



# B&P ASSOCIATES

Lawyers & Consultants

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# FOOD FOR THOUGHT: REVOLUTIONIZING THE AGRICULTURAL SECTOR OF GHANA.

The importance of food production and supply cannot be underestimated in any economy. For many years in Ghana, agriculture has been known as a vital part of the economy. As at 2019, the sector employed 33.5% of the labor force many of whom were women, actively participating in the value chain. Agriculture contributed 19.7% to Ghana's GDP and accounted for over 30% of export earnings in 2020. The sector has been relatively successful, considering that food production and supply in Ghana has steadily risen since the 1960s.

Despite the daunting effects of the Covid-19 pandemic in 2020, the agricultural sector proved to be much more formidable than other sectors of the economy. That notwithstanding, the pandemic posed a major threat to food production, supply chain and food security. Ghana Statistical Service Household and Jobs Tracker (GSSHJT) survey, taken in July 2020, confirmed that the pandemic posed a moderate to severe threat to food security. In a study conducted by the Agriculture

Policy Research in Africa (APRA) in south-western Ghana, 58.2% of respondents indicated that the cost of living increased due to the pandemic.

In light of the indicators above, it is important to consider what options can be explored as a defense against the existing threat. The ultimate aim however is to deal with food insecurity by strengthening the value chain using cost effective measures, leading to a steady rise in output from the sector at controlled prices, to meet demand. For this purpose, looking within and outside the borders of the nation simultaneously, may very well be the best approach.

An example of an external aid in the fight against food insecurity in Ghana is USAID's Feed the Future (FtF). This initiative invests in countries that are committed to improving their own food security and nutrition.

Looking internally, there are a number of measures in place aimed at revolutionizing

the agricultural sector of Ghana. In response to the global climate issues arising, the Ministry of Food and Agriculture (MoFA) has instituted a training programme in greenhouse and irrigation technology. In November 2020, sixty individuals graduated in greenhouse technology. The training provides knowledge in modern farming techniques and vegetable cultivation under greenhouse technology.

To further expand the economic potential of the sector, the Tree Crop Development Authority (TCDA) has been set up as the body in charge of the regulation and development of production, processing, trading, and marketing of six tree crops (cashew, shea, mango, coconut, rubber, and oil palm) in Ghana. The Authority was set up under the Tree Crops Development Authority Act 2019 (Act 1010) and officially inaugurated on 29th September 2020. A boost in the trade of these tree crops is anticipated.

A holistic approach towards supporting the sector requires that the opportunities available to smallholder farmers are also considered. Through the Ghana Agricultural Insurance Pool (GAIP), smallholder farmers, commercial farmers and participants in the agricultural sector are able to take out insurance against risks that they face in their line of business. This is therefore one way to support the effort of smallholder farmers, among others. The support given will in turn reflect in the output of the beneficiaries and contribute to eradicating food insecurity in Ghana.

Beyond these policies and initiatives, it is becoming increasingly clear that lack of financial inclusion plays a major role in the output of the sector. In order to maximise agriculture's full economic potential, a critical look must be taken at the application of modern science and technology. Particularly, the production segment (smallholder farming) of the value chain begs to be digitised. Recent efforts and innovations like mobile money have stimulated financial inclusion and better integrated the value chain that ultimately

reinforce the sector as a whole.

Organisations like the GSM Association, continue to look for ways to optimize the digitisation of agriculture in Ghana and globally. We anticipate that this will reflect in the war against food insecurity.

Overall, cautious optimism is held out, that the changes and initiatives being introduced to revamp the sector will yield their intended results and also withstand future pressures or crises which may arise. This in essence will bridge the gap that exists between access to food and nutrition and the demand for it, thereby dealing with the threat of food insecurity. Until then, this remains a battle worth fighting.



## ENERGY UPDATE

### **Sub-Saharan Africa's First LNG to Power Project.**

Ghana is set to open sub-Saharan Africa's first liquefied natural gas-to-power project. Tema LNG Terminal Co. received the floating regasification unit from Jiangnan, China in preparation for the supply of 1.7 million tons of natural gas per year for power generation in 2021. The \$350 million project began about two years ago with the backing of Helios Investment Partners and Africa Infrastructure Investment Managers.

Royal Dutch Shell Plc is to serve as the supplier of gas while Ghana National Petroleum Corporation (GNPC) is currently the mandatory off-taker who will receive regasified LNG to fuel plants in the Tema power and industrial enclave. Reganosa Servicios SL is the contractor for the operation and maintenance of the unit and 6 km gas pipeline.

## LEGISLATIVE CORNER



### **Transfer Pricing Regulations, 2020 (L.I. 2412) passed.**

Transfer Pricing Regulations, 2020 (L.I. 2412) came into force on 2 November 2020. It repealed the Transfer Pricing Regulations, 2012 (L.I. 2188). L.I. 2412 incorporates revisions introduced by the July 2017 edition of the Organisation for Economic Co-operation and Development (OECD)'s Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations (OECD Guidelines), with some variations.

### **The Anti-Money Laundering Bill of 2020.**

Parliament has passed the Anti-Money Laundering Bill, 2020. The Bill when assented to, will amend and consolidate the laws relating to money laundering and address related matters. It seeks to seal the loopholes in the existing anti-money laundering regulatory framework and conform it to international standards.

### **A legislative Boost for Ghana's MSMEs.**

The Ghana Enterprises Agency Bill, 2020 has been passed by Parliament with the implication of converting the National Board for Small Scale Industry (NBSSI)

into Ghana Enterprises Agency (GEA). The GEA will be tasked to oversee, coordinate, promote and develop programmes and projects for the development of Micro, Small and Medium Enterprises (MSMEs) in the Ghana.

### **Ghana's New Cybersecurity Law.**

Parliament has passed the Cybersecurity Bill 2020. The Bill establishes the Cyber Security Authority (CSA). It protects the critical information infrastructure of the country, regulates cybersecurity activities, provides for the protection of children on the internet and develops Ghana's cybersecurity ecosystem. It also positions Ghana to prevent, manage and respond to cybersecurity incidents in view of the digital transformation agenda.



## **BUSINESS UPDATE**

### **What's new with AfCFTA?**

- The AfCFTA commencement ceremony was held on January 1, 2021.
- All official functions have been transferred to the AfCFTA Secretariat in Accra.
- A National Coordination Office and Action Plan is in place for the implementation of AfCFTA in Ghana.
- A Business Forum was convened at the start of trading with resulting implementation arrangements to sensitize SMEs on the process flow, e-commerce and market opportunities.
- The Customs Division of the Ghana Revenue Authority has been designated to issue Rule of Origin certificates to exporting companies in Ghana.
- On January 5, 2020, two local Ghanaian manufacturers – Kasapreko Company Limited and Ghandour Cosmetics Limited – exported to other African countries pursuant to AfCFTA.
- AfCFTA is set to introduce a digital platform to enable interconnectivity on the Continent. The proposed platform will allow verification of trade documentation, create room for business expansion and promises to reduce trade barriers for SMEs.

## FIRM'S NEWS



### **“Assessing the Impact of COVID-19 on the Implementation of the African Continental Free Trade Agreement: Which Way Forward?”**

Despite the extraordinary challenges of 2020, Africans are working to realize the promise of the continental market. The discussion on AfCFTA has progressed from whether it will hasten region-wide economic development, to when and how this potential will yield.

At the online University of Ghana School of Law, Law in Crisis Seminar of 14th January 2021, our Managing Partner, Adelaide Benneh Prempeh, presented a legal perspective on AfCFTA’s way forward in a post-COVID environment. The other speakers were David Ofori-Dorte, Dr. Francis Manganji, and Prudence Sebahizi. The session was moderated by Augustine Kidisil.

Adelaide joins the discussion at the 37th minute.

**Watch:**<https://lnkd.in/dxTxbNX>

**Listen:**<https://podcasts.apple.com/gb/podcast/law-in-crisis/id1528210365>

## WHO'S WHO?

Wamkele Keabetswe Mene is the first Secretary General of the African Continental Free Trade Area (AfCFTA) Secretariat, elected in February 2020. Previously, Mr. Mene served as the Head of Mission to the World Trade Organisation in South Africa and was South Africa’s lead negotiator on AfCFTA.

# B & P ASSOCIATES

## **About B & P ASSOCIATES**

B & P ASSOCIATES is a Corporate and Commercial legal practice and consultancy, with an excellent reputation, based in heart of Accra. The Team is highly regarded for its cross-border legal expertise, responsiveness and commitment. We provide business-oriented legal advice across a range of sectors, to both local and international clients. For more information see [www.bpaghana.com](http://www.bpaghana.com) to learn more about what we do.

*This publication may provide a summary of legal issues but is not intended to give specific legal advice. If you require legal advice, please speak to a qualified lawyer, which may include a qualified member of our legal team at B & P ASSOCIATES.*