement at MoFA who has oversight responsibilities over the procurement unit of the project. However, apart from the PCMU, other resources, (ie. technical departments) of MoFA are not enough to carry out the procurement function for this project due to other commitments from other ongoing projects that MoFA is handling. Additionally, it has been noted that, the procurement team within the procurement unit of the mother ministry (MoFA) have limited knowledge and experience on the Bank's current procurement framework.

59. **Procurement Risks and Capacity Assessment (PRCA)**: the assessment of procurement risks at the Country, Sector, and Project levels and the procurement capacity of the Executing Agency (EA), were undertaken and concluded to be a ***moderate*** procurement risk for the implementation of the project. This output informed the decisions on the procurement regimes (BPS and Banks PMP) to be used under the Project. Appropriate risk mitigation measures have been included in the procurement PRCA action plan in Table 4.5e paragraph 4.5.9 of the Technical Annexes.

60. **Detailed Procurement Methods and Procedures:** The procurement procedures have been assessed considering the market situation, the number of needs, the capacities of the actors, the risks involved and the constraints of the relevant texts. Details of these modalities, including the applicable procurement system, cost estimates, methods of procurement, type of control, and the timetable agreed between the recipient and the Bank, are described in the Procurement Annex (Annex 4.5) to this Project Appraisal Report.

C. Financial Management, Disbursement, and External Audit Arrangement

61. **Financial Management:** The Ministry of Food and Agriculture (MoFA) will execute the **Regional West Africa Resilient Rice Value Chains Development (REWARD) Program** through an existing PCMU (currently implementing SIP, SADEP & GAFSP) under the direct supervision of the Project Coordinator. The Financial Controller (FC), responsible of the overall financial management of the projects is supported by a Project accountant and an account officer who are familiar with donors funded Projects including AfDB. The proposed Project will adopt the current FM system including accounting package, FM manual and Project Implementation Manual (PIM) (with minor modification) to guide Project implementation. The existing accounting software (Sun System version 6.4) will be used to record and process accounting transactions and prepare the Project financial reports. On a quarterly basis the PA will generate from the accounting software, unaudited interim financial reports (IFRs) in line with IPSAS Cash Basis, for the benefit of the MoFA and shared with the Bank within forty-five (45) days after the end of each quarter. The internal control procedures of government at the MoFA, appear adequate and will be adopted by the proposed Project. The Internal Audit Department of MoFA is adequately staffed and will periodically review the Project operations and report to the National Project Steering Committee (NPSC) that will ensure the implementation of Internal Audit Recommendations. **On Anti-Corruption,** the GoG Internal control and anticorruption policies for safeguarding assets adopted by the PCMU will be applied on by the project to assets from fraud, waste, and abuse. The anti-corruption policy provides guidance, and all project staff, beneficiaries and other recipients would be advised on whom to report to in case of suspicion of fraud, waste or misuse of project resources or property.

62. **Disbursement**: Out of the four disbursement methods used by the Bank in disbursing funds to its projects, the Mission agreed that the **Direct Payment, Special Account (SA) and Reimbursement** methods will be used under the Project. The Direct payments will be used for payments against larger contracts signed between Project management and contractors'/suppliers/ service providers. While the Special Account method will be used for meeting recurrent/administrative expenses and smaller contracts. The Reimbursement for eligible expenses

already incurred and paid for by the Recipient from its own resources with the no-objection of the Bank. The Reimbursement Guarantee method would also be available to the Project if the need arises. The Project will open a dedicated USD special account (SA) at the Bank of Ghana (BoG) to receive REWARD program resources from the Bank. A local currency (GHS) account will also be opened at the same bank to receive transfers from the SA for payments of eligible local expenses. ***All Project accounts will be managed by the PCMU. All disbursements shall be in accordance with the Bank's disbursement procedures outlined in the Disbursement Handbook 2020.***

63. **External Audit:** The Auditor General (AG) of Ghana will oversee the audit of the Project on an annual basis, in accordance with the AG's legal mandate and use of country systems. In instances where the AG is unable to carry out the audit, an independent external audit firm will be appointed by the AG, through a competitive recruitment process to carry out the audit. The audit will be conducted in accordance with an audit term of reference (TORs) agreed with the Bank. The audited financial statements for each year and the related management letter should be submitted to the Bank within six (6) months at the end of each financial year audited, for review and acceptance. Audit fees will not be paid for the related audits carried out by the AG except reasonable incidental audit expenses (to be paid from project resources), which have been duly submitted, reviewed and accepted by the Bank. Ghana has been consistent over the year in complying with fiduciary requirements of audit submission. There is no overdue audit report. ***Overall Conclusion:*** **The overall FM risk is assessed as moderate. To mitigate the risk further, MOFA is expected to adopt/ upgrade the existing Sun Systems accounting software for use by the project.**

D. Monitoring and Evaluation

64. The REWARD Project's monitoring and evaluation (M&E) framework ensures data-driven decision-making, accountability, and continuous learning throughout the project lifecycle. The PCMU will adapt the existing M&E database system for the REWARD project based on the results framework with an emphasis on outcomes, and the regular monitoring of processes, inputs and outputs. Implementing partners will submit periodic progress reports to track activity implementation, expenditures, and project outcomes. Performance assessment is based on the project's Results-Based Logical Framework (RLF) as included in the appraisal report or its subsequent revisions. The PCMU will monitor and evaluate overall impact of the project including environmental and social compliance and performance and compile the project's quarterly and annual reports for dissemination to the Bank Group, MoFA, and other relevant stakeholders. A mid-term review (MTR) will be undertaken after year two years of project implementation. Similarly, upon completion of project implementation at the end of year five, the PCMU will prepare a project completion report. A total cumulative budget allocation of USD 500,000 has been provided in the detailed cost table for M&E activities within the project implementation period.

65. The Policy Planning, Monitoring and Evaluation (PPMED) is responsible for monitoring and evaluation under MoFA. SRID and PPMED would be supported to aid the project in ensuring the collection and processing of good quality data, monitoring and reporting. The data analysts and the M&E Officer of SADEP will ensure quality and accountability of monitoring; information management; facilitation of knowledge building; and knowledge sharing on monitoring and evaluation. The project will involve stakeholders in the M&E process through quarterly review meetings on performance, corrective actions required for better project targeting and impact on beneficiaries.

E. Governance

66. The Government of Ghana has adequate legal framework, including the Public Financial Management Act, 2016 (Act 921), the Public Procurement Act 2003 (Act 663) and amended in 2016

(Act 914) to promote competition and ensure that competitors are treated fairly, promote the integrity and fairness, increase transparency and accountability and to increase public confidence in those procedures. The Public Financial Management and Public Procurement laws in Ghana have adequate provisions to deal with fraud and corruption related issues.

67. The main input subsidy policy framework under which this operation will be anchored had gone through revisions aimed at providing smart subsidy to farmers. A nationwide electronic registration of farmers and value chain actors commenced with Bank financing under the Savannah Zone Agriculture Productivity Project (SAPIP) to minimise fraud and corruption as well as better targeting of subsidies, data collection and analysis, facilitated by new technologies and supporting evidence-based decision-making; investment in quality research, especially on seed distribution, with clear links to extension services so farmers can benefit from the latest research. This will be adapted for the implementation of REWARD.

F. Sustainability

68. This project will work within the national and decentralized state structures such the departments of agriculture at the regional and district levels. Capacities of staff of state institutions will be strengthened and resourced to provide improved services such as extension and technical advisory delivery to smallholder farmers to ensure sustained productivity. Comprehensive institutional and stakeholder analysis has been undertaken to identify capacity needs or gaps. Farmers will be trained in climate smart agriculture production practices, post-harvest management, group dynamics, negotiation, and procurement skills, to enable them undertake contracts on their own long after the project has ended. Farmers will as well be trained on water management systems to enhance utilization of water resources to ensure all year production. All capacity building or strengthening programmes will include asset management to equip beneficiary actors and implementers with skills and knowledge in proper handling, usage, and maintenance of assets towards enhancing their shelf life. Private sector entities will be involved in the production, marketing, and distribution of climate smart agro inputs and other support services including mechanization to ensure continuity post project closure. Smallholder farmers will be linked with existing rice processing facilities located within the project area to enhance their market access. Farmers will be trained to produce for household food consumption and for agro processing in the quality acceptable to private sector actors. Promotion of quality and standards will ensure sustainable access to markets, especially for agro processing.

G. Risk Management

69. Risks will mainly arise from uncertainty regarding the Government's commitment to liberalizing the domestic seed sector. regarding the Government's commitment to liberalizing the domestic seed sector. The mitigation is that the National Seed Act was enacted in 2017, which clearly establishes a publicly enabled but private sector-led seed industry. However, farmers still rely heavily on Government through development projects for seeds and inputs on gratuity. Another risk identified is the continuous influx of cheap imported rice undermining competitiveness of local rice. The project enhances policy dialogues and promotes regulatory reforms to enhance domestic competitiveness. The NSEZ is prone to climate and environmental risk including drought, flooding and extreme climate change affecting rice production and productivity. The project will promote the use of climate-resilient rice varieties including flood or drought tolerant varieties to mitigate the risk. Lastly, low private sector capacity to operate in the NSEZ is a major risk which could impact key output and outcome, especially when focus is on promoting private sector production. The project will build and strengthen the rice ecosystem within the NSEZ, input suppliers, mechanization, finance, etc to facilitate efficiency and effective implementation. Most private sector within the rice value chain that were consulted do not have the financial capacity hence the project will mitigate

this by facilitating linkages to financial guarantees including GIRSAL support to incentivize and support private sector capacity.

H. Knowledge Building

70. The M&E system will track the causality linkages between activities, outputs, outcomes, and impact as outlined in the results-based logical framework. Data for analysis will be captured from the M&E database, supervision missions, mid-term report, and periodic impact assessment and field exchange visits of the stakeholders. Knowledge will be generated through the promotion of conservation agriculture and the development of an ecosystem that supports agribusiness development, including the coordination of agricultural services. For the purposes of publicity and sharing of project results, the project could recruit a local firm as and when the need be. Farmer exchange visits will serve as sources of innovative knowledge and information sharing learning tools empowering farmers and other actors of the value chain to train their peers, share knowledge and experiences, thus reducing their overdependence on the public extension agents. Knowledge will be disseminated based on the achievement of project success stories and would be documented in brochures, impact stories as well as Bank's website and website of the MoFA. The base Project has experience in knowledge management and will therefore apply same skills and knowledge to develop similar knowledge materials for the publicity of the Project.

5 LEGAL INSTRUMENTS AND AUTHORITY

A. Legal Instrument.

71. The legal instrument for the Project will be an ADF Protocol of Agreement between the Republic of Ghana (the "Recipient") and the African Development Fund (the "Fund") for an amount not exceeding UA 13,700,000 (the "Grant Agreement").

B. Conditions Associated with Fund's Intervention.

72. **Condition Precedent to Entry into Force of the Grant Agreement.** The Grant Agreement shall enter into force on the date of signature by the Recipient and the Fund.

73. **Conditions Precedent to First Disbursement of the Grant.** The obligation of the Fund to make the first disbursement of the Grant shall be conditional upon the entry into force of the Grant Agreement and the fulfilment of by the Recipient, in form and substance satisfactory to the Fund, of the following condition:

(a) The submission of evidence of recruitment, designation or appointment of key staff for the Project Coordination and Management Unit (PCMU) with qualifications and terms of reference acceptable to the Fund, as follows: (i) Project Coordinator; (ii) Procurement Officer; (iii) Project Accountant; (iv) Environmental Safeguards Specialist; and (v) Social Safeguards Specialist.

74. **Conditions Precedent to Disbursements for Works Involving Resettlement.** *Subject to the entry into force of the Grant Agreement and fulfilment of the condition's precedent to first disbursement of the Grant*, the obligation of the Fund to disburse the Grant for works that involve the use of Environmental and Social Management Framework ("ESMF") shall be subject to the satisfaction of the following additional conditions by the Recipient:

(a) Submission of the site-specific Environmental and Social Impact Assessment ("ESIA"), Environmental and Social Management Plan ("ESMP") and Resettlement Action Plan ("RAP") for works, prepared in accordance with the ESMF and the Fund's Safeguards Policies, in form and substance satisfactory to the Fund; and

(b) Submission of satisfactory evidence that all Project affected persons ("PAPs") in respect of works have been compensated and/or resettled in accordance with the site-specific ESMP, the site-specific RAP, and/or the agreed works and compensation schedule and the Fund's Safeguards Policies**,** prior to the commencement of such works and in any case before the PAPs' actual move and/or taking of land and related assets; or

(c) In lieu of paragraph (a) and (b) above, submission of satisfactory evidence indicating that the resources allocated for the compensation and/or resettlement of PAPs have been deposited in a dedicated account in a bank acceptable to the Fund or remitted to a trusted third party acceptable to the Fund, where the Recipient can prove, to the satisfaction of the Fund that, compensation and /or resettlement of PAPs in accordance with paragraph (b) above could not be undertaken fully or partially, because of the following reasons: (i) the identification of the PAPs by Recipient is not feasible or possible; (ii) ongoing litigation involving the PAPs and / or affecting the compensation and/or resettlement exercise; or (iii) any other reason beyond the control of the Recipient, as discussed and agreed with the Fund.

75. **Conditions Precedent to First Disbursement for Resettlement to be Financed by the Fund:** Subject to *entry into force of the Grant Agreement* and *fulfilment of conditions precedent to first disbursement of the Grant*, the obligation of the Fund to disburse a portion of the Grant for works that involve resettlement to be financed by the Fund shall be subject to the satisfaction of the following additional conditions by the Recipient:

(a) Submission of a works and compensation schedule prepared in accordance with the Resettlement Action Plan ("RAP") and the Fund's Safeguards Policies in form and substance satisfactory to the Fund detailing: (i) each lot of civil works under the Project, and (ii) the time frame for compensation and/or resettlement of all Project affected persons (PAPs) in respect of each lot;

(b) Submission of the evidence of the opening of a foreign currency special account with the Central Bank of Ghana and a local currency project account with a commercial bank in the name of the Project, dedicated to receiving the Fund's portion of financing allocated to compensation and/or resettlement of the Project affected persons (PAPs) in accordance with the RAP;

(c) Submission of Valuation report on the respective section(s) requiring compensation prepared by a qualified valuer appointed or nominated by the Recipient, with qualifications and terms of reference acceptable to the Fund;

(d) For subsequent disbursements, provision of 100% justification on prior advance of the Grant received accompanied by (i) a completed and signed disbursement request (Form A1), (ii) a completed and signed appropriate statement of expenditures (Form A2), (iii) special account reconciliation statement, and (iv) bank statements covering the period of justification, in form and substance satisfactory to the Fund.

76. **Other Conditions**

(a) The Recipient shall within three (3) months of the first disbursement of the Grant or such later date as may be approved by the Fund, provide proof of provision of staff for Project implementation, provision of office space and support services, payment of salaries of Government staff seconded to the project, and provision of subsidies for machinery and inputs, as in-kind contribution towards the costs of the Project; and

(b) The Recipient shall, within six (6) months of the first disbursement of the Grant or such other period as may be approved by the Fund, submit in form and substance satisfactory to the Fund: evidence of the designation or recruitment of additional staff for the existing PCMU with qualifications and terms of reference acceptable to the Fund, as follows: (i) Monitoring and Evaluation Assistant; (ii) Rice Liaison officer; (iii) two (02) E&S Community Liaison officers.

77. **Undertakings.** The Recipient undertakes:

(a) To cause implementation of measures and to meet requirements for Project financial management as required by the Fund.
(b) To carry out the Project in accordance with the ESMP, the Fund's Safeguards Policies and the applicable national legislation in a manner satisfactory to the Fund;
(c) To prepare and submit to the Fund, monthly reports on the implementation of the ESMP including any implementation failures and related remedies thereof;
(d) cooperate fully with the Fund, prepare and submit a revised RAP within thirty (30) days of identification of unforeseen resettlement, and implement it before works commence in the affected area, using pre-agreed funding arrangements with the Fund, in the event that the implementation of the Project or change in Project scope results in hitherto unforeseen displacement and /or resettlement of persons, and shall not commence any works in the affected area under the Project, unless all PAPs in such areas have been RAP, to be prepared by the Recipient and approved by the Fund; and
(e) To maintain the existing National Project Steering Committee (NPSC) established under the SADEP project, for guidance and general oversight functions, including policy and strategic orientation of the Project, throughout the Project implementation period.

C. Compliance with the Bank Group Policies

☒ This project complies with all applicable Bank Group policies.

African Development Bank Group Independent Recourse Mechanism

78. Communities and individuals who believe that they are adversely affected by an African Development Bank Group (AfDB) supported project may submit complaints to existing project-level grievance redress mechanisms or the AfDB's Independent Recourse Mechanism (IRM). The IRM ensures project affected communities and individuals may submit their complaint to the AfDB's Independent Recourse Mechanism which determines whether harm occurred, or could occur, as a result of AfDB non-compliance with its policies and procedures. To submit a complaint or request further information please contact: IRM@afdb.org or, visit the IRM website www.irm.afdb.org. Complaints may be submitted at any time after concerns have been brought directly to the AfDB's attention, and Bank Management has been given an opportunity to respond before reaching out to the IRM.

6 RECOMMENDATION

Management recommends that the Board of Directors approve the proposed ADF grant of an amount not exceeding the equivalent of UA 13,700,000 to the Republic of Ghana for the purposes and subject to the conditions stipulated in this report.

7 RESULTS FRAMEWORK

RESULTS FRAMEWORK					
HAS	PROJECT INFORMATION				
▌PROJECT TITLE AND SAP CODE: Regional West Africa Resilient Rice Value Chain Development Project- (REWARD) SAP CODE : P-Z1-AA0-185				▌COUNTRY/ REGION: Ghana	
▌PROJECT DEVELOPMENT OBJECTIVE: 1.The overall development objective of the REWARD program is to achieve national food self-sufficiency and reduce imports bills through increase in productivity and production, market development in rice value chain, and create gainful employment particularly for women and young people.					
▌ALIGNMENT INDICATOR(S): (i) cereal yield (ton / hectare); and (ii) Prevalence of moderate or severe food insecurity in Africa (%)					
RESULTS MATRIX					
RESULTS CHAIN AND DESCRIPTION OF INDICATORS	**RMF/ ADOA INDICATOR**	**UNIT OF MEASURE**	**BASELINE (2025)**	**TARGET TO COMPLETION (2030)**	**MEANS OF VERIFICATION**
OUTCOME STATEMENT 1: Sustainable and Resilient Rice Production Systems and Productivity enhanced					
Outcome indicator 1.1: Food-secure population in the project area (disaggregated by sex.)	☐	*number*	*1,112,442 (male: 567, 442, female: 545, 442)*	*1,132,442 (male: 577, 442, female: 555, 442)*	*National report on the food insecurity produced by the Ministry of Agriculture and food security*
Outcome indicator 1.2: Average rice yield	☒	*Metric tons/hectare*	*2.0*	*4.5*	National yield Surveys
Outcome indicator 1.3: Direct jobs supported (disaggregated per gender & youth)	☒	*Number*	*0*	*1,000 (750 Youth, 250 Women)*	Report on jobs supported by the project.
OUTCOME STATEMENT 2: I*ncreased quantity of rice to local consumption and rice imports reduction*					
Outcome indicator 2.1: Annual average of paddy rice production in the project area	☐	*Tons*	*100,000*	*250,000*	*National report on rice production produced by MOFA*
Outcome indicator 2.2: Local-produced rice brands supplied to the domestic market	☐	*Number*	*0*	*3*	*Report on local-produced rice brands*
Outcome indicator 2.3: National demand for imported rice	☐	*percentage*	*45%*	*15%*	*Report on the rice imported produced by the MOFA*
COMPONENT 1: Development of sustainable and climate-resilient rice production systems					
Output statement 1.1: Sustainable and climate-resilient sustainable rice production systems developed					
Output indicator 1.1.1 Land area with improved climate- resilient water management structures developed for rice production	☐	Hectares (ha)	0	3,050	Site verification, GIDA reports
Output indicator 1.1.2: Developed land area secured to support access to land (% for women and youth)	☐	Hectares (ha)	0	850 Ha (300 Ha for women and 550 Ha for youth)	land development report
Output indicator 1.13 Weather, climate and hydrological forecasting tools adapted to rice development systems, products and made accessible to users	☐	Number	0	3	Project progress reports, Farmer surveys, Monitoring reports
Output statement 1.2: Availability and access to quality inputs, mechanization services and climate-resilient knowledge improved					
Output indicator 1.2.1 Quantity of climate-resilient seeds produced (disaggregated by type: breeder, foundation and certified seed)	☐	Metric tons (mt)	0	465.4 mt (Breeder – (0.4mt) Foundation – (15mt)	Seed production records

				Certified seeds (450mt))	
Output indicator 1.2.2: Smallholder farmers supported with improved climate-resilient seeds, inputs and mechanization services (disaggregated per gender and youth)	☐	*Number*	0	7,000 *4200 for youth, 2100 for women)*	*Distribution register / list of beneficiaries*
Output indicator 1.2.3: Climate smart and market competitive rice varieties promoted	☐	Number	0	5	Field reports, Attendance records, Training evaluations
Component 2: Developed low-carbon rice processing clusters, and commercial linkages for trade facilitation					
Output statement 2.1: Processing infrastructure and capacity enhanced					
Output indicator 2.1.1 Rice processing facilities supported/upgraded with modern processing technologies	☐	Number	0	5	Report on rice processing facilities supported.
Output indicator 2.1.2 Artisans trained in fabrication of mini-GEM parboiling vessel	☐	Number	0	200 (150 youth and 50 women)	Training report
Output indicator 2.1.3: Women-led cooperatives capacitated and equipped on parboiling and entrepreneurship	☐	*Number*	*0*	*5*	*Capacity building report*
Output statement 2.2: Market access for Ghana rice improved					
Output indicator 2.2.1 Partnerships established to improve branding and packaging of processed rice	☐	Number	0	5	Partnership agreements, Reports
Output indicator 2.2.2 Rice aggregation networks from farm-gate to processing to retail/markets established and functional	☐	Number	0	20	Linkage reports, MoUs, Financial records
Output statement 2.3: Private sector investments and businesses along rice value chain promoted					
Output indicator 2.3.1 AMSECs strengthened with capacity and upgraded machinery stock	☐	Number	0	10	Training reports, Equipment records, Mechanization policy reports
Output indicator 2.3.2 Long-term contract farming arrangements established between millers and farmers established to guarantee farmers the sale and the millers the supply	☐	Number	0	8	Signed contracts, Program reports
Output indicator 2.3.3: Youth and women-led cooperatives/SMEs supported/trained on rice-processing by-products to promote entrepreneurial development	☐	Number	0	20 (15 youth groups, 5 women groups)	Business support records, SME development reports
Component 3: Policy and regulatory reforms with regional technical support to strengthen competitiveness of the rice value chain at the national level					
Output indicator .3.1 round table Stakeholder policy platforms established	☐	Number	0	10	Meeting minutes, policy reports

8 ENVIRONMENTAL AND SOCIAL COMPLIANCE NOTE (ESCON)

ENVIRONMENTAL AND SOCIAL COMPLIANCE NOTE (ESCON)

AFRICAN DEVELOPMENT BANK GROUP
2023 ISS Update v01

<table>
<tr><td colspan="6">A. Basic Information[5]</td></tr>
<tr><td colspan="4">Project Title: REGIONAL WEST AFRICA RICE DEVELOPMENT (REWARD) PROGRAM – G2</td><td colspan="2">Project SAP or TFMS Code: P-Z1-AA0-185</td></tr>
<tr><td colspan="2">Region: RDGW</td><td colspan="4">Country: Ghana</td></tr>
<tr><td colspan="3">Project Sector Unit: Agriculture</td><td colspan="3">Lending Instrument: Project Finance Loan/Grant</td></tr>
<tr><td colspan="3">Appraisal dates: 24-Nov-25 to 27-Nov-25</td><td colspan="3">Estimated Approval Date: 31-Mar-26</td></tr>
<tr><td colspan="3">Task Team Leader: Rebecca Dadzie</td><td colspan="3">Alternate Task Team Leader: Patrick Jeannot Ngoulma Tang</td></tr>
<tr><td colspan="6">Environmental Safeguards Officer(s): Joshua Etse Wemegah | Ovede Onigu-Otite</td></tr>
<tr><td colspan="6">Social Safeguards Officer(s): Nii Amartey Amarteifio | Charlotte Noudjieu Cheumani</td></tr>
<tr><td colspan="2">E&S Category: Category 1 (High Risk)</td><td colspan="3">Operation Type: Sovereign Operation / Public Sector Operation</td><td>Financial Intermediary: No</td></tr>
<tr><td colspan="2">Categorization Date: 28-Mar-25</td><td colspan="2">Categorization Date in ISTS: 28-Mar-25</td><td colspan="2">Categorization Date in SAP: 28-Mar-25</td></tr>
<tr><td colspan="5">Is this project processed under rapid responses to crises and emergencies?</td><td>No</td></tr>
<tr><td colspan="5">Is this project processed under a waiver to ISS requirement(s) requested by the Borrower/Client and granted by the Board?</td><td>No</td></tr>
<tr><td colspan="6">B. Disclosure and Compliance Monitoring
B.1 Mandatory disclosure[6]</td></tr>
<tr><td colspan="6">Environmental and Social Assessment/Audit/System/Others: 7 ESIA</td></tr>
<tr><td colspan="5">Was/Were the document(s) disclosed prior to appraisal?</td><td>Yes</td></tr>
<tr><td colspan="5">Date of "in-country" disclosure by the borrower/client</td><td>3-Nov-25</td></tr>
<tr><td colspan="5">Date of receipt, by the Bank, of the authorization to disclose</td><td>4-Nov-25</td></tr>
<tr><td colspan="5">Date of disclosure by the Bank</td><td>5-Nov-25</td></tr>
<tr><td colspan="6">Resettlement Action Plan (RAP)[7]: 6</td></tr>
<tr><td colspan="5">Was/Were the document(s) disclosed prior to appraisal?</td><td>Yes</td></tr>
<tr><td colspan="5">Date of "in-country" disclosure by the borrower/client</td><td>3-Nov-25</td></tr>
<tr><td colspan="5">Date of receipt, by the Bank, of the authorization to disclose</td><td>4-Nov-25</td></tr>
<tr><td colspan="5">Date of disclosure by the Bank</td><td>5-Nov-25</td></tr>
<tr><td colspan="6">Stakeholder Engagement Plan (SEP)[8]: 1</td></tr>
<tr><td colspan="5">Was/Were the document(s) disclosed prior to appraisal?</td><td>Yes</td></tr>
<tr><td colspan="5">Date of "in-country" disclosure by the borrower/client</td><td>3-Nov-25</td></tr>
<tr><td colspan="5">Date of receipt, by the Bank, of the authorization to disclose</td><td>4-Nov-25</td></tr>
</table>

[5] ***Note**: This ESCON shall be appended to project appraisal reports/documents before Senior Management and/or Board approvals.*

[6] *For multiple disclosure dates of the same type of document/instrument (ESIAs, RAPs, etc), please indicate the date of the last disclosure that meets the 50%+1 disclosure requirement.*

[7] *Including Livelihood Restoration Plan (LRP)*

[8] *Including Grievance Redress Mechanism (GRM)*

Date of disclosure by the Bank	5-Nov-25
Pest or Vector Management Plan (PMP/VMP): *1*	
Was/Were the document(s) disclosed ***prior to appraisal?***	Yes
Date of "in-country" disclosure by the borrower/client	3-Nov-25
Date of receipt, by the Bank, of the authorization to disclose	4-Nov-25
Date of disclosure by the Bank	5-Nov-25
Vulnerable Peoples Plan (VPP): *Not Applicable*	
Was the document disclosed ***prior to appraisal?***	Not Applicable
Date of "in-country" disclosure by the borrower/client	Click to select the date
Date of receipt, by the Bank, of the authorization to disclose	Click to select the date
Date of disclosure by the Bank	Click to select the date
Biodiversity Management Plan (BMP)[9]: *Not Applicable*	
Was the document disclosed ***prior to appraisal?***	Not Applicable
Date of "in-country" disclosure by the borrower/client	Click to select the date
Date of receipt, by the Bank, of the authorization to disclose	Click to select the date
Date of disclosure by the Bank	Click to select the date
Livelihood Restoration Plan (LRP)[10]: *Not Applicable*	
Was the document disclosed ***prior to appraisal?***	Not Applicable
Date of "in-country" disclosure by the borrower/client	Click to select the date
Date of receipt, by the Bank, of the authorization to disclose	Click to select the date
Date of disclosure by the Bank	Click to select the date
Riparian Communities Participation Plan (RCPP): *Not Applicable*	
Was the document disclosed ***prior to appraisal?***	Not Applicable
Date of "in-country" disclosure by the borrower/client	Click to select the date
Date of receipt, by the Bank, of the authorization to disclose	Click to select the date
Date of disclosure by the Bank	Click to select the date
Emergency Preparedness & Response Plan (EPRP): *Not Applicable*	
Was the document disclosed ***prior to appraisal?***	Not Applicable
Date of "in-country" disclosure by the borrower/client	Click to select the date
Date of receipt, by the Bank, of the authorization to disclose	Click to select the date
Date of disclosure by the Bank	Click to select the date
Hazardous/Medical Waste Management Plan (HWMP): *Not Applicable*	
Was the document disclosed ***prior to appraisal?***	Not Applicable
Date of "in-country" disclosure by the borrower/client	Click to select the date
Date of receipt, by the Bank, of the authorization to disclose	Click to select the date

[9] *Refer to footnote 212 of the ISS: Depending on the nature and the scale of the risks and impacts of the project, the Biodiversity Management Plan (BMP) may be a stand-alone document, or it may be included as part of the ESMP prepared under OS1. Select this if a standalone BMP is required.*

[10] *Refer to footnote 190 of the ISS: The Livelihood Restoration Plan (LRP) is normally part of the Resettlement Action Plan (RAP). However, for complex livelihood restoration, a stand-alone LRP can be prepared as part of the ESMP. Select this if a standalone LRP is required.*

Date of disclosure by the Bank	Click to select the date
Riparian Notification (RN): *Not Applicable*	
Was the document disclosed ***prior to appraisal?***	Not Applicable
Date of "in-country" disclosure by the borrower/client	Click to select the date
Date of receipt, by the Bank, of the authorization to disclose	Click to select the date
Date of disclosure by the Bank	Click to select the date
Environmental and Social Management Plan of the Financing Agreement (FA-ESMP) [11]	
Was the document disclosed ***prior to appraisal?***	*Yes*
Date of "in-country" disclosure by the borrower/client	*20-Nov-25*
Date of receipt, by the Bank, of the authorization to disclose	***20-Nov-25***
Date of disclosure by the Bank	**24-Nov-25**
Is in-country disclosure of any of the above required documents not allowed as per the country's legislation or not expected because of crises/emergencies: If applicable, please explain below:	Not Applicable
Not applicable	

B.2. Compliance monitoring indicators	
Has satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	**Yes**
Has costs related to environmental and social measures, including for the running of the grievance redress mechanism, been included in the project cost?	**Yes**
Is the total amount for the full implementation for the Resettlement of affected people, as integrated in the project costs, effectively mobilized, and secured?[12]	**Yes**
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	**Yes**
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	**Yes**

C. Clearance			
Is the project compliant with the Bank's environmental and social safeguards requirements, and can be submitted to Approval?			**Yes**
Prepared by	***Name***	***Signature***	***Date***
Environmental Safeguards Officer(s):	**Joshua Etse Wemegah | Ovede Onigu-Otite**		11-Feb-26
Social Safeguards Officer(s):	**Nii Amartey Amarteifio | Charlotte Noudjieu Cheumani**		11-Feb-26
Task Team Leader:	Rebecca Dadzie		12-Feb-26
Submitted by			
Sector Director:	***Vincent CASTEL*** *OiC for* **Martin FREGENE**		27-Feb-26
Cleared by			
Director SNSC:	Maman-Sani ISSA		11-May-26

[11] *As referred to in section III.2.3 of the Bank's Environmental and Social Policy (ESP)*

[12] *In case a Resettlement Action Plan (RAP) is/are not required although the Environmental and Social Impact Assessment (ESIA) is/are disclosed, attached the image/picture/photo of the area/site/landscape to evidence that it is free of any encumbrance (simple statement or letter from the borrower does not suffice), in addition to the statement by the Borrower that it is a public-owned land.*