



External finance for rural development

Country case study: Ghana

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Key messages

- The prioritisation of agriculture and rural development by the Government of Ghana reflects the large share of poor people in the country who live in rural areas and depend on agriculture.
- This prioritisation is not, however, fully reflected in government budgets, and external development assistance is expected to keep supporting agriculture and rural development in the short to medium term.
- The demand for external development assistance for agriculture and rural development is for grants or concessional loans. The country is under pressure to keep its debt at a sustainable level, and projects should be self-financing, including for infrastructure development.
- Preferences for the type of aid reflect a determination to reduce the country's dependence on aid, in line with the 'Ghana Beyond Aid' strategy. These include alignment to national priorities, ownership of development programmes, use of country systems and flexible funding.

Introduction

Background

Rural development worldwide relies heavily on private funding. Yet the public sector has a key role to play in providing both investment and policy support to tackle persistent market failures. These include the under-provision of public goods (such as infrastructure, and research and development), negative externalities (such as the need to adapt to and mitigate the effects of climate change), informational asymmetries (e.g. the development of rural financial services) and the lack of protection for vulnerable people through, for example, social protection.

Far more finance is needed to achieve food security and promote sustainable agriculture in line with Sustainable Development Goal (SDG) 2. The United Nations (n.d.) estimates that an additional \$267 billion per year is needed to achieve every SDG 2 target: almost twice as much as total official development assistance (ODA) each year from all donors combined. Official development finance (ODF)¹ to agriculture and rural development rose slightly from \$10.2 billion in 2015 to \$10.9 billion in 2018. This is only a fraction of the total ODF disbursements of \$254 billion in 2018. Public expenditure on agriculture development also remains low: since 2001, governments have spent, on average, less than 2% of their central budgets on agriculture (FAO, 2019).

Objectives, definitions and methodology of this country case study

This country case study summarises key findings from a country analysis of financing for rural development in Ghana. It is one of 20 analyses that is synthesised for comparison in Prizzon et al. (2020).

The case study has two main objectives:

- to map demand from the Government of Ghana over the next five to 10 years for external development assistance to support public investment in inclusive and sustainable rural development
- to analyse the financial and non-financial terms and conditions of such demand, its main preferences and the type of instruments that the government wishes to access or scale up to support public investment in rural development.

Definitions

What we mean by public investment in inclusive and sustainable rural development (see Prizzon et al., 2020, for more details): Our research has focused on six areas that contribute to such investment: access to agricultural technologies (research and development) and production services; agricultural value chain development (e.g. crops, livestock, fisheries); climate-resilient agricultural practices; rural basic infrastructure (e.g. water and irrigation systems, local roads, local energy generation and storage facilities); rural financial services; and rural investment environment (e.g. policy, legal and regulatory frameworks).

What we mean by external assistance for inclusive and sustainable rural development: We look beyond ODA to include government-to-government funds from bilateral and multilateral donors that do not meet concessionality criteria² (usually defined as other official flows, or OOFs). We call this official development finance (ODF). As a proxy for financing rural development, we examine data on external assistance to the agriculture sector and rural development (cross-cutting) based on an Organisation for Economic Co-operation and Development (OECD) definition. This is not a perfect measure,

1 The sum of ODA and OOFs: the latter flow from bilateral and multilateral donors that do not meet the concessionality criterion for ODA eligibility.

2 The definition of concessionality is based on the share of the grant element. With the 2014 OECD reform, the grant element varies according to the income per capita of the ODA eligible country to be counted as ODA: at least 45% for low-income countries (LICs), 15% for lower-middle-income countries (LMICs) and 10% for upper-middle-income countries (UMICs). The International Monetary Fund (IMF) discount rate (5%) is also adjusted by income per capita group: 1% for UMICs, 2% for LMICs and 4% for LICs, including least-developed countries (LDCs).

but given the lack of a sectoral definition or attribution to rural development as such, it is the closest we can get to a consistent, cross-country mapping of external assistance from development partners. As a second-best option, we rely largely on quantitative and qualitative data on agricultural development. While the agriculture sector is a major component of rural development, data on agriculture alone cannot capture important non-farm activities.

Research questions

This country case study reflects our four main research areas:

- the government's priorities for public investment in inclusive and sustainable rural development
- financing for public investment in inclusive sustainable rural development
- borrowing (external development assistance) for this public investment
- the government's preferences in relation to external development assistance for public investment, including its demand for specific types of instruments.

As this project took place during the early stages of the Covid-19 pandemic, we also reflect the short- and medium-term implications of the crisis for government priorities and preferences for public investment as well as the amount and type of external assistance demanded.

Methodology

We used a qualitative case study approach, with the analysis of individual countries informed by a political economy framework, as developed by Greenhill et al. (2013) for aid negotiations (see Prizzon et al., 2020).

Our approach comprised a critical review of relevant policy literature³ and data analysis,⁴ which also helped us to identify country stakeholders. This was followed by interviews with key informants, informed by an electronic

questionnaire submitted before each interview. For Ghana, we held 14 interviews between April and June 2020, and received 15 questionnaires (see Annex 1 for a list of those interviewees who agreed to their names being shared).

Ghana: country context

Ghana was reclassified as a lower-middle-income country (LMIC) in 2010, following a rebasing of its gross domestic product (GDP) figures. The country is eligible for concessional assistance from the International Development Association (IDA), and from the African Development Fund (ADF). Its graduation from concessional assistance is not expected in the medium-term.

Ghana is West Africa's second-largest economy after Nigeria. The drop in oil prices in the early 2010s, together with a fall in other prices for other commodities – including Ghana's main export, cocoa – triggered an economic slowdown, energy rationing and a severe fiscal crisis. This crisis prompted a request for an Extended Credit Facility programme from the International Monetary Fund (IMF) in 2015. This lasted until 2019 and included a series of macroeconomic reforms (also extended to debt management) and constraints to non-concessional borrowing. Economic growth has recovered since the mid-2010s and exceeded an annual rate of 6% between 2016 and 2018 (IFAD, 2019; World Bank, 2018; 2020b).

The agriculture sector contributed 18.3% to Ghana's GDP in 2018, slightly greater than the average for sub-Saharan Africa in that year, which was around 15%. The share of employment in agriculture has started to fall, from 40.4% in 2014 to 33.5% in 2019 (World Bank, 2020b). This is a far lower rate than the average for sub-Saharan Africa (around 50%). However, agriculture remains the main source of employment for people in rural areas (IFAD, 2019).

According to the World Bank (2020b), 44.6% of the population lived in rural areas in 2017. While poverty rates have more than halved since the 1990s, from from 52% of the population

3 Government national and sectoral strategies, Public Financial Management acts, debt management policy, International Monetary Fund (IMF) Article IV, and World Bank diagnostic tools.

4 Spanning IMF, OECD, World Bank and other sources.

living below \$1.90 per day in 1991 to 23% in 2016, poverty remains largely rural. Indeed, the poverty rate is 3.7 times higher in rural than urban areas according to the 2012 census (IFAD, 2019). Most of the country's poor people live in the north, where the poverty rate stands at 63%, compared with 20% in the south. Furthermore, the agriculture sector is dominated by smallholder farmers, nearly half of whom have less than 2 hectares of land, while 35% have between 2 and 5 hectares only (ibid.).

President Akufo-Addo from the New Patriotic Party (centre-right) was elected in 2016. This election changed the majority party from the National Democratic Congress (socialist party) of President Mahama, which governed between 2012 and 2016. It also signalled a shift in the scale and speed of government reforms, including in the agriculture sector. The next elections take place in December 2020.

The Government of Ghana – unlike many other governments reviewed for this research – has a long-term strategy to reduce the country's dependency on aid, in terms of both volumes and sectors. Ghana's 'Beyond Aid' strategy aims to increase the country's contribution to its own basic public services. Development partners, therefore, are expected to support economic transformation as part of the strategy to transition from aid (and potentially for Ghana to become a donor) and focus their support on areas where their aid could have more catalytic effects on economic and social transformation (GoG, 2019: 11 and 50).

Government priorities for rural development

The national policy framework does not include a specific set of objectives for rural development. However, agriculture remains a priority for the government, with a focus on its modernisation and greater productivity, as a way to drive economic growth, create job opportunities, boost livelihoods and increase food production. Agriculture development is

seen as crucial to improve household incomes and rural development (GoG, 2017). The central role of agriculture and rural development in the government's priorities is a clear recognition that, as noted, most poor people in Ghana live in rural areas, particularly in the north.

The strategic directions for agriculture and rural development and its financing are informed by three main policy documents. First: the long-term vision of 'Ghana Beyond Aid' released in 2019 (GoG, 2019). Second: the medium-term national development policy framework 2018–2021. And finally, the translation of the objectives of the medium-term strategy for agriculture, 'Investing for food and jobs: an agenda for transforming Ghana's agriculture (2018–2021)' (Ministry of Food and Agriculture, 2018). This strategy – a flagship programme for the government – aims to increase agricultural productivity as well as creating markets for producers and more raw material for production.

More specifically, the main objective of the agriculture strategy is to promote agro-industrial enterprises as the basis for the 'One District, One Factory' initiative (1D1F). Government policies are expected to shift agricultural development from a supply-driven approach to an approach that is more strategic and business-centred (GoG, 2017: 40). There is a particular focus on irrigation infrastructure, agricultural storage capacity and de-risking lending to agriculture (GoG, 2019).

The government of President Akufo-Addo has aimed to revitalise the agriculture sector and rural development since early 2017, making greater efforts in this area than its predecessors, according to many of our interviewees. Another flagship initiative, the 'One Village, One Dam' policy, aims to improve irrigation systems so that the country can have more than one planting season. The main goal is to ensure that public investment attracts private investment for rural development by providing basic infrastructure to rural areas.⁵

The government strategies outline a long list of challenges for agriculture development. These

⁵ It is worth noting, however, that the 'Beyond Aid' strategy – which supersedes, in part, the medium-term national development plan – sees manufacturing development as the main driver of growth, aiming to increase the share of GDP from manufacturing from 12.2% in 2019 to 20% of GDP by 2028 (GoG, 2019: 22).

include a low level of public sector investment, limited institutional capacity across government levels, low uptake of research and development, poor infrastructure (including marketing systems), inadequate access to land (GoG, 2017: p:xv) and limited private sector investment in rural areas. It emerged during our interviews that the main constraints to expanding public investment in rural development are, first and foremost, financial, with not enough finance provided from the government budget. Second, there is a lack of coordination or joint platforms to bring all stakeholders (including the private sector) together in one forum.

While all six areas identified for this project are relevant for government intervention,⁶ agriculture value chain development, rural finance and basic rural infrastructure emerged from our interviews as the main priorities for agriculture and rural development, reflecting the challenges outlined above.

When it comes to agriculture value chain development, the main priorities are to replicate an already strong supply chain for cocoa in other crops, such as cashew, coconut and coffee; increase the share of products that are processed in the country; and identify a market destination for increased crop production. On rural finance, de-risking private sector investment is, as mentioned, part of the ‘Beyond Aid’ strategy – and was confirmed as a priority by many interviewees. Irrigation systems remain the main focus for improvements in basic rural infrastructure.

The targeting of agriculture and rural development policies is not explicit, but reducing regional disparities is a core part of the government strategy. While the ‘Beyond Aid’ strategy makes no explicit reference to the rural poor when it refers to inclusiveness, this is implied in its aim to reduce regional disparities, since the poorest regions are also predominantly rural. The objective of the strategy is to ensure that the poverty rate in the poorest region is no more than three times

higher than that of the region with the lowest poverty rate by 2028 (at present, it is more than 12 times higher) (GoG, 2019: 27).

Our interviewees also reported that the youth population is a key target for government policies to promote rural development. The aim is, in particular, to increase migration back from urban to rural areas, with incentives to attract unemployed graduates to work in the agriculture sector.

The crisis prompted by the Covid-19 pandemic is expected to increase the importance of agriculture development still further. Given falling revenues from oil and gas, the critical importance of agriculture development – and in particular agriculture value-chain development – will be heightened as a way to support livelihoods, keep food price inflation low and generate foreign exchange. The key challenge is, unsurprisingly, the need to maintain and expand support to agriculture and rural development in the face of competing government priorities for public budget allocation.

These priorities are articulated in the Covid-19 Alleviation and Revitalisation of Enterprises Support (CARES) programme, and the intensification of support for farmers through the ‘Planting for Food and Jobs’ and ‘Rearing for Food and Jobs’ programmes (GoG, 2020).

Financing rural development

Public finance

Ghana has subscribed to the Comprehensive Africa Agriculture Development Programme (CAADP), intending to increase public spending for the agriculture sector. Its medium-term development plan, ‘Investing for food and jobs: an agenda for transforming Ghana’s agriculture (2018–2021)’, is very clear about the need to expand government spending on the agricultural sector, aiming to invest at least 10% of the national budget in the sector, with a corresponding annual sector growth rate of at least 6% within the planned period. This

⁶ Access to agricultural technologies (research and development) and production services, agricultural value chain development (e.g. crops, livestock, fisheries), climate-resilient agricultural practices, rural basic infrastructure (e.g. water and irrigation systems, local roads, local energy generation), rural financial services and rural investment environment (e.g. policy, legal and regulatory frameworks).

would see Ghana achieving the target set for countries in sub-Saharan Africa in the Malabo declaration (GoG, 2017).

Spending has been close to this target, even though the precise figures are disputed. We could not find more recent data, but two reviews by the Ministry of Agriculture in 2013 and 2017 reported that the Government of Ghana was close to, or had met, the CAADP target. This has been disputed by researchers at the International Food Policy Research Institute (IFPRI) (Benin and Tiburcio, 2019). The official figures include expenditure on feeder roads and Cocobod, a public corporation that manages the cocoa subsector. Neither of these budget lines would be included under the African Union methodology used to calculate the achievement of the CAADP target. Once these budget lines are excluded, public expenditure for the agriculture sector is far lower and appears to be declining, from 0.9% in 2001 to 6.7% in 2011, 1.3% in 2012 and 2.1% in 2015 – a long way below the CAADP target (*ibid.*). Our interviewees also noted that it is a challenge to reconcile the budget allocation across different line agencies, with some of them involved in agriculture only indirectly.

There are constraints on public spending, despite greater government spending across sectors and for agriculture/rural development. The long-term commitment of the government, as embedded in the ‘Beyond Aid’ strategy, is to be more ‘focused and disciplined in mobilising its own resources and in deploying them creatively and efficiently to promote rapid economic growth and transformation’ (GoG, 2018: 13). The IMF Extended Credit Facility programme from 2015 to 2019 also meant the introduction of budget discipline that affected both the allocation to the agriculture sector and further spending.

As we outline below, while aid is declining – both in terms of volume and as part of the government strategy to reduce aid dependency – the agriculture sector plan still envisages a sizable contribution from development partners for its implementation (GoG, 2017). Between 2018 and 2020, the government contribution was assessed to be equivalent to 65% of the cost of the plan, with the remaining 35% coming from development partners, and an increasing share of their contributions over time.

A few of our interviews revealed a tension between the high ambitions of the agriculture development programme versus limited public funding allocation and budget pressure. Several of our interviewees noted that this meant increasing demand for external development assistance from development partners to compensate for the lack of government spending. There are underlying expectations that development partners will continue to contribute to the agriculture sector.

External development assistance

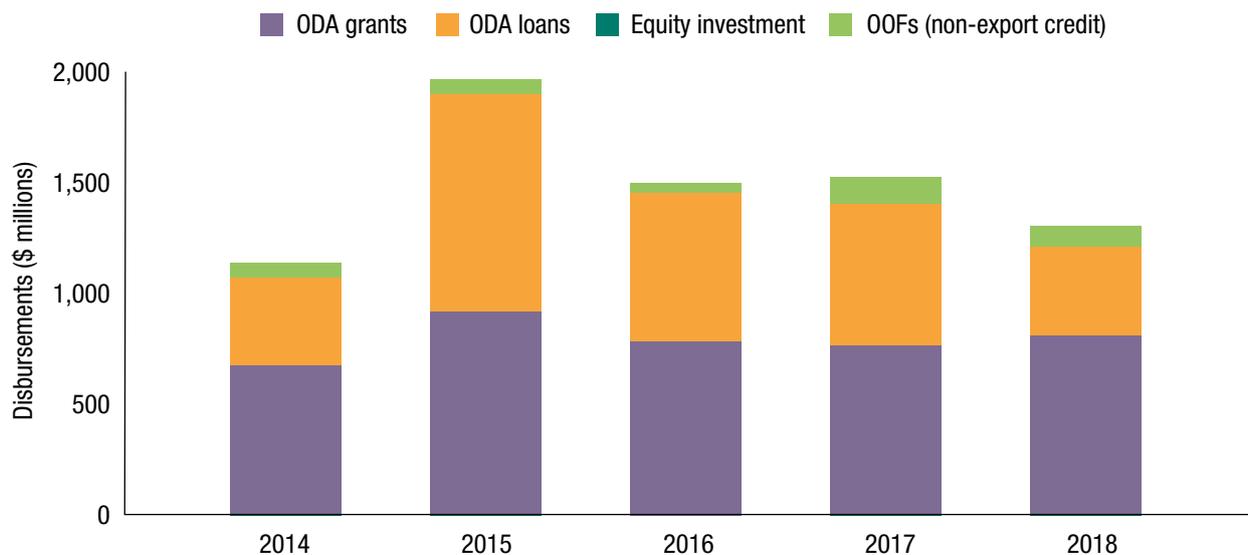
ODF flows are declining, with grants now accounting for the majority. ODF to Ghana has been on a downward path since reaching a peak in 2015 (Figure 1). This trend also reflects a reprioritisation of development assistance flows away from the country as Ghana moved to LMIC status (Engen and Prizzon, 2019).

The volume of non-concessional flows – OOFs – nearly doubled in the two most recent years for which we have data (2017 and 2018) but from a low base. OOFs still account for only around \$100 million, compared with total ODA of \$1.5 billion. The ODF landscape in Ghana is, therefore, dominated by concessional finance, which also reflects its access to concessional finance only from international financial institutions (IFIs). More than 50% of the official development finance between 2014 and 2018 was disbursed in the form of grants.

The prioritisation of agriculture and rural development and the dependency on aid flows are reflected in the data. First, the vast majority of resources to the agriculture and rural development sectors are either grants or concessional loans. Other official flows for agriculture account for only a very small proportion, the exception being funding of \$15 million for projects supported by the OPEC Fund for International Development (OFID) in 2018.

With the exception of 2018, ODA to the agriculture sector is provided as grants rather than concessional loans. First, this could reflect the fact that the largest donors to the sector provide mostly grants (e.g. USAID, the European Union, France and Canada). It could also reflect the larger share of grant financing from IFIs as

Figure 1 Types of official development finance disbursement to Ghana



Note: constant 2017 prices. ODA, official development assistance; OOF, other official flow.
Source: OECD (2020).

a result of the high risk of debt sustainability in recent years.

Second – and in line with the prioritisation of agriculture by the Ghanaian government in its national strategies (although not in budget data) – the share of ODA to the agriculture sector has been rising to reach 18% of total ODA in 2017. This share is far greater than the average across all 20 of the countries reviewed for this study, which stands at around 5%. The decline in 2018 reflects an overall trend across sectors.

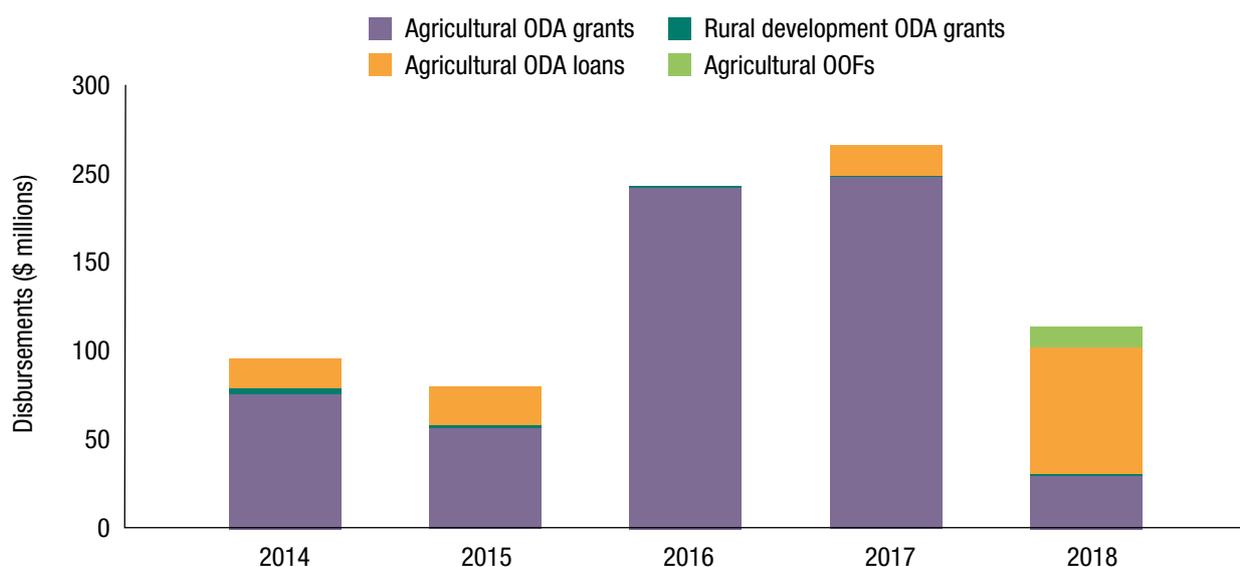
Third, the vast majority of resources are meant for agriculture rather than for rural development (even though this may reflect the OECD data classification). Finally, data for 2018 showed a remarkable shift away from grant financing towards concessional loans (from the World Bank) and a commitment by OFID on non-concessional terms, as mentioned above (Figure 2).

Ghana is not dependent on aid, in general, but the share of aid to the agriculture sector is far greater than in other areas. The net ODA/gross national income (GNI) ratio – which fell from 3.6% net ODA/GNI in 2015 to 2.2% in 2017 – is low compared to other countries in sub-Saharan Africa, and also as a share of government expenditure, at around 11% (World Bank, 2020a).

The Ministry of Food and Agriculture has also recorded higher levels of dependency on aid than other ministries. Based on information in the ‘Beyond Aid’ strategy documents, aid was equivalent to 38.3% of the government budget between 2016 and 2018, on average. But in the case of the Ministry of Food and Agriculture, this share was more than twice as high, at 102.8% (GoG, 2019). The ‘Beyond Aid’ strategy sets a financial target for the share of grants that contribute to the government budget, aiming to cut it to below 2% by 2028 from the 21.2% recorded from 2016 to 2018, and to below 5% by 2028 for every ministry.

The ‘Beyond Aid’ strategy does not aim to cut aid flows immediately, but to reduce dependency on aid in the long term, with expectations that the demand for external development assistance to the agricultural and rural development sector will increase. The strategy aims to continue using external development assistance now and in the medium-term to fund and support Ghana’s transition strategy. The key aim is to ensure that the programmes of development partners are strongly aligned to government priorities. In nearly all of our interviews, therefore, the expectations were for rising demand for external development assistance for agriculture and rural development in the near future.

Figure 2 Official development finance disbursements to Ghana for agriculture and rural development



Note: constant 2017 prices. ODA, official development assistance; OOF, other official flow.

Source: OECD (2020)

Demand for external development assistance is expected to focus on infrastructure investment, rather than technical assistance. Our interviewees reported that the technical assistance should be funded by grants rather than borrowing (see the next section).

External development assistance for rural development is valued mainly for the additional resources mobilised at below-market rates, rather than technical assistance or capacity-building. As noted by most of our interviewees, there is a general fatigue about policy dialogue with development partners and some frustration about using external experts, with less demand for technical assistance than in the past.

Borrowing for rural development

Debt trends and composition

The demand for future assistance for agriculture and rural development – as in other sectors – is constrained by the future outlook for debt sustainability. At the time of writing, Ghana is classified as having a high risk of future debt distress, which has an impact on its prospects for non-concessional lending. General government debt as a share of GDP grew from 51% in 2014 to 64% in 2018, while Ghana’s total debt service as a share of its GNI more than doubled, from

1.5% in 2014 to more than 4% in 2018 (World Bank, 2020b).

Compared with other countries reviewed for this project that are at the same level of development and income per capita, access to private capital (bonds, private creditors, commercial banks) is a larger component of Ghana’s external liabilities. In 2018 this share reached 58% of total external lending, with the rest of the debt held by bilateral and multilateral concessional and non-concessional creditors. This reflects the series of Eurobonds issued in the 2010s (Tyson, 2015).

Policies and preferences for borrowing and debt management

There are some limitations for external borrowing and for self-financing projects. Two main documents define the long-term and medium-term strategies: the ‘Beyond Aid’ strategy and the 2020–2023 debt management strategy.

The long-term ‘Beyond Aid’ strategy aims to keep debt below 50% of GDP, of which only 25% should be foreign debt (GoG, 2019). Second, the 2020–2023 debt management strategy sets limits for non-concessional external debt (\$750 million in 2020), only when no concessional finance is available and for self-financing projects. These limits are expected

to increase in response to the Covid-19 crisis (GoG, 2020).

There is no ceiling on long-term concessional loans that promote economic transformation and growth by financing infrastructure, skills development, and scientific and technological capacity development at the post-secondary levels (GoG, 2019). While there are ceilings in the policy documents and public financial management laws (including a maximum 5% annual fiscal deficit), the expectations are that these rules might be suspended to accommodate the response to the crisis prompted by the Covid-19 pandemic.

We understand from our review of policies and our interviews that the main criteria for borrowing, even at concessional terms, are that projects are expected to generate enough returns to service the loan in the short to medium term. One other option being considered by the government is ‘blending’ to reduce the costs of a loan and to make it concessional in its entirety – a view that emerged in our interviews with government officials.

Ghana is in a transition phase from concessional lending and it is too soon to know whether the government might borrow at non-concessional terms for agriculture and rural development. This might be the case, according to our interviewees, but only (as mentioned above) if concessional resources are maximised and exhausted, and if borrowing at non-concessional terms means greater volumes of assistance, especially for parastatals.

Government borrowing for agriculture and rural development, however, is not prioritised. We understand from our interviewees that the government might be willing to borrow – at concessional terms – for certain areas of rural development with a strong link to economic growth. Grants are prioritised for ‘softer’ projects in the poorest areas and loans considered for projects and areas with the greatest economic returns. Other sub-sectors, such as climate-resilient practices (particularly adaptation) and investment in agriculture research and development, are meant to be supported either by grants or highly concessional borrowing. This is because of a perceived tenuous link with economic growth

or the nature of global public goods, where the government might reap partial benefits.

When it comes to the terms and conditions of borrowing, the government is quite sensitive to the interest rate of the loans – the main point of negotiations. It values the longer maturity of a loan, to spread costs over a long time, as well as greater flexibility, improved debt management and larger projects that have the potential to cover many parts of the country.

Preferences and instruments for rural development

Preferences for development assistance for rural development

At the time of our research, the Ministry of Finance was finalising an overdue update of its development cooperation strategy, which had yet to be released. However, the government’s flagship strategy, ‘Beyond Aid’, highlights targets and areas for future external development assistance interventions. It also envisages alignment with Ghana’s transformation strategy and priorities and its ownership of development programmes (GoG, 2019).

This priority for the alignment to national priorities for all external development finance flows – including for rural development – emerged as dominant among government officials and development partners. Key priorities from the government perspective included project implementation via government systems as well as untied aid to help strengthen country systems, build local capacity and ensure alignment to national priorities, with no policy conditionality. As one government interviewee pointed out: ‘too many donors come with too many conditions and it is difficult to manage all of them at once’. Our interviewees also valued speed of delivery that would demonstrate results rapidly (with the government accountable for those results), flexibility in the use of resources, predictability and long-term financing.

Demand for other types of instrument

We did not identify strong demand among our interviewees for specific instruments, or at least less traditional ones. There was, first, a preference for instruments that promote the

involvement of the private sector and attract private sector funding. Second, there was a preference for instruments with disbursements linked to results and outcomes, as part of the long-term ‘Beyond Aid’ strategy pursued by the government, and that show the clear results of government interventions – which, would, in turn, support political visibility. Third, policy-lending instruments are valued for their flexibility and fewer reporting arrangements. And finally, project preparation facilities – via grants – are valued to help the government articulate its policy priorities and to test whether projects will be effective.

Conclusions

Our analysis of the experience and perspective of Ghana on financing public investment for inclusive and sustainable rural development, and particularly its demand for external assistance, is summarised as follows.

- The need to support the large share of Ghana’s poor people in rural areas, who are highly dependent on agriculture, is reflected in the prioritisation of agriculture and rural development in the government’s national development strategy and flagship initiatives. These aim to boost productivity, create jobs, improve livelihoods and ensure food security.
- This prioritisation is, however, only partly reflected in the public budget. Ghana is still some way from achieving the Malabo target of public expenditure for agriculture and is still recovering from a period of fiscal austerity during the IMF Extended Credit Facility. Despite the overarching government strategy to move the country beyond aid in the long-term, the expectation is that external development assistance will continue to support agriculture and rural development.
- While the demand for such assistance continues, there is a clear preference for grants or concessional loans. The country is still under pressure to keep its debt at sustainable levels and borrowing – including at concessional terms – should be for self-financing projects, e.g. infrastructure development. However, this might not apply to all areas that contribute to rural development, such as climate-resilient agriculture practices and rural development. To overcome borrowing constraints at non-concessional terms for agriculture and rural development, the government has encouraged development partners to blend their terms and conditions to reduce the overall cost of borrowing.
- Preferences for the type of aid for the sector are: alignment to national priorities, national ownership of development programmes, the use of country systems and flexible use of funding. Instruments should help to boost private sector investment, support project preparation and have strong links to outcomes and results, which would, in turn, increase political visibility and accountability.

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Annex 1 List of interviewees

Name	Institution
Atta Agyepong	KfW
John Asafu Adjaye	African Center for Economic Transformation (ACET)
Mathieu Daloze	European Union
Samuel Danquah Arkhurst	Ministry of Finance
Angela Dansson	Ministry of Food and Agriculture
Hani Elsadani-Salem	International Fund for Agricultural Development (IFAD)
Marie-Claude Harvey	Global Affairs Canada
Tabi Kari Kari	African Development Bank (AfDB)
Yvonne Odoi	Ministry of Finance
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