



**Agriculture Stakeholder Convening and Advocacy Platform
Launch**

Theme: Redefining Ghana's Agricultural Transformation Agenda

**Remarks delivered by
Mrs. Elsie Addo Awadzi
Second Deputy Governor, Bank of Ghana**

**On behalf of
Dr. Ernest Addison
Governor, Bank of Ghana**

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Kempinski Hotel, Accra

The Honourable Minister for Finance, Hon. Ken Ofori-Atta

The Honourable Minister for Food and Agriculture, Hon. Owusu Afriyie Akoto

The Board Chairman of GIRSAL, Dr. Yaw Ansu and distinguished Board Members

The CEO of GIRSAL, Mr. Kwasi Korboe

Ladies and Gentlemen

1. It is a great pleasure to join you today as we launch GIRSAL's Agriculture Stakeholder Convening and Advocacy platform. This has come at an opportune time, given current discussions on the food production value chain and the potential role it can play to contain the current rise in inflation. Mr. Chairman, I believe we all agree that the Agricultural sector plays a crucial role in price stability, due to the weight of food in the consumer price basket.
2. Since May 2021, the inflation data have pointed to gradual increase in food prices, and this trend has intensified in recent months on the back of the recent Russian-Ukraine crises. Food inflation now stands at 30.1 percent in May 2022, significantly up from 5.4 percent in May 2021. Indeed, further insights in the data reveals faster acceleration of food inflation, relative to non-food inflation. Thus, the inability to address food supply conditions could in the long run jeopardize the Bank's mandate of price stability. It is within this context that I find this platform useful.
3. Clearly, these issues underscore the fact that, promotion of a resilient and thriving agricultural and agribusiness sector should not be taken for granted because of its broader implications on the economy, including price stability and helping to stabilize our currency through reduced food imports and generation of export revenues from the sector. Recognizing the important role of this sector to the economy therefore, the Bank of Ghana was instrumental in the initiation, design, and establishment of the Ghana Incentive-Based Risk Sharing System for Agricultural Lending (GIRSAL) and continues to support the scheme in various ways.

4. Between 2014 and 2016, BoG, in collaboration with the Ministry of Finance, Ministry of Food and Agriculture, Ministry of Trade, and other stakeholders set out to find innovative ways to shore up Ghana's exports and foreign exchange resources through agriculture and agribusinesses. Among the solutions, was for the financial sector, through BoG, to reduce the cost of financing by commercial banks in the agricultural sector. Through joint efforts, and with the support of technical partners such as the Alliance for a Green Revolution in Africa (AGRA), GIRSAL was to establish a Credit Guarantee (CRG) scheme to leverage lending for agriculture and agribusiness through a risk-sharing scheme.
5. GIRSAL was designed to be a holistic and integrated system of instruments designed to de-risk the agricultural sector and incentivize banks to lend to the sector to drive agribusiness development, and reduce capital constraints that limit competitiveness. At the onset, BoG provided GH¢200 million seed capital and GH¢10 million for the set-up and operational expenses to GIRSAL. However, in June 2018, BoG transferred its equity interest in GIRSAL Limited to the Government (Ministry of Finance), but continued to support the initiative in a number of ways. These include the approval of a zero-risk weighting of credit exposures covered by GIRSAL's Credit Guarantee Scheme, which demonstrates the confidence the central bank assigns to GIRSAL's CRG scheme, and thus, improving its credibility and attractiveness to financial institutions. Additionally, BoG partnered with GIRSAL's Technical Assistance Facility to develop and deliver agriculture and agribusiness finance training to financial institutions' staff and management, with support from AGRA. So far, 265 staff from 24 institutions have successfully completed this program at the National Banking College, with plans of extension to more institutions. BoG also supports GIRSAL with banking sector data, alongside its supervision and regulation of GIRSAL's activities.
6. Indeed, BoG is an invaluable partner to GIRSAL and looks forward to support its activities, including today's launch of an Agribusiness Public-Private Partnership Platform. This newly created AG Platform should provide stakeholders the avenue to identify key bottlenecks in the agriculture and agribusiness value chain, stimulate discussions, and identify possible solutions to unlock the true potential of this industry.

7. As a founding shareholder, BoG pledges its continued support for GIRSAL's activities. We expect that through the AG Platform, GIRSAL would continue to drive the policy discourse and develop innovative solutions to boost productivity and growth in the agricultural sector. This should ultimately improve food supply conditions and help lower inflation. We are confident in the operations of GIRSAL and its long term viability and we wish GIRSAL well in the years ahead.

Thank you.

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