



**GHANA  
INVESTMENT  
PROMOTION  
CENTRE**

**TECHNICAL WORKSHOP ON PRINCIPLES  
GUIDING NEW INVESTMENTS IN AGRICULTURE  
ACCRA**

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# Presentation Outline

- ❑ GIPC mandate and role in facilitating investment
- ❑ Responsible agriculture investment (RAI) principles - The case of Golden Exotics Limited – Banana production at Asutuare, Ghana
- ❑ Fairtrade certification responsibilities and Responsible Agricultural Investment (RAI)
- ❑ Challenges in measuring flow-on community benefits of Responsible Agricultural Investment (RAI)
- ❑ Policy recommendations



# THE GIPC MANDATE

- The Ghana Investment Promotion Centre (GIPC) is a government agency re-established under GIPC ACT 2013, Act 865 to encourage, promote, and facilitate investments into and within the Ghanaian economy.

The main functions include:

- Investment advisory services
- Joint venture search
- Identification of specific projects for investment promotion
- Grant of investment incentives and provision of investor support services
- Registration of technology transfer agreements
- Negotiation of Bilateral Investment Treaties

# Expected benefits of Investments

<b>GIPC Expectations</b>	<b>UN Principles</b>
<ol style="list-style-type: none"> <li>1. Employment and income generation</li> <li>2. Skills and Technology Transfer</li> <li>3. Market Development and market access</li> <li>4. Forward and backward linkages</li> <li>5. Foreign Exchange earnings for the country</li> <li>6. Complying with environmental standards</li> <li>7. Corporate social responsibility</li> <li>8. Optimum and sustainable use of our resources</li> </ol>	<ol style="list-style-type: none"> <li>1. Contribute to food security and nutrition</li> <li>2. Contribute to sustainable and inclusive economic development and eradication of poverty</li> <li>3. Foster gender equality and women's empowerment</li> <li>4. Engage and empower the youth</li> <li>5. Respect tenure of land, fisheries and forest and access to water</li> <li>6. Conserve and sustainably manage natural resources, increase resilience and reduce disease risk</li> <li>7. Respect cultural heritage and traditional knowledge and support diversity of innovation</li> <li>8. Promote safe and healthy agriculture and food systems</li> <li>9. Incorporate inclusive and transparent structures, processes and grievance mechanism</li> <li>10. Access and address impact and promote accountability</li> </ol>

## **Responsible agricultural investment principles - The case of Golden Exotics Limited – Banana production in Asutuare Ghana**

- ❑ The Inter-Agency Working Group (IAWG) is piloting a program to encourage the use of principles for RAI to guide new investments in agriculture
- ❑ The promotion of RAI in the early stages of agribusiness development is expected to be mutually beneficial to the investors, community and the environment
- ❑ Golden Exotics Limited banana production is example of investment that is currently operated within the Free Zone. Current evidence indicates Golden Exotic investments have attained key performances that the proposed IAWG principles seek to achieve
- ❑ Establishment of Golden Exotics Limited in Asutuare in 2003
- ❑ Banana exports from 2,400 hectars of land
- ❑ Annual production is 65,000 tonnes. Current supply under the FairTrade label is 12% , rising to 30%.

## **Responsible agricultural investment principles - The case of Golden Exotics Limited – Banana production in Asutuare Ghana Con't**

- Labour force is approximately 2,644
- Women in labour force 20%
- Land is on lease for 20 years and renewable after every 20 years
- Payment for the lease is made annually

# Fairtrade certification responsibilities and responsible agricultural; investment

- ❑ Meeting responsibilities under Fairtrade standards promotes achievement of RAI performance
- ❑ Meeting Environmental standards
- ❑ Adhere to collective bargaining procedures; provide permanent contract to all workers
- ❑ Elimination of child labour at the plantation

Additionally Golden Exotics Ltd ;

- ❑ provide health Insurance to workers, spouses and family
- ❑ Transport service for workers
- ❑ Provision of meals and education support for wards of workers
- ❑ Provide facilities to local Senior High Technical School
- ❑ Building 300 housing units, rising to build 1,000 housing units for the workforce

# Challenges in measuring flow-on benefits of responsible agriculture investments

- From the Golden Exotic Ltd data, the scale of production and size of the workforce indicate there is significant community-wide impacts of their investment
- An ability to quantify these community-wide impacts can support the adoption of RAI. The Social Accounting Matrix (SAM) analysis as a tool has proved useful in quantifying flow-on community impacts of investment in sectors or commodities
- The 2005 SAM of Ghana provides detailed description of the structure of the Ghanaian economic system and provide a method to quantify the interdependencies between 56 sectors, 6 factors of production, rural and urban households, governments and external economies. A regional disaggregated version is also available
- The 2005 Ghana SAM has been used in several studies. It however uses out of date data. The capacity to use SAM is not readily available in institutions that would be charged with developing and evaluating RAI projects



# Policy recommendations

- A nucleus farm that supports out-growers is a model of plantation farming that encourages strong local support. For example Tamale Fruit Company and a number of oil plantations in Ghana.
- Anecdotal evidence suggests that farming technologies acquired by participants of an out-grower scheme can be transferred to the production of other crops by the farmers
- The large scale farming model used by the Golden Exotics Ltd appear successful in providing mutual benefits to the owners, workers and the community. In this case additional financial incentive from the Fairtrade certification has been necessary to ensure the principles of RAI are realised
- This suggests the promotion of Fairtrade certification can be useful in achieving the goals of RAI
- At the initial investment stage, the ability to quantify not only the direct benefits but also the flow-on benefits to the wider community and environment can be useful in promoting the benefits of RAI

# Policy recommendations con't

- The 2005 regional SAM should be updated and training provided to organisations charged with developing and evaluating RAI projects.
- The new Ghana SAM should also enable environmental flow-on impacts of RAI to be assessed



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# Thank you



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