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**SAVANNAH ACCELERATED DEVELOPMENT AUTHORITY (SADA)
BUSINESS PLAN 2012-2016**

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1. BACKGROUND

1.1. SADA Establishment

The Savannah Accelerated Development Authority (SADA) was established by Act 805 (2010) as an independent and autonomous corporation to accelerate the pace of development of the Northern Savannah Ecological Zone (NSEZ). It covers the Upper West, Upper East and Northern Regions and the districts of Tain, Kintampo-South, Kintampo-North, Pru, Atebubu-Amantin and Sene in Northern Brong-Ahafo and Krachi West, Krachi East, Nkwanta-North and Nkwanta-South in Volta Region. The projected population for 2009 is 5.2m– the Northern Region has 2.4m, the Upper East 1.2m, the Upper West 0.7m, North Brong-Ahafo 0.6m and North Volta 0.3m.

SADA builds on the Northern Development Fund (2008) and the Government-backed Savannah Accelerated Development Initiative (2009) which aims to strengthen the institutional framework for funding and coordinating development initiatives in Northern Ghana, in support of a long-term Northern Development Strategy (2010-2030). The Strategy focuses on the development of small-scale farming as well as the development of market-led out-grower schemes within a modernised agricultural sector, protection against environmental damage (floods, droughts), forestation and conflict prevention.

SADA is therefore a public policy response to the widening gap between the NSEZ and the rest of Ghana. It is mandated to bridge the development gap between the NSEZ and the rest of Ghana by:

- a. Providing strategic planning guidance to government on the implementation and review of an accelerated development strategy for the NSEZ
- b. Mobilising human, financial and other resources for the implementation of the accelerated development strategy
- c. Coordinating existing and future development and related policies affecting the NSEZ with a view to ensuring coherence in policy-making and implementation.

1.2. Context: Accelerated Economic Development in the NSEZ

Ghana has made considerable progress in poverty reduction. The number of poor went down from 7.9 million people (52% of the population) in 1992 to 6.3 million people in 2006 (29% of the population). While the population grew by 6.9 million between 1992 and 2006, the number of poor was reduced by 1.6 million. In terms of the hardcore poor, poverty in Ghana declined from 36.2% in 1992 to 18.2% in 2006.

But the decline in poverty has not been spread equitably across the regions. The poverty rate in the South between 1992 and 2006 fell from 48% to 20%, while it only declined from 69% to 63% in the North – a decline of 2.5 million in the South against an increase of 0.9 million in the North. The North has only 17.2% of the total population, but 53.7% live in extreme poverty. Extreme poverty varies from 55% in the Upper West Region and 40% in the Northern Region, against a much lower poverty level of 22% in the Central and Eastern Regions. In sharp contrast with the South, there was no significant decline in the proportion of poor in the population of the NSEZ.

Poverty reduction will decelerate and geographical inequalities further widen at current trends. By 2030, poverty could be broadly eliminated in the South, while still affecting two-fifths of the NSEZ's population. In the absence of climate change mitigation and adaptation measures, poverty could worsen in the NSEZ through reduced agricultural yields and more frequent natural disasters.

2. SITUATIONAL ANALYSIS

2.1. Agriculture

Challenges:

- More than 80% of the population of the NSEZ depends on unimodal rain fed agriculture for food, income and livelihoods. Rainfall occurs in one season and the total annual precipitation is 1,000-1,100 millimetres, with a growing period of 150-200 days.
- The state of agriculture is characterised by soil with poor physical properties and low content of organic matter. There is limited use of soil management practices e.g. use of fertilisers, water management and mulching, which has resulted in low productivity in both crops and livestock. Soil is highly susceptible to erosion because of the thin vegetative coverage and torrential nature of poorly distributed rainfall.
- Indiscriminate burning of vegetation, especially in the dry, windy season has constituted a major source of disaster for communities. Apart from causing destruction of houses, crops and human life, uncontrolled bushfires do considerable damage to the ecosystem, making soils more fragile and baked so that they cannot support sudden downpour of rains.
- The opportunity costs of farming are low. The NSEZ is dependent on food crop farming with very little opportunity for agri-business or non-farm activities. Infrastructure to facilitate off-season agriculture is underdeveloped and the business enabling environment in support of agri-business and non-farm activities offers little incentive to move out of agriculture. Women engage in the production of seed oils (shea butter, groundnut oil) and handicrafts, but markets are small, relatively poor and difficult to access and the agri-business value chain offers little scope for generating additional household income. The rearing of livestock is also underdeveloped.
- Dwindling agricultural production and productivity for food and cash crops in the NSEZ are due to the over-dependence on rain-fed agriculture, coupled with poor soil fertility and outmoded agricultural practices (slash and burn techniques, shifting cultivation, etc). These factors have been exacerbated by ineffective agricultural policies that have led to high cost of inputs, inefficient agricultural markets and inadequate investment in infrastructure support for the agricultural sector.
- Droughts and floods, which are expected to increase in frequency and intensity, have multiple effects on the coping strategies of the population. The rhythm of the NSEZ's rainy season has become less predictable and the duration much shorter. In the Upper East Region and in parts of the Northern Region, droughts and floods increasingly impact agrarian communities resulting in crop damage, low yields and acute food deficits. Shortfalls are most acute in the Upper East Region, where the rainy season is shortest, coupled with rocky and infertile soils and much higher population densities.

Opportunities:

- In spite of the poor rainfall pattern, the NSEZ is well endowed with water resources, even though the amount of water available from season to season as well as from year to year is variable. Three main river systems drain the NSEZ, out of which the Volta River System drains almost the entire NSEZ. However, the runoff coefficient is high and consequently annual river recharge is low in the Volta Basin. In addition to the river systems, there are significant groundwater resources in the NSEZ. Groundwater could serve a variety of uses (irrigation, livestock requirements and domestic use), although falling groundwater levels have been observed in some areas, questioning the sustainability of current practices. There is significant potential for irrigation development given the combination of river systems and groundwater resources.
- The NSEZ has a wealth of under-utilised, well endowed land including a network of river basins with fertile valleys to support an agriculture modernisation programme. A growth strategy for crops should focus on achieving a sustainable balance between production intensification with limited expansion of land area.

- The NSEZ has a competitive advantage in the production of cereals (rice, sorghum and millet), roots and tubers (yam and cassava), legumes (groundnuts, cowpea and soybean) and livestock. With improved water management, tomato, okra, chilli, mango, cashew, water melon and sweet melon can be produced competitively.
- Shea nut cultivation could be developed into a major oils and fats industry. Rural women who engage in the collection and primary processing of nuts and processing of crude shea butter persist in the use of traditional, labour-intensive technology for butter extraction and consequently produce low yields.
- Cotton used to be a major cash crop in all regions of the NSEZ into the 1990s. The cotton industry declined because of managerial problems, an undeveloped seed sector, low yields and declining world prices.
- Most households own livestock and people are culturally accustomed to rearing guinea fowl and small ruminants.

2.2. Private Sector Development

Challenges:

- There are large variations between the urban NSEZ and the South in terms of firm size and productivity, which are symptoms of poorly integrated national markets and limited competition. Market transactions are small and infrequent and price, quality and quantity of goods and services are subject to high levels of uncertainty. Consequently, the lack of incentives among firms to perform better, which results from uncompetitive markets, is compounded by disorganized markets that present few incentives for firms to plan and invest.
- Industrial and manufacturing activities in the NSEZ collapsed following economic reforms in the 1980s. The investment climate is not conducive to private sector development. Water and energy resources are erratic and difficult to access; access to government information and registration services (centred in Accra) is difficult and municipal services are poor or absent; and skilled labour is in short supply, as vocational and job related training have not been accorded high priority in regional education or private sector development programmes.
- Energy is predominantly wood fuel based, with firewood and charcoal consumption accounting for about 93% of energy consumption. Electricity and petroleum products consumption account for 5% and 2% respectively. While wood fuel will continue to meet the bulk of energy needs, its future supply will be constrained by the deforestation environment and ecological damage. The NSEZ is well endowed with sunshine but development of solar energy continues to be marginalized. The power system has been unbundled with the creation of Ghana Grid Company Limited to create open access to the transmission grid in order to attract private investment and to facilitate competition.
- There is a lack of business development services.

Opportunities:

- There are emerging processing activities in oil and shea butter processing and fruit processing.
- The NSEZ has the country's biggest game park, the Mole Game Reserve, which has experienced rising visitor numbers, although it remains undeveloped.
- The geographical location, history and culture of the NSEZ provide opportunities for slave heritage tourism, eco- and cultural tourism, and francophone tourism in neighbouring countries.

2.3. Minerals

A number of mining and exploration firms are actively engaged in either exploration or exploitation of minerals (gold, iron, manganese, granite, limestone). Artisanal and small-scale mining provides a modest livelihood for some poor communities but is illegal, unpredictable and dangerous.

2.4. Human Resources

Gender

The dominance of men over women in the NSEZ in terms of access to and control of resources and in decision making is overwhelming. Although restricted access to land is a common hurdle for women, they also have limited access to household labour. The level of illiteracy among women is much higher than it is among men; cultural norms about visibility and traditional gender roles imply heavy workloads on women. All of these impose time constraints on women and tend to limit their awareness about and access to opportunities.

Education

The quality and potential of the human resource base have remained largely underdeveloped and untapped due to limited investment in good quality education at all levels. The NSEZ has continued to lag in the quantity and quality of educational services, although school enrolment rates have increased considerably over the last 15 years – net enrolment in schools increased from 74.1% in 1992 to 84.8% in 2006. However, in rural areas the enrolment rate declined between 1999 and 2006. In spite of the drop in enrolment rates, there was considerable improvement in achieving gender parity in the three northern regions.

Health

Since 1998, the national under-five mortality rate remained at 110 per 1,000 live births while infant mortality rates increased from 61 per 1,000 live births in 1998 to 71 per 1,000 live births in 2006. Regional health reviews indicate that the North may be performing worse than the national average. In the Upper West Region in 2007, the under-five mortality rate was 191 per 1,000 births, the infant mortality was 114 per 1,000 births and maternal mortality rate was 158 per 100,000. Malaria has been the main killer disease, followed by respiratory infection and skin disease. Much of the NSEZ shares borders with neighbouring countries from where communicable diseases have been able to spread rapidly into the rural communities of the NSEZ. The numbers of both doctors (ratio of 1:54,000 people in the Upper West Region in 2007) and nurses (ratio of 1:1,000 people in the Upper West Region) are too low to maintain a healthy population.

Housing

Despite the robustness and utility of the traditional architecture, traditional houses face major challenges in withstanding the onset of heavy and sustained rains, as witnessed in 2007. Houses that collapsed during the flood were the victims of structural failure.

Traditional Safety Nets

Mutual support initiatives and remittances from friends and family members living outside the community once served as an important source of supplementary support to the NSEZ. Due to social and economic pressures, this traditional safety net mechanism has been weakened, thereby increasing exposure of the poor and vulnerable.

Conflict

Violent conflicts have led to massive displacement of people, loss of life and property and the creation of a general sense of insecurity that discourage investments in the NSEZ. In addition, they have diverted resources away from development projects into peace and security operations. The following serious conflict situations could be capable of derailing any development efforts of SADA:

- i. Abudu-Andani conflict in Dagomba Traditional Council

- ii. Buipe Chieftaincy in the Gonja Traditional Council
- iii. Bimbilla Chieftaincy in the Nanumba Traditional Council, and the
- iv. Kusasi-Mumpursi war in Bawku

3. VISION AND MISSION STATEMENTS

SADA's vision is for a green and peaceful north, a healthy, educated and productive people and a vibrant hub of innovative and sustainable economic activities.

SADA's mission is to create, expand and harness opportunities for innovative, accelerated, and sustainable economic growth in order to bridge the development gap by eliminating poverty, increasing the contribution of the NSEZ to the economy of Ghana and enhancing the quality of life of the people.

4. GOAL AND OBJECTIVES

4.1. Goal

SADA's goal for the NSEZ is to reduce the incidence of extreme poverty to 20% of households and to narrow the per capita GDP differential between the NSEZ and the rest of Ghana to a minimum of 80% within 25 years.

4.2. Objectives

SADA's objectives for the period 2012-2016 are as follows:

- i. To facilitate the capacity of institutions in the NSEZ to undertake development management focused on addressing accelerated growth and regional inequalities
- ii. To facilitate the orientation of informal sector and primary producers towards expanded market demand
- iii. To facilitate increased participation of women in market oriented production and services
- iv. To facilitate increased private sector investment
- v. To catalyse infrastructure development in a manner that reinforces modernised production and access to markets
- vi. To facilitate the empowerment of marginalised and vulnerable women, men and youth to participate actively in a modern economy
- vii. To facilitate environmental renewal, climate resilience and adaptation initiatives

Target markets addressed by these objectives, and specific services and activities designed to achieve them, are described below in Section 6.

5. SADA'S ADDED VALUE

SADA's comprehensive Strategy and Workplan (2010-2030) is grounded in the NSEZ's growth potential in agriculture, enterprise, mining and tourism. Its development priorities are aligned with Ghana's Shared Growth and Development Agenda 2010-2013, which at the national level will provide incentives and enabling conditions for Ghana to become a middle-income country. At the regional level, SADA will pursue and promote opportunities for exploitation by a vigorous and strengthened private sector led by agriculture and agribusiness, but also attracting new investment in the manufacturing, processing, services, transportation and tourist sectors. The focus on investment in private sector development is designed to change the mind-set and motivations of existing and new entrepreneurs.

A geographical strategy that is spatially targeted seeks to promote economic activity in the NSEZ and to connect the NSEZ better to the rest of the country and the world. SADA will generate additional benefits for the whole Ghanaian economy and not only for a strengthened NSEZ. Spatially biased interventions to ensure 'catch-up' will be temporary though long-term. Efficient targeting requires that programme resources go to eligible beneficiaries only and that the operational costs of targeting are small.

The strategy is framed within the "making markets work for the poor" paradigm, with a clear focus on improving and strengthening the efficient and effective working of markets, facilitating the development of strategic infrastructure, and connecting farmers, agri-

businesses and non-farm businesses more effectively with domestic and export opportunities. Interventions will seek to strengthen the role of women and the vulnerable poor in value chains.

SADA's role is to facilitate, coordinate and catalyse regional interventions. SADA will achieve its objectives by working with and through others to develop and implement a focused and prioritised set of activities. It will work with relevant Ministries, Departments and Agencies (MMDAs), the private sector, civil society (CSOs) and NGOs. Where relevant organisations do not exist, SADA will facilitate their creation and assist in developing their institutional competence. SADA's coordination role will include the following:

- i. Work with the NDPC to ensure that regional and district priorities are reflected in the national development and resource allocation plans of the Ministries, Departments and Agencies (MMDAs) at the national level
- ii. To ensure efficiency in implementation and the achievement of the relevant outcomes, SADA will sign a Memorandum of Understanding with MMDAs and partnering organisations/agencies to clarify expectations and ensure efficient implementation and the achievement of outcomes
- iii. Provide advocacy, policy harmonization and management support for the implementation of the SADA strategy
- iv. Mobilize adequate funding for the SADA strategy from central and local government budgets and from the donor community
- v. Coordinate programmes of MMDAs to avoid duplication and waste
- vi. Ensure that key stakeholders, especially civil society, effectively participate in the SADA dialogue and implementation activities
- vii. Provide mechanisms for addressing cross-cutting issues (gender, environment, etc)
- viii. Provide mechanisms for regular dialogue with development partners through regular meetings and consultations
- ix. Support the development of private sector interface points to facilitate coordination of interventions and, in particular, platforms for engagement with banking and financial service providers, manufacturers associations and trade associations

6. STRATEGY

6.1. Development Partner Activities

There are several donor funded economic development programmes/projects in the NSEZ either being implemented or in the pipeline, most of which are meeting the needs (at least in part) of SADA's target markets. These programmes/projects are described briefly in Appendix 2. SADA will undertake detailed research and mapping of these programmes/projects to establish their precise scope and planned impact, to ensure that no duplication arises and to identify gaps where SADA can add value e.g. to facilitate scaling up as a collaborator or partner.

6.2. Cross-Cutting Strategic Issues

The following cross-cutting issues will influence the choice of strategic interventions:

Participation of Women

Women currently dominate the small business sector in the NSEZ. Their activities include small-scale processing, storage and sale of food crops and nuts, selling of cooked food, brewing and sale of local alcoholic drinks e.g. pito, hair dressing, sewing of clothes, etc. Of special concern in implementing the strategy is the role of women in economic activity and the need to broaden their engagement in the formal, wage earning economy where incomes are higher than informal activities. SADA will pursue interventions to improve technology and create value-addition in current economic activities undertaken by women; increase women's participation in and benefits from the process of economic development; and identify potential new areas of economic activity in which women can establish themselves and build incomes and wealth.

Climate Change Mitigation/Adaptation

Frequent climate shocks compound the development challenge. Many of the risks and vulnerabilities in the NSEZ are climate-change related, especially induced by floods or droughts or both. With worsening climate change it is expected that the frequency of these events will increase. SADA's strategy will assist the NSEZ to adapt in the long-term to climate changes. Measures for long-term adaptation will be aimed at reducing the frequency of these events or minimising their effects when they occur. More immediate measures will be directed at flood mitigation and the harvesting of flood waters for long-term productive uses in agriculture, fisheries, energy and water transport. SADA will facilitate the leveraging of private sector investment on climate technology innovation, value chains and dry woodlands. The focus will be on disaster resilience, risk reduction/early warning systems, energy production and use (including energy efficiency), and investment in strategic infrastructure and assets. Above all, SADA's work will facilitate measures to empower the population to respond to the adverse effects of these events with minimum external assistance.

Growth Poles

SADA will apply the "growth poles" concept to catalyze agricultural development in selected districts around which wider investment and business development can be promoted. Criteria for selecting agricultural growth poles include: areas affected by floods, areas where private and public sector investors have shown interest and readiness to invest and areas identified as most in need in terms of poverty indicators. The following areas have been provisionally selected as agricultural growth poles and will be subject to extensive research and assessment before action plans for their development are drawn up:

1. Fumbisi Valley
2. Pwalugu Area
3. Buipe Area
4. Dakar/Katanga Valley
5. Oti River Basin
6. Fumsi Valley

7. Kabaka Gorge
8. Bui Development Area
9. Nasia Valley

6.3. Target Markets

SADA's main target market segments will include:

1. Arable farmers (maize, rice, millet, sorghum, yam, cassava, shea nut, groundnuts, cowpea, soybean, cotton, tomato, okra, chilli, mango, cashew, water melon and sweet melon)
2. Pastoral farmers (small ruminants, guinea fowl)
3. Fish farmers
4. Agri-Business (processing, packaging)
5. Manufacturing
6. Business services
7. Handicrafts
8. Inward investors (domestic, sub-regional, worldwide)
9. Tourismsector
10. Mining

6.4. SADA's Services

After a careful analysis of the needs of the main market segments in the NSEZ, SADA will facilitate and coordinate a range of services and programmes prioritised according to demand to create maximum impact in the period 2012-2016. Services will include the following:

- **Arable and Pastoral Farmers**

Large farms over 50 ha, medium-size farms below 50 ha to over 1 ha and smallholders (subsistence farmers) up to 1 ha

Services provided by SADA to support farmers will include:

- Provide information and awareness about farming methods, technology, seeds, equipment, financing and climate change
- Monitor GIS mapping activities
- Collaborate with land administration project to facilitate improved land acquisition and tenure processes and procedures
- Collaborate with traditional authorities over land acquisition, tenure and utilisation
- Facilitate and broker out-grower schemes and FBO models of agricultural development
- Facilitate introduction of new technology, high yield seed varieties and modernised working practices
- Facilitate improved seed supply and use of high yield seeds
- Facilitate development of ruminant breeding stock
- Research and facilitate development of new financial products including PPPs, land-backed guarantees and insurance schemes
- Broker development of new training courses for skills and knowledge acquisition
- Facilitate extension of 3 phase power
- Coordinate with MOFA/DFR/MR&H over agricultural planning, land tenure, farming technology and extension services
- Facilitate development of improved transport services from farms to markets
- Research and disseminate ruminant farming development

opportunities

- Collaborate with research institutions on new crop varieties, disease control, climate change adaptation and new product ideas
- Coordinate key players and initiatives in climate change mitigation and adaptation
- Facilitate targeted climate risk assessments, early warning systems and community awareness
- Advocate for women's wider participation in agriculture

- **Fish Farmers**

Services provided by SADA to support fish farmers will include (in addition to most of the above services aimed at arable farmers):

- Broker improved and secure access to rivers, ponds and dams
- Facilitate formal land utilisation and tenure procedures by traditional authorities
- Facilitate development of fingerling supply
- Facilitate acquisition and financing of fish processing technology and training in its use
- Facilitate improved provision of cold storage infrastructure

- **Agri-Business, Manufacturing, Services, Handicrafts and Tourist Businesses**

Services provided by SADA to support agri-business, manufacturing, services, handicrafts and tourist businesses will include:

- Provide information and awareness about business methods, technology, raw materials, equipment, financing and climate change
- Facilitate development of industrial parks, building of workshops, factories, business premises, serviced offices and business innovation incubators
- Facilitate land acquisition for development of tourist attractions
- Facilitate training provision and broker new training products
- Facilitate and broker effective value chains and supply chains
- Coordinate with MOFA/DFR/MR&H over agri-business supply links, land tenure and value chain services
- Collaborate with research institutions on product innovations
- Facilitate communications with standards authorities
- Research and facilitate financing options including PPPs and venture capital funds
- Advocacy with power companies for extension of 3 phase power and with water companies for water supply options
- Facilitate new telecoms and mobile phone applications
- Facilitate greater competition in freight haulage industry to improve transport services to business
- Facilitate targeted climate risk assessments, early warning systems and business awareness
- Coordinate key players and initiatives in climate change mitigation and adaptation
- Advocate for women's wider participation in business
- Broker development of training/entrepreneurship products including

market orientation courses

- Facilitate BMO advocacy role and capacity building
- Facilitate BDS capacity building

- **Inward Investors**

In addition to the above, services provided by SADA to support inward investors (domestic, sub-regional and foreign) will include:

- Research and publish investor information
- Facilitate liaison with Ghana Investment Promotions Centre
- Undertake due diligence of potential new investors
- Advocate for financial incentives provided by government
- Facilitate internet connection provision
- Collaborate with research institutions

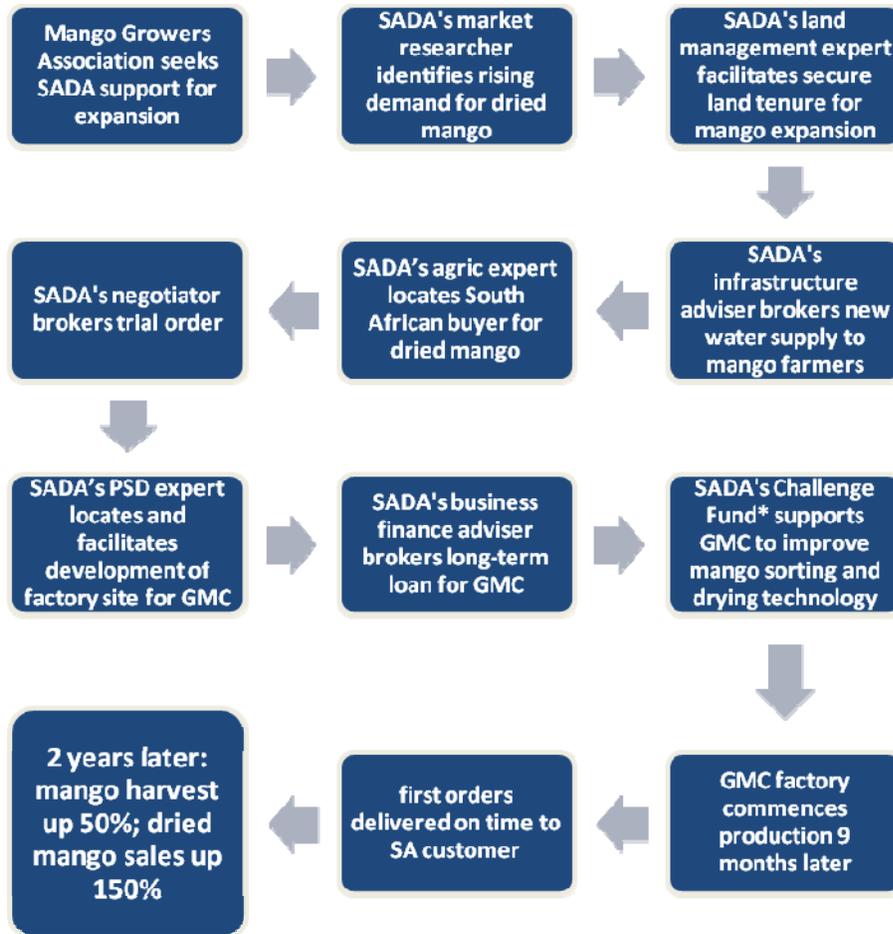
7. OPERATIONS

7.1. Implementing the Strategy

To ensure the costs of targeting do not exceed the benefits, SADA will start on a modest scale with winnable interventions (low hanging fruit). In this way, successes can quickly lead to incremental scaling up, while mistakes can be made and rectified quickly without causing social distress, market malfunctioning or severe resource misallocation. There will be a focus on priorities to establish a track record of success and sustainable impact.

The strategy will be implemented by SADA’s specialist programme staff, supplemented where necessary by calling on technical assistance from a preferred supplier database of consulting organisations. SADA’s *modus operandi* as a facilitator and coordinator of accelerated development interventions is best illustrated by the following case study:

CASE STUDY: MANGO VALUE CHAIN DEVELOPMENT



7.2. Project Development

SADA’s main funded programmes for accelerated growth and poverty alleviation will arise from research, feasibility and piloting centred on three schemes with the specific purpose of encouraging innovative ideas, establishing evidence and intervention logic and establishing basic feasibility of appropriate interventions. These schemes will be aligned closely with SADA’s strategy.

Once feasibility studies, pilots and/or proven successes elsewhere have demonstrated the potential impact and sustainability of a particular intervention, SADA technical staff will assess and define SADA's role in the replication and scaling up of the intervention as a programme/project, after which the intervention will be progressed by the Project Financing function within the Finance and Resources Division.

SADA's proposed piloting, feasibility and research schemes will be as follows:

7.3. Intervention Pilots Scheme

There are many instances where the long-term sustainable success of interventions that can be scaled up to have a significant impact on poverty needs to be tested and evaluated for impact, sustainability and scalability, before committing large-scale resources. This role can best be performed by a carefully targeted funding scheme which seeks to seed small-scale innovative interventions and is designed to attract specialist groups from the private sector, NGOs and civil society (FBOs, BMOs) who are best placed to identify and judge the efficacy of local income and job creation opportunities and challenges, and who have the commitment and skills – though not the funds – to carry through their ideas into practical action.

Individual disbursements of up to GH¢50,000 will be made available to targeted groups who can demonstrate commitment and common-sense and who can contribute the necessary "sweat equity" to the pilots. Capacity and funding for 100 pilots over 5 years is projected totalling GH¢5m. The details of the Intervention Pilots Scheme are yet to be worked out.

7.4. Pre-Feasibility and Feasibility Studies Scheme

SADA will establish a Feasibility Fund to hire in specialists to investigate and report on prioritised improvements to infrastructure (roads, irrigation, water supply, electricity supply), regeneration of crisis affected areas, climate change initiatives or other key interventions where SADA can play a catalysing role. These studies are meant to establish basic information and assess the potential for a full scale investigation and assessment of development potential. SADA will work closely with MMDAs, the private sector, NGOs and civil society (FBOs, BMOs) to identify potential development projects warranting a feasibility study.

Individual disbursements of up to GH¢40,000 will be made available to engage specialists to carry out feasibility studies. Capacity and funding for 110 studies over 5 years is projected totalling GH¢3m. The details of such a Fund are yet to be worked out.

7.5. Research and Information Programme

SADA will establish a research and information function to provide evidence for programme development, meet SADA's market research needs, provide specific data sets and publish market related opportunity information, as well as to provide data inputs into baseline studies and M&E work. SADA will collaborate closely with research institutions and universities in identifying information needs and commissioning research.

Research studies are projected to cost some GH¢1m over 5 years. The details of a research function are yet to be worked out.

7.6. Flagship Programmes

The identification and development of specific interventions that will lead to flagship development programmes/projects to accelerate development and alleviate poverty will be brought about through SADA's core facilitating and coordinating functions (working collaboratively with development partners) and through intervention ideas generated by the above schemes. Priority programmes consistent with SADA's strategy to accelerate development and alleviate poverty will be fully assessed in the first year of operation (see Action Plan) but are likely to include some or all of the following:

Programme/ProjectDescription	Activity Expenses 2012-2016 (GH¢)
Agricultural support for cereals improvement for 8,000 households	6.6m
Agro-forestry support for tree crops for 5,000 households	17.5m
Enable viable irrigation initiatives to proceed with PPP financing	25.0m
Support services for watershed protection devices with WRC	9.5m
Support services for flood mitigation facilities	28.0m
Design culverts and canals for water conservation	47.5m
Contribute to construction of portions of circular road network	135.0m
Investments to enhance women in agro-industry	14.0m
Co-investment with private sector on solar and irrigation facilities	35.0m

8. ORGANISATION

8.1. Location of Offices

SADA will be headquartered in independent offices Tamale because of convenient air and road access to the South and to most parts of the NSEZ. Branch offices will be established if demand for SADA's services warrants a wider geographic presence.

8.2. Organisation Structure

The SADA management team(see Appendix 1) is headed by a Chief Executive Officer and 4 Divisional Heads, as follows:

- Integrated Development Programmes
- Finance & Resource Mobilisation
- Planning, Research & M&E
- Human Resources, Public Affairs & Administration

Reporting to the Divisional Heads are 18 Technical Departmentsstaffed by 36specialists who carry out development tasks, and 10 junior office staff (clerks, drivers, security, cleaners) serving the needs of the wider organisation. SADA will employ 57 staff when at full capacity.

8.3. Board of Directors

The governing body of SADA is a 9 person Board of Directors comprising:

- Chairperson
- Representative of the NDPC
- Representative of traditional authorities
- Representative of the Ministry of Finance and Economic Planning
- Representative of civil society organisations
- Professionals (3) nominated by the President, including a woman, and

- Chief Executive Officer

8.4. Stakeholder Co-ordinating Committee

This Committee's role is to serve as an advisory body and to provide stakeholders' input into SADA's programmes. It comprises:

- Regional Ministers (Chairperson)
- Members of Parliament (7)
- A chief from each region
- Representatives from Regional Economic Planning Unit
- Representatives from NGOs
- Representatives from the private sector
- Representatives (3) from District Assemblies
- Representatives (2) of Northern Ghana opinion leaders from other parts of the country
- Representatives of women's groups
- Representatives (3) of tertiary educational institutions

8.5. Management and Staffing

Chief Executive Officer

The CEO will be responsible for the efficient and effective organisation and management of SADA and the day-to-day administration of its programmes, drawing up implementation plans, budgets and programme of activities for approval by the Board, maintaining a watching brief over cross-cutting issues (gender, climate change) and performing an ambassadorial role.

Head, Integrated Development Programmes

The core of SADA's mandate is to facilitate programmes to accelerate development in the NSEZ. This division will seek to harmonise development interventions into a consistent medium to long-term agenda and coordinate their delivery for optimum results. In this division will be the following functions:

- Agricultural Modernisation & Food Security.** Transform subsistence agriculture to cash crop and high-yield commercial agriculture, attracting private sector investors into the agricultural value chain to support and sustain out-growers and to provide capital, technology and access to large domestic, regional and international markets.
- Private Sector Development.** Supports the establishment and growth of businesses in agri-business, manufacturing, mining, tourism, transportation and allied services; leads the transformation of the industrial and service sector from a primary producing zone to one in which industrial and allied service activities and related employment opportunities increase substantially; coordinates efforts to improve the business enabling environment.
- Environment & Infrastructure.** Ensures sustainable environmental management to alleviate the effects of persistent floods and droughts in the NSEZ; promotes prudent infrastructure development that fosters climate resilient practices and facilitates the development of growth poles around the main river basins; promotes diversified environmental management practices and supports agencies.
- Mining and Natural Resources.** Collates and analyzes data and commissions new studies into the mining and forestry potential of the NSEZ.
- Land Management.** Problem solves agricultural and industry land acquisition and development challenges, including land tenure issues in rural areas and access to new industrial and business estates in urban areas; facilitates initiatives to manage land more productively and resolve climate change threats.

- vi. **Training & Development.**Coordinates training and development initiatives, works collaboratively with training providers, brokers new training products and facilitates access to training funds not currently available to providers.
- vii. **Gender & Social Development.** Gives consideration to the social benefit of initiatives, its sensitivity to gender engagement and its inclusiveness of the poorest and the most vulnerable in society, especially persons with disability and children.

Head, Finance & Resource Mobilisation

Mobilizes financial and material resources to accelerate investment through access to MMDAs with a view to advocating for funds; through direct GoG budgetary allocations; through mobilization of financial and material resources from donors; and from the private sector through direct foreign investment and public private partnerships (PPP). In this division are the following functions:

- i. **Inward Investment.** Facilitates investment from the South, the Sub-Region, Africa and the rest of the world; cooperates with investors who want to develop new businesses in agriculture, agri-business, industry, mining, tourism, transportation and services; works closely with the Ghana Investment Promotions Centre to attract businesses; leads on investment climate reform.
- ii. **Project Finance.** Develops an investment plan for programmes and projects taking into consideration both short and long-term investment instruments; leads conception and development of accelerated investments; produces project financing documents; advises on sources of project finance.
- iii. **Business Finance.** Coordinates and encourages domestic as well as small-scale investors in micro and medium-scale enterprises; facilitates and brokers financing for businesses, including development of new financial instruments; collaborates with banks and micro-finance institutions to develop appropriate finance for the NSEZ's new business sectors.

Head, Planning, Research and M&E

Creates a research hub within SADA; monitors and evaluates investments and processes in the NSEZ to establish independent evidence of performance and impacts, starting with an extensive baseline study and establishing indicators that reflect transformation; collects data annually to monitor poverty and socio-economic development trends; conducts special economic analyses of a spatial nature; manages programme development funding schemes. In this division are the following functions:

- i. **Planning & Research.** Develops a comprehensive strategy and work plan to address the long-term development needs of the NSEZ; undertakes socio-economic and market research to inform programme design and identify development opportunities; commissions external research; manages 3 programme development funding schemes.
- ii. **M&E.** Evaluates multiple implementation modalities to inform future policy and programme decisions; establishes credible baselines; systematic monitoring of output-level results.
- iii. **Statistics & Data Analysis.** Collects, collates and analyses data and publishes statistical reports relevant to economic development in the NSEZ; produces data capture systems, designs databases and records data for analysis.

Head, HR & Administration

Responsible for administrative and corporate affairs, including developing and harnessing human resources for effective administration, maintaining financial records and systems and marketing and communicating the ideals and benefits of SADA operations. In this division are the following functions:

- i. **Administration.** Designs and implements administrative procedures that will ensure compatibility with corporate practices, maintains systems for effective record keeping, including the codification of key legal documents and processes to ensure that SADA is up-to-date on all key legal instruments.
- ii. **Personnel.** Plans, develops and harnesses staff resources for effective delivery of programmes and for administration of the organisation; organises personnel files and records and internal training; organises recruitment; assists in arranging performance appraisals.
- iii. **Accounts.** Keeps books of account and accounting records and administers finance and procurement; reports on financial status and performance; looks after bank accounts; produces budgets and forecasts.
- iv. **Marketing & Communications.** Markets and communicates the vision and benefits of SADA and handles client relations; manages public affairs and media relations, publications and journals, annual reports, website, manuals and leaflets.
- v. **Procurement.** Undertakes all buying; researches markets for supplies; administers a procurement system with procedures and practices; undertakes costing.

9. ACTION PLAN YEAR 1

The main actions for SADA for the period January 2012-December 2012 will be as follows:

Action	Month
• Finalise Business Plan	Pre-2012
• Negotiate and finalise SADA financing	Pre-2012
• Finalise CEO contract	Pre-2012
• Identify short-term technical assistance needs and recruit short-term specialists	Pre-2012
• Research office locations and rent offices in Tamale (1 st Jan?)	January
• Make basic office equipment and vehicles purchases	January
• Produce 12 month detailed Action Plan with Annual Budget for Board approval	January
• Recruit key positions: 4 x Divisional Heads, specialist technical staff, administration staff (includes key contract staff)	January-March
• Produce and implement a SADA Marketing and Communications Plan	January-February
• Map all existing and pipeline donor and GoG development initiatives in NSEZ	February-April
• Produce and implement NSEZ consultation plan	February-September
• Review strategy and identify priority interventions for SADA action	May-September
• Review agricultural growth poles approach and (if appropriate) produce growth poles development plan	June-September

<ul style="list-style-type: none"> • Launch Programmes: Pilots Fund, Feasibility Fund, Research Fund 	June-October
<ul style="list-style-type: none"> • Commission research to establish socio-economic development baseline for M&E reporting 	June-December

10. RISK ANALYSIS

The following major risks have been identified by SADA – appropriate action is planned to mitigate any possible harmful impacts:

- SADA is recognised by all political groups and stakeholders as an important institution to bridge the gap between the NSEZ and the South and both the ruling government and main opposition party have subscribed to the SADA idea. There are, however, at least two reasons why political support could wane: the case for special treatment could become less compelling as the 2012 election draws close; and politicisation could undermine commitment to the initiative. Stakeholders have warned that SADA is likely to face a high political risk or resistance if it is politicised or poorly managed, suspected to be corrupt, unaccountable and without transparency.

Mitigation: The way to build political capital is through neutrality and inclusion of all. SADA will be a semi-autonomous, professional institution which seeks multi-party consensus through various mechanisms of consultation and transparency including parliamentary engagement in key decision-making processes. SADA will identify partners it can work with at all levels, forge strong working alliances especially with CSOs, MMDAs and MDAs who are best positioned to play a strong role in implementation.

- SADA has not created adequate awareness of its mandate and proposed strategy and has raised unrealistic expectations among people in the NSEZ especially at the grassroots. SADA is seen as a quick panacea to all livelihood difficulties and as such, SADA faces the critical challenge of meeting and/or managing people's expectations. There is a risk that ambiguity of SADA's role and a broad unmanageable mandate will result in SADA failing to deliver impact. Pressure to deliver immediate results could result in weak and non-strategic programme delivery.

Mitigation: Publicity and awareness about SADA and its mandate among people in its operational area will be addressed as a matter of priority. SADA will clarify its role and mode of operation and its strategy, and how this will affect the NSEZ vis-a-vis that of other development institutions. SADA will focus on key priorities to achieve its objectives. It plans to quicken the pace of its work to demonstrate what it can do in order to avoid disillusionment by people. Collaboration with MMDAs will avoid duplication and enable SADA to integrate its plans into national development plans.

- The distribution of projects across the NSEZ is of concern to traditional authorities, youth groups, communities and MMDAs. What is perceived as unfair distribution of projects could create severe difficulties for SADA.

Mitigation: SADA will manage and monitor the distribution of projects to ensure that projects are sited equitably and will ensure that programmes are not perceived as influenced by ethnicity. Getting beneficiaries or their representatives agreed on where to locate projects through a process of consultation will be important in order to avoid unhealthy and divisive competition for resources.

- Finding and recruiting the right staff to drive SADA's agenda is a key challenge. SADA will find it difficult to establish itself as a realistic employer that can attract the right level of technical skills and management experience. Without these skills, SADA will be unable to drive its agenda forward and accelerate growth in the NSEZ to make an impact on poverty.

Mitigation: SADA's Business Plan calls for a range of specialist management and technical skills to secure optimum development interventions in the NSEZ. Recruitment of skilled and experienced professional staff is regarded as a matter of priority and SADA is poised to commence a recruitment campaign in the immediate future. In addition, a programme of institutional development support to provide SADA with the necessary human resource competences will ensure a successful start to the vital task of bringing accelerated development to the NSEZ.

11. FINANCE

11.1. Core Funding

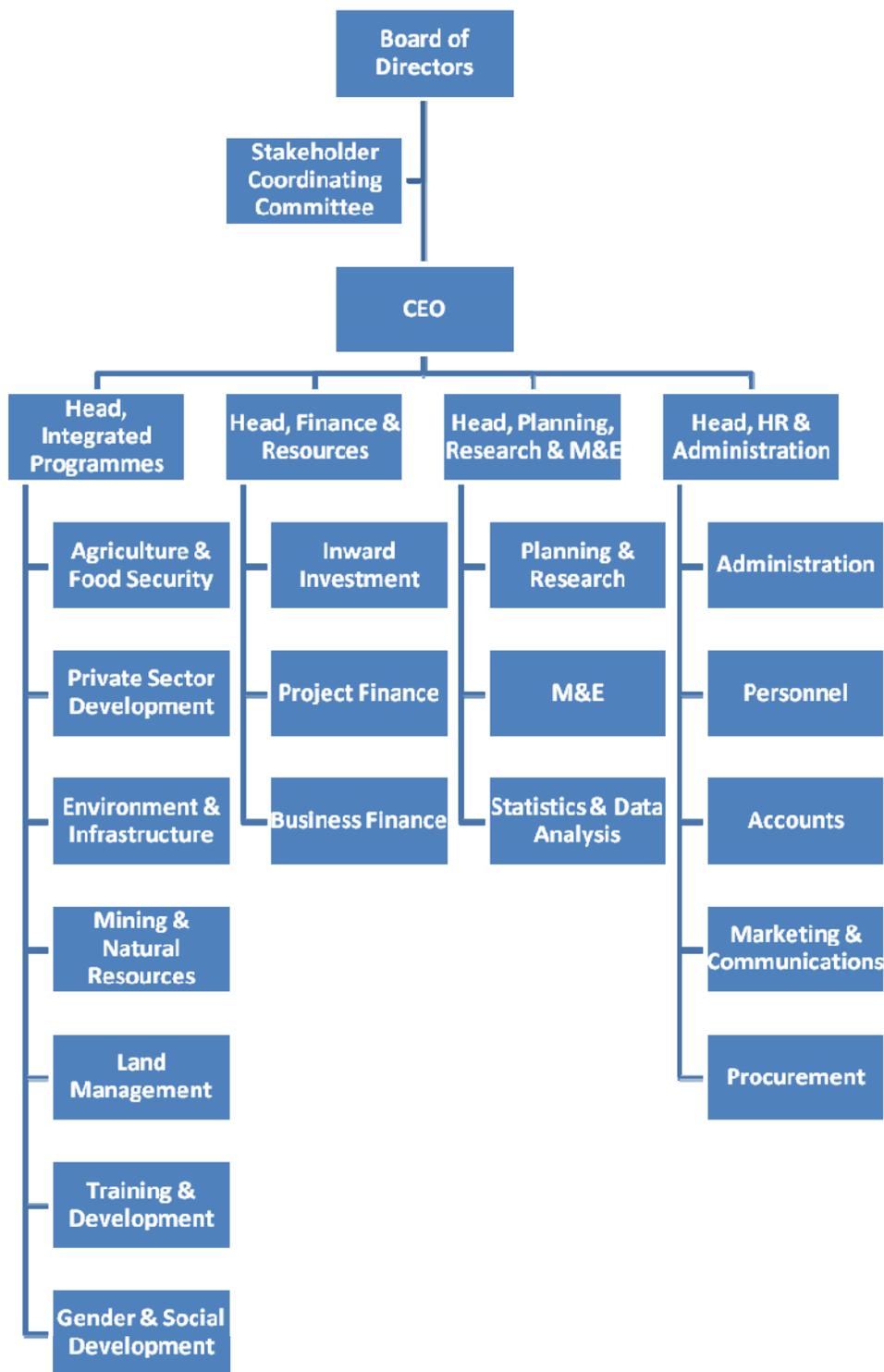
A full set of financial projections covering core activities and overhead expenditure, with associated assumptions, is provided in a separate spreadsheet. SADA's Income and Expenditure Statement 2012-2016 is provided in Appendix 3. A summary set out below shows a need for core funding amounting to GH¢45.2m (\$28.2m/£17.6m) over the period, based on the strategy and programmes set out this Business Plan, of which Funding Schemes Expenditure amounts to GH¢11.3m (\$7.0m/£4.4m) and Core Expenditure amounts to GH¢33.9m (\$21.2m/£13.2m). Finance will be sought from the Government of Ghana and Donors.

Expenditure	2012 (GH¢)	2013 (GH¢)	2014 (GH¢)	2015 (GH¢)	2016 (GH¢)	Total (GH¢)	Total (GBP)	Total (USD)
Funding Schemes	1.4m	1.7m	2.2m	2.6m	3.4m	11.3m	4.4m	7.0m
Core Expenses	6.0m	6.7m	6.7m	7.0m	7.5m	33.9m	13.2m	21.2m
Total	7.4m	8.4m	8.9m	9.6m	10.9m	45.2m	17.6m	28.2m

11.2. Programme/Project Funding

Core funding excludes programme/project funding. As a facilitation and coordination institution, SADA will identify opportunities for launching and/or scaling up accelerated development interventions and will facilitate the raising of programme/project finance but where implementation will usually remain with the implementing institution. Examples of such major flagship initiatives are provided in section 7.6.

Appendix 1: Organisation Chart



**Appendix 2: Donor Funded Economic Development Projects in the NSEZ
Current Programmes/Projects**

Programme/Project	Donor	Budget	Timeframe
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SADA BUSINESS PLAN 2012-2016

Rice Sector Support Project (RSSP): develop rice production	AfDB	€17.3	-2013
Rain-fed Rice Production: TA by Japanese rice experts to train small-scale farmers in pilot communities	Japan	?	2009-2013
Feed the Future: Support to WFP to procure locally produced food (maize, rice and soya) to create market channels; support agriculture by improved productivity, quality, post-harvest handling and trade; ADVANCE which links aggregators and processors to farmers to produce food to market needs	USAID	\$250m	5 years
WFP Purchase for Progress (P4P): assist smallholder/low-income farmers' organizations to access agricultural markets and build capacity of the FBOs, leverage WFP's purchasing power to help smallholder farmers and local purchasing	WFP	\$5.1m	2010-2015
Northern Rural Growth Programme: equitable and sustainable poverty reduction and food security among 372,000 rural households or three million people will directly or indirectly benefit, including 1.56 million women	AfDB	\$64.838m	2004-2015
Livestock Development Project: to increase incomes of smallholder livestock and dairy farmers, processors and traders	AfDB	\$31.738m	-2011
Rural Enterprises Project: agriculture-based project to support rural micro-and small-scale enterprises focused on community-based skills training, small business and training of master crafts persons	AfDB	\$12.157m	-2011
Ghana Private Sector Development Facility: assists women coops to process and distribute shea butter and groundnut oil	Italy	€100,000	-2012
PSD: mentoring, financial capacity development and loan guarantee scheme	Danida	DKK89.5m	2010-2014
MSME: matching grants	World Bank	\$45m	?
Capacity Building of MSMEs	UNDP	\$2.2m	2007-2011
Sustainable Livelihoods Programme: vulnerable households	EU	€2.3m	-2011
Gender Responsive Skills Development Project: improve national capacities for enhanced gender mainstreaming and skills training for employment and entrepreneurial development	AfDB	\$13.47m	2007-2012
Sustainable Rural Livelihoods Project: for deprived districts	UNDP	\$2.6m	-2011
Cotton Revival Programme	AfDB	€5m	2012-2016
Market Development in Northern Ghana (Pipeline)	DFID	?	?
Millennium Village in Northern Ghana (Pipeline)	DFID	?	?
Ghana Commercial Agriculture (Pipeline)	World Bank	\$50m	?
Regional Innovation Centres under eGhana (Pipeline)	World Bank	\$84.7m	?
Total		±\$600m	

Appendix 3: SADA Financial Projections 2012-2016

	2012 (GH¢)	2013 (GH¢)	2014 (GH¢)	2015 (GH¢)	2016 (GH¢)	Total (GH¢)
<u>Income</u>						
Government of Ghana Income	5,980,029	6,650,464	6,698,865	7,010,988	7,473,282	33,813,628
Donor Income	1,429,928	1,742,884	2,168,838	2,595,840	3,398,942	11,336,431
Other Income	0	0	0	0	0	0
	7,409,957	8,393,348	8,867,703	9,606,828	10,872,224	45,150,059
<u>Programme Scheme Expenses</u>						
Disbursements: Pilot Funds	500,000	750,000	1,000,000	1,250,000	1,500,000	5,000,000
Disbursements: Research Funds	250,000	150,000	150,000	150,000	150,000	850,000
Disbursements: Feasibility Studies	195,000	350,000	505,000	660,000	1,190,000	2,900,000
	945,000	1,250,000	1,655,000	2,060,000	2,840,000	8,750,000
Direct Expenses	484,928	492,884	513,838	535,840	558,942	2,586,431
Total Scheme Expenses	1,429,928	1,742,884	2,168,838	2,595,840	3,398,942	11,336,431
<u>Marketing and Communication Expenses</u>						
Travel	451,350	671,650	767,538	880,720	1,019,773	3,791,031
Hospitality	12,000	15,000	16,500	18,150	19,965	81,615
Advertising	250,000	312,500	343,750	378,125	415,938	1,700,313
Printing	20,000	25,000	27,500	30,250	33,275	136,025
Website	15,000	16,500	18,150	19,965	21,962	91,577
Public Relations	300,000	300,000	330,000	363,000	399,300	1,692,300
	1,048,350	1,340,650	1,503,438	1,690,210	1,910,212	7,492,860
<u>Premises Expenses</u>						
Office Rent	18,000	18,900	19,845	20,837	21,879	99,461
Utilities	5,760	6,048	6,350	6,668	7,001	31,828
Repairs/Maintenance	120,000	21,000	22,050	23,153	24,310	210,513
	143,760	45,948	48,245	50,658	53,191	341,802
<u>Administration Expenses</u>						
Telephone	24,000	28,800	37,440	44,928	49,421	184,589
Postage	1,200	1,200	1,200	1,200	1,200	6,000
Stationery	12,000	13,200	13,200	13,200	13,200	64,800
Recruitment Fees	30,600	40,800	30,600	10,200	10,200	122,400
Emoluments	1,420,200	2,872,800	3,960,495	4,158,520	4,366,446	16,778,460
Pension Contributions	106,515	215,460	297,037	311,889	327,483	1,258,385
Training	28,404	57,456	79,210	83,170	87,329	335,569
Directors' Remuneration	67,500	67,500	67,500	67,500	67,500	337,500
Technical Advisers	290,000	290,000	290,000	290,000	290,000	1,450,000
Contract Staff	1,795,000	1,231,650	0	0	0	3,026,650
Legal and Professional	30,000	30,000	30,000	30,000	30,000	150,000
Accountancy and Audit	100,000	105,000	110,250	115,763	121,551	552,563
	3,905,419	4,953,866	4,916,932	5,126,370	5,364,330	24,266,916
<u>Finance Expenses</u>						
Bank Charges	2,000	3,000	4,000	5,000	6,000	20,000
Capex	880,500	307,000	226,250	138,750	139,550	1,692,050
Core Expenditure	5,980,029	6,650,464	6,698,865	7,010,988	7,473,282	33,813,628
Total Expenditure	7,409,957	8,393,348	8,867,703	9,606,828	10,872,224	45,150,059