



**MINISTRY OF LOCAL GOVERNMENT,
DECENTRALISATION AND RURAL
DEVELOPMENT (MLGDRD)**



THE SOCIAL INVESTMENT FUND

**THE INTEGRATED RURAL
DEVELOPMENT PROJECT
PHASE TWO (IRDP II)**



**OPEC FUND INTERNATIONAL
DEVELOPMENT (OFID)
COMPONENT**

AUGUST 2023

**Working In Partnership for Sustainable
Community-Based Development**

BACKGROUND OF THE PROJECT

Poverty is one of the key development challenges in Ghana. To reduce poverty and improve the standard of living of people in Ghana, several policies and programmes have been pursued with varying degree of success since the 1990s. Such policies and programmes include the Medium-Term Development Plan (1997-2000); Ghana Poverty Reduction Strategy (2003-2005); Growth and Poverty Reduction Strategy (2006-2009); and Ghana Shared Growth and Development Agenda I & II (2010-2017). Currently the Government of Ghana is implementing the Coordinated Programme of Economic and Social Development Policies (2017-2024). The overall objectives are: (i) building a prosperous country, (ii) creating opportunities for all Ghanaians, (iii) safeguarding the natural environment and ensuring a resilient built environment, and (iv) maintaining a stable, united, and safe country.

The OPEC Fund for International Development (OFID) and the Arab Bank for Economic Development in Africa (BADEA) jointly financed the Integrated Rural Development Project (IRDP) from 2013 to 2019. The project served 132 communities in 21 districts across the then 10 regions of Ghana with a population of about 2.3 million. The IRDP improved access of the rural poor to basic socio-economic infrastructure; increased agricultural productivity; and households' incomes.

The Phase two (2) of the Integrated Rural Development Project (IRDP II), OFID Component, is being implemented in twenty-three (23) districts in the sixteen (16) regions of Ghana. IRDP II has been designed to improve the living conditions of rural communities by providing access to basic infrastructure and socio-economic services including health and education, and to ensure sustainable increase in income through the provision of micro-credit to the rural impoverished communities. It is a 5-year Project which will span October 2022 to September 2027.

GOAL OF THE PROJECT

The goal of IRDP II is to facilitate job creation, enhance access to socio-economic infrastructure, and improve livelihoods for sustainable poverty reduction. The project will also increase resilience of rural communities to the impact of climate change and enhance provision of credit to small and medium scale enterprises (SMEs).

OBJECTIVES OF THE PROJECT

The objectives of the project are to enhance:

- access to social and economic infrastructure; and
- access to credit to small and medium enterprises (SMEs) involved in food crops marketing, agro-processing and other activities along the agriculture value chain, negatively impacted by the COVID-19 pandemic.

PROJECT COST

The IRDP II is being funded from a loan facility of **US\$ 24 million** comprising:

- a. US\$ 20 million from OFID.
- b. US\$ 0.80 million from the Government of Ghana (GoG).
- c. US\$ 3.2 million from Project Beneficiaries.

PROJECT COMPONENTS

The Project has four (4) components and embraces four (4) categories of expenditure namely, goods, works, services, and operating cost. The components are as follows:

- i. Provision of Socio-Economic Infrastructure
- ii. Provision of Credit to SMEs
- iii. Outreach, Sensitization and Capacity Building
- iv. Management and Coordination.

COMPONENT 1: PROVISION OF SOCIO-ECONOMIC INFRASTRUCTURE

This component involves the construction and equipping of 215 basic socio-economic infrastructure units across the beneficiary districts. They include:

- 51 mechanized boreholes
- 43 sanitation facilities
- 42 six-unit classroom blocks
- 20 teachers' quarters
- 19 culverts/drains
- 15 rural clinics
- 15 nurses quarters
- 1 Market (7 sheds, 1 revenue booth, 1 warehouse, 1 store)

Component one (1) will also engage 4 local multi-disciplinary technical consultancy firms each of which will design and supervise civil works in one of the 4 operating zones of the Social Investment Fund (SIF). The consultancy firms will also provide both pre/post contract services.

These services will include monitoring and liaising with contractors; ensuring adherence to design specifications and relevant standards; preparing monthly progress report; and ensuring adequate implementation.

COMPONENT 2: PROVISION OF CREDIT TO SMEs:

This component will support the provision of credit to SMEs involved in food crops marketing, agro-processing and other activities along the agriculture value chain that were adversely affected by the COVID-19 pandemic.

The Social Investment Fund (SIF) will manage the administration of the line of credit under this component through local branches of community banks which are partners of the ongoing SIF micro credit program.

The Loan Fund Approval Committee will be established to include SIF technical staff and representatives from the Ministry of Trade and Industry, Ministry of Local Government, Decentralization and Rural Development, Ministry of Finance, Ghana Entrepreneurship Agency, Ghana Microfinance Network and ARB Apex Bank Limited.

The maximum credit available under this component for any beneficiary will be less than USD 30,000 with a repayment period of between 12 and 24 months. The line of credit will cover financing of fertilizers, marketing of agricultural produce, animal husbandry, planting materials, agro-chemicals, agricultural processing plants, machines and working capital. The applicable lending terms under this line of credit will be below prevailing commercial rates in the country.

The loans will be advanced mainly to Rural and Community Banks (Partner Financial Institutions-PFIs) through Apex Bank Limited, which is the supervising bank of all PFIs in Ghana. Apex Bank will provide accreditation to PFIs before they will become eligible for the loan. This will be done through a thorough assessment of the applicant bank's key financial and non-financial performance indicators.

COMPONENT 3: OUTREACH, SENSITIZATION AND CAPACITY BUILDING

Component 3 comprises orientation of about 3,000 people in 130 communities across the 23 beneficiary Metropolitan, Municipal and District Assemblies (MMDAs) on the project objectives, including information on accessing support from the project.

The component will also include sensitization of about 160 staff of the beneficiary MMDAs as well as capacity building for at least 17 staff of the SIF on project design, planning and management.

Furthermore, under the coordination of the Monitoring and Evaluation (M&E) unit of the Project Implementation Unit(PIU), M&E activities will be undertaken by the SIF Zonal offices and the District Planning Units to track progress of project implementation through preparation and implementation of M&E plans and reporting.

COMPONENT 4: MANAGEMENT AND COORDINATION:

The component involves management and coordination of all project activities at the National, Zonal, MMDAs and Community levels. It comprises:

- (i) Upgrading of the PIU Management Information System and procurement of accounting software
- (ii) Provision of equipment, logistics and stationery for the PIU
- (iii) Procurement of 5 pick-up vehicles for Monitoring and Evaluation
- (iv) PIU operating expenses
- (v) Project Audit Fees

PROJECT AREAS

The project will be implemented in twenty-three (23) Metropolitan, Municipal and District Assemblies (MMDAs) within the 16 regions of Ghana. Project beneficiary MMDAs are shown in the table below:

IRDPII Beneficiary MMDAs

| No. | MMDA | REGION |
|-----|---|---------------|
| 1 | Tema West | Greater Accra |
| 2 | Offinso North | Ashanti |
| 3 | Afigya Kwabre North | |
| 4 | Sekyere Central | |
| 5 | Sekyere Afram Plains | |
| 6 | Okere | |
| 7 | Akuapim South | Eastern |
| 8 | Ayensuano | |
| 9 | Assin North | |
| 10 | Awutu Senya West | Central |
| 11 | Esikado-ketan (a Sub-metro Under S.T.M.A) | Western |
| 12 | Adaklu | Volta |
| 13 | Karaga | Northern |
| 14 | Binduri | Upper East |
| 15 | Sunyani West | Bono |
| 16 | Wenchi | |
| 17 | Techiman South | Bono East |
| 18 | Lambussie | Upper West |
| 19 | Akontombra | Western North |
| 20 | Krachi West | Oti |
| 21 | Asunafo South | Ahafo |
| 22 | East Gonja | Savanna |
| 23 | Chereponi | North East |

PROJECT DISTRICT SELECTION CRITERIA

The Project districts were selected through:

- a demand-driven approach, based on the existence of major poverty enclaves as identified in poverty maps.
- commitment of a District Assembly towards project implementation and sustainability.

PROJECT IMPLEMENTING INSTITUTIONS

The key institutions involved in the implementation of the Project are:

- The Ministry of Local Government, Decentralization and Rural Development.
- The Social Investment Fund.
- Municipal and District Assemblies.
- ARB Apex Bank and subsidiaries.

Other relevant Stakeholders.

PROJECT IMPLEMENTATION UNIT (PIU)

CONTACT

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