

MILLENNIUM CHALLENGE ACCOUNT (MCA), GHANA PROGRAM
DISTRICT ADVISORY COMMITTEE (DAC) MEETING

MEETING DATE : 29th July 2009 DISTRICT : KWAHU NORTH CAPITAL : DONKOKROM NUMBER OF DAC MEMBERS PRESENT : 22				
PROJECT	QUESTIONS ASKED	RESPONSE	CONTRIBUTION FROM MEMBERS	REMARKS
Ferry Activity	<p><i>We were under the impression that MiDA was to bring two new ferries on the Volta Lake to serve the area. Where are the ferries</i></p> <p><i>Why is MiDA putting the two new ferries on the Ekye Amanfrom side when you could have put one on the "Kpandu Toko" side to open up that area as well</i></p> <p><i>If MiDA does not put a ferry on the Kpandu Toko side that will defeat the whole purpose of opening up the area. Incidentally Kpandu is also part of the MiDA Program</i></p>	<p>MiDA has already gone through a tedious and time consuming procurement process which has resulted in the signing of a contract for the rehabilitation of the floating Dock at Akosombo. The floating dock is to serve as the dry dock to enable the assembling of the ferries. The ferries will then be brought into Ghana to be fitted or assembled for use.</p> <p>The Compact which was signed between the government of Ghana and that of the United States, clearly focuses its attention on the provision of the Ferry on the Ekye Amanfrom side. Before arriving at the decision to put the two new ferries on the Ekye side, due diligence was done and the Economic Rate of Return analyses were also done on an investment like that. At the time of drawing up the compact there were various considerations and indeed there were consultations with opinion leaders within the communities.</p> <p>To be raising these issues at this juncture of Project Implementation seems a bit late. At the time of the consultation with the various communities when the Program was being drawn up should have been the ideal time. What is more, the MCA Program is not the only program to solve all the problems. As MiDA is dealing with the Ekye one it is likely that some other government program will take care of the Kpandu one in the future.</p>	<p>The road from Donkokrom to the Kpandu took area is shorter and easier to use. One will not have to even go over hills like there are on the road from Donkokrom to Nkawkaw. MiDA should therefore take a second look at issue</p>	

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Farmer and Enterprise Training	<p data-bbox="321 102 596 305"><i>Can FBO members who absented themselves from training benefit from the Starter Pack Incentive?</i></p> <p data-bbox="321 492 596 979">The interest rate under the Credit facility is too high. The 29% interest rate that poor farmers are expected to repay their loans back could be the reason for some of them defaulting on their loan repayments. Can MiDA do anything to reduce the interest rate?</p> <p data-bbox="321 1312 596 1450">FBO's were promised \$30.00 to prepare their land, When will these monies arrive?</p>	<p data-bbox="617 102 1205 451">One may be a member of the FBO which is selected to benefit, but if you do not participate fully in the training activity and for that matter any other activity which the members are required to be part of, then you forfeit the benefits as well. It is just like attending school, if you are supposed to go to school and right an exam to obtain a certificate, if you do not go to the school and write the exam, there is no way you will be given a certificate.</p> <p data-bbox="617 492 1205 1271">The interest rate for MiDA's credit is pegged at the Bank of Ghana Prime Rate for medium term credit, while Seasonal Credit is pegged at the 91 treasury bill rate. At the time of determining these rates they were hovering around 12-15%. It is indeed a concern to MiDA that the rates are high now. It must however be noted, that MiDA itself has not fixed any rate. It must also be noted that MiDA has already taken some steps to ameliorate the impact of the rising rates such as the starter pack which is a subsidy in a sense. In fact some FBOs are saying that with the starter pack they do not really need the loans. It also important to recognize that the objective of the credit package is to teach farmers that it is possible to operate as commercial entities and take loans at prevailing market rates and still make profit. Even though it was recognized that the rate could rise, the key objective was to make it possible for farmers to access loans at prevailing market rates long after the MCA Project is finished</p> <p data-bbox="617 1312 1205 1482">MiDA will honor on all the things promised. It is being processed. In addition, the \$30.00 is reimbursed expenditure to the farmers. It is envisioned the amount will be sent to farmers in due course.</p>		

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	<p data-bbox="321 102 596 375">Why is there so much delay in the farmers accessing the credit? In fact, not a single farmer has benefited from the credit facility in the district so far.</p> <p data-bbox="321 553 596 951">The issue of the loan is critical because we are in the farming season. If the farmers do not get the loans now, when will they be given? Will they get it after the rainy season which will not serve any purpose?</p>	<p data-bbox="617 102 1205 521">The business plans of the groups who have finished training have been sent to the Banks for credit. When the farmers apply for the loans, an assessment will be made by the Bank using certain criteria which include the credit worthiness of the person applying. A determination is then made on whether or not to approve the loan application. It must be stated that there seem to be too much emphasis on the loan, to the detriment of other aspects of the Program which are equally important if not more important.</p> <p data-bbox="617 561 1205 732">The Starter Pack is an intervention to cushion the farmers on the delay of the credit facility. Remember each farmer received an input package worth \$230. And that is free to the farmers.</p>		