

Ghana's Millennium Challenge Account (MCA) and the Land Component: A Holistic Approach?

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Background

In 2002, President Bush proposed the creation of the MILLENNIUM CHALLENGE ACCOUNT (MCA) calling for:

"a new compact for global development" to link greater contributions from developed nations to greater responsibility from developing nations.

- Congress formally created the MCA in 2004 and established the MILLENNIUM CHALLENGE CORPORATION (MCC), providing \$1billion in initial funding for FY 2004 with bi-partisan support.
- MCC Mission: to reduce poverty by supporting sustainable, transformative economic growth in developing countries which create and maintain sound policy environments.

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How are Countries Selected?

Initial 63 (candidate countries) (low income with per capita income of = \$1,465); 16 selected (eligible countries) in FY04 and 1 added (17) in FY05 based on:

- Performance in governing justly (civil liberties, political rights, voice & accountability, rule of law and control of corruption etc.) – GOVERNANCE;
 - Investing in their citizens (public expenditures on health as % of GDP, Immunization rates: e.g. measles, Public primary education spending as % of GDP etc., - ECONOMIC MANAGEMENT; and
 - Encouraging economic freedom (1-year consumer price inflation, fiscal policy, trade policy, days to start business etc.) – SOCIAL INVESTMENT.
- (Eligible countries): Mali; Benin; **GHANA**; Senegal; Madagascar etc.
- (Threshold countries): helped to meet the above criteria, e.g. Malawi, Burkina Faso and the Philippines

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Responsibilities of Countries

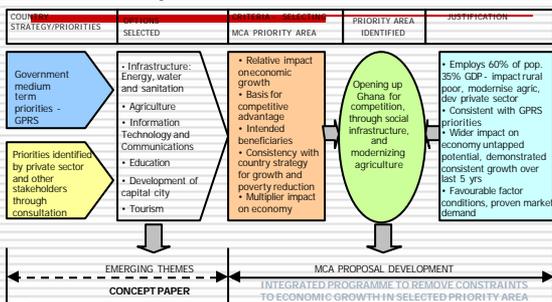
- Identify the greatest barriers to own development;
- Ensure civil society participation; and
- Develop a multi-year MCC compact (agreement or commitment, i.e. mutual promises bet. the US Government and a candidate country)

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Process for selecting priority area for Ghana MCA assistance

Stakeholder consultations held as part of the process for selecting priority areas for MCA assistance identified agri business as the area of focus.



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Field Visit: GeorgeField Farms-Bawjiase



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Before discussions: Presentation of customary drinks - Awutu Traditional Council



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Visit to the North: Holding discussions with the Nanton Naa and his representatives



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Visit to the Integrated Tamale Fruits Company (ITFC) – Private Company for the cultivation of Organic Mangoes



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Expectations of Countries

Focus is on results. Eligible Countries expected to:

- develop well-designed programmes with clear objectives;
- have benchmarks to measure expected results;
- have procedures to ensure fiscal accountability; and
- plan an effective monitoring and objective evaluation of results.

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It is worthy to note that Ghana's poverty reduction goals have been set in alignment with the United Nation's Millennium Development Goals (MDGs).

Ghana's Programme Logic

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What?

The Objective of the Land Facilitation Activity:

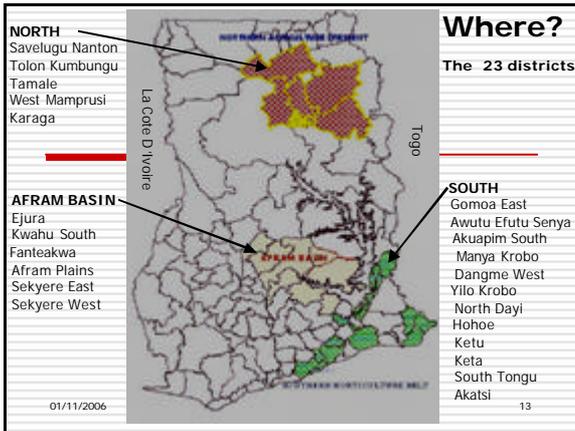
Improve access to rural land with secured title within the multi-donor Land Administration Project (LAP) framework

EXPECTED OUTCOME:

Clearer definition of property rights through improved rural land titling in the nine selected areas of the intervention zones

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Why? The Reason:

To improve tenure security for existing land users and to facilitate expanding access to (higher value) agriculture land to investors in MiDA Intervention Zones

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How? The Approach:

- Pilot systematic demarcation and registration of rural land rights (Target: 9 Districts) - *Begins in Year 1, Q 1*;
 - Engage in applied analysis, training and outreach - *Begins in Year 1, Q1*;
 - Facilitate land transactions by providing on-demand services (Target: All 23 Districts) - *Begins in Year 1, Q2*; and
 - Improve the circuits courts ability to process land dispute cases (Target: 10 circuit courts) - *Begins in Year 2*.
- *Note: \$2,790,000 for Year 1 out of total of \$10,688,000: (i.e. 26%) for the Five-Year Compact period.*

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When?

The Roll-Out Plan for Title Pilot

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How? The Indicators (M&E):

- Number of days to conduct a land transaction reduced (50% decrease from baseline – year 2)
- Percentage of agric land covered by titles introduced and increased (100% increase from baseline – Year 5); and
- Number of disputes over property rights successfully mediated (30% decrease from baseline – year 3).

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Target?

Up to 5,000 RURAL LAND
TITLES IN THE THREE
PILOT REGIONS WITHIN 5
YEARS

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Compact Project Summary

Description	Year 1(US \$million)					
Agriculture Project	32.6	47.1	70.3	65.1	25.9	241.0 10.688 (LAND)
Transportation Project	14.8	20.1	20.1	35.4	43.1	143.1
Rural Services Project	15.6	21.1	30.5	34.1	-	101.3
Administration of Program & Audits	8.8	8.8	10.0	10.3	8.7	46.6
Monitoring & Evaluation of Program	3.0	3.0	3.0	3.0	3.0	15.0
TOTAL	74.8	100.1	149.2	155.6	67.3	547.0

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Land Project Design Summary

Objective	Key Outcomes	Data Collection Strategies	Critical Assumptions
Economic and social growth enhanced; poverty reduced by improving access to land, availability of credit facilities, and enhanced land tenure security.	Increased household incomes and reduction in poverty in pilot areas reduced. Transparency checks and balances and participation procedures by traditional authorities/land owners adopted.	ISSER/Other socio-economic baseline impact studies. Consultation workshops, forums and durbars reports.	Government/MIDA/MCC retain poverty alleviation as a key priority. MIDA will be committed to developing participatory processes in all activities.
Sustainable land use planning and management practices developed.	Time and transaction costs of processing land documents reduced.	Survey Dept Plans and District Assemblies statutory planning reports Intermediaries progress reports.	The District Assemblies will continue to support MIDA efforts at poverty alleviation and facilitate access to land. MIDA will be committed to facilitating unimpeded access to land, especially to investors.
Land titles obtained by farmers/investors.	Loans/credit facilities secured through titles in pilot areas increased.	Cadastre. Farmers' cooperatives meeting minutes.	LAP will continue to assist in covering pilot areas with titles. Commercial Farmers, MOFA and the formal Banks will help farmers secure credit and inputs.
LIMS designed and implemented	LIMS designed and implemented	GIS-maps and attribute information.	LIMS will operate as a strong subset of the OSS.

When Is The \$547 Million Coming?

Compact Development Process					
	MAD (\$110m/4yrs)	ION (\$215m/5yrs)	IOA (\$50m/2 yrs)		
Eligibility Notification					Initial concept paper
Proposal Receipt					Proposed org. structure
Opportunity Memo					Technical Analysis/Design
Notify Congress					Begin formal compact negotiations
Investment Memo					Negotiate Compact terms
Board Approval					MCC Board to approve
Compact Signing	Apr. 18, 05	Jun. 13, 05	Aug. 1, 05		
Entry into Force	Jul. 27, 05	Sep. 29, 05	Feb. 2006?		All target Aff. Accountability standards met
First Disbursement	Jul. 27, 05				

Some Lessons Learnt:

- There was a strong tendency to be economical with the truth (on the part of some team members) when it came to analyzing and designing a project of this magnitude;
- Despite extensive consultations with colleagues, some stakeholders, perhaps out of a feeling of detachment, feigned non-awareness of the goal and objectives of the exercise. *This may suggest that in future their involvement must be total to give them a deeper sense of ownership of the project even at the design stage;* and
- Briefings to the Politicians/Top Management must be intense and regular as with Civil Society Organisations (CSOs).

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Conclusions

- Are Development Partners (DPs) (funding developmental projects in low-income countries that are mostly agrarian economies) going to be driven solely by agri-business related issues?
- Is giving developing countries total control over project design and implementation (but working in partnership with DPs as catalysts of change) the panacea to poverty alleviation and economic growth?
- Could this be sustained with grants and not loans?

The successful implementation of Ghana's programme will attest to these.

- More Information? See: www.mida.gov.gh

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A Holistic Approach?

I Think So.

What About You?

Many Thanks for your Attention

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