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\$100m BOOST FOR AGRIC

Story: Boahene Asamoah
& Emmanuel Borney

GHANA and three other African countries are to benefit from a \$100 million guaranteed loan to support small-holder farmers in the four countries to boost agricultural activities.

Under the memorandum of understanding (MoU) which was signed between the Alliance for a Green Revolution in Africa (AGRA) and Standard Bank in Accra yesterday, each of the countries — Ghana, Mozambique, Tanzania and Uganda — will be provided with \$25 million.

In the case of Ghana, the Millennium Development Authority (MDA) is providing \$2 million to support the programme.

Speaking at the signing ceremony in Accra yesterday, the former United Nations Secretary-General and Chairman of AGRA, Mr Kofi Annan, said, "Africa can and should work towards achieving food sufficiency," adding that "our action today recognises that the global food crisis is creating major problems in Africa".

Mr Annan stated that the present global financial crisis, inflation, food shortages and trade imbalances "add huge social, economic and political risks".

He said if the problems of food shortages and poverty were to be

• *In Ghana, 3 other countries*



The signing of the memorandum of understanding (MoU) yesterday. From left to right are: Mr Soares Nhaca, board member of the Millennium Challenge Account (MCA), Tanzania; Mr Jacko Maroe, Chief Executive of the Stanbic Bank International and President of the Alliance for a Green Revolution in Africa (AGRA); Mr Kwesi Abov, the Minister of Agriculture, Mr Kofi Annan, former UN Secretary-General, and Mr Nemesio Nsamenang, the Minister of Agriculture of Mozambique. Picture: ROSELINE ABBAN.

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addressed, then there was the need to pay attention to the agricultural sector.

He said the lack of access to finance was a major obstacle that prevented farmers from investing in basic inputs such as good seeds, fertilisers and small-scale irrigation systems needed to raise farm productivity and generate profit.

"As a result, their yields remain one-quarter the global overall average, leading to pervasive hunger and poverty across the continent. Africa should become self-sufficient in food production. We have lots of work to do, let's get on with them," he said.

The Chief Executive of the Standard Bank Group, Mr Jacko Maere, stressed the need for an opportunity for investment that would develop the middle ground in Africa's agriculture, adding that "Africa has enormous natural potential and the continent has to unlock this potential in order to reap the benefits of our natural resources".

"As a leading emerging markets bank, our goal is to perform a transformative role in the continent's agricultural sector in partnership with other organisations. Transforming small-scale farmers into medium-sized enterprises is essential to addressing the food security challenge and stimulating growth," he emphasised.

The Minister of Food and Agriculture, Mr Kwesi Aboyei, said although 60 per cent of the population was engaged in agriculture, all the components that made the sector successful were yet to be addressed.

He said, for instance, that agriculture provided between 40 and 50 per cent foreign exchange and 15 per cent of GDP but it was still grappling with some challenges.

He said with the support, the government of Ghana would work to ensure that the objectives for which the money was provided were achieved.

Responding to a question from the media, the President of AGRA, Mr A. Nantunga Ngugi, said the programme was expected to benefit "hundreds of thousands of smallholder farmers in the four countries".

The Chief Executive of MEDA, Mr Martin Essom-Benjamin, pledged the authority's support in realising the dreams of the programme.

The \$100 million AGRA-Standard Bank partnership will create the largest single financing package which targets smallholder farmers in the agricultural sector by a bank in Africa — a milestone of confidence in the capacity and entrepreneurship of African farmers and agribusiness that serves them to help transform the continent's bread baskets.

The loan programme combines the power of partnerships with an innovative financing mechanism designed by AGRA and its partners to mitigate the risk commercial banks face in lending to the agricultural sector in Africa, which is largely dominated by women.

According to officials of the bank, the successful implementation of the programme would result in it being replicated in other countries on the continent.