

**AGENCY FOR
INTERNATIONAL
DEVELOPMENT**



ANNUAL BUDGET SUBMISSION

FY 83

GHANA

BEST AVAILABLE

JUNE 1981

**UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
WASHINGTON, D.C. 20523**

FY 83 Annual Budget Submission - Ghana

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TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$ Thousands)

DEVELOPMENT ASSISTANCE	Country								
	<u>GHANA</u>								
	FY 1981 EST	FY 1982 EST	FY 1983 REQUEST			PLANNING PERIOD			
MIN			CURR	AAPL	1984	1985	1986	1987	
Agriculture, Rural Development and Nutrition	4,200	4,300	2,900	6,300	17,300	19,000	24,000	26,000	28,000
Grants	4,200	4,300	2,900	6,300	12,600	9,000	24,000	16,000	28,000
Loans	-	-	-	-	4,700	10,000	-	10,000	-
Population	-	900	400	800	800	850	900	1,000	1,000
Grants	-	900	400	800	800	850	900	1,000	1,000
Loans	-	-	-	-	-	-	-	-	-
(of which centrally procured commodities)									
Health	-	900	600	1,000	1,000	1,150	1,100	1,000	1,000
Grants	-	900	600	1,000	1,000	1,150	1,100	1,000	1,000
Loans	-	-	-	-	-	-	-	-	-
Education	660	1,900	700	900	900	1,000	1,000	1,000	1,000
Grants	660	1,900	700	900	900	1,000	1,000	1,000	1,000
Loans	-	-	-	-	-	-	-	-	-
Selected Dev. Activities	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
SUBTOTAL FUNC. ACCOUNTS	4860	8,000 ^{1/}	4,600	9,000	20,000	22,000	27,000	29,000	31,000
Grants	4860	8,000	4,600	9,000	15,300	12,000	27,000	19,000	31,000
Loans	-	-	-	-	4,700	10,000	-	10,000	-
P.L. 480 (Non-Add)									
Title I/III	12,700	14,000	10,000	14,000	25,000	30,000	35,000	40,000	35,000
(of which Title III)	-	-	-	-	5,000	10,000	15,000	20,000	20,000
Title II	6,239	6,400 ^{2/}	5,767 ^{3/}	5,767 ^{3/}	6,780	8,000	7,000	6,000	5,000

TOTAL PERSONNEL

USDH (Workyears)	25	19	19	19	22 ^{4/}	22	22	22	22
FNDH (Workyears)	43	38	38	38	38	38	38	38	38
USDH-PT (Workyears)	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6

^{1/} See Table III ARDN (Special Requirements).

^{2/} FY 82 AER program levels per STATE 128253.

^{3/} This reflects FY 82 CP budget level and is not consistent with requirements on recipient basis.

^{4/} Exceeds FY 83 workforce planning level by 3 workyears.

TABLE I - NARRATIVE

The FY 82 funding guidelines are adequate if the Ghana program operates at the low option level as defined in the FY 83 CDSS. If, however, Ghana undertakes serious efforts to stabilize its economy, the Mission will require in FY 82 an estimated additional \$10,000,000 for an agricultural sector support package aimed at supporting the Ghana Government's stabilization efforts as agreed in the FY 83 CDSS review.

In addition, the MIDAS II project contained authorization for \$11,711,000 for the loan component for which obligations were to be completed in FY 82. To date \$7,000,000 has been obligated and this should be able to accommodate anticipated requirements as project implementation is slower than originally anticipated. However, funding constraints will allow the remaining \$4,711,000 to be included only at the FY 83 AAPL level. A comprehensive review of the MIDAS project is planned during the latter part of 1982 at which time the Mission will be able to recommend when the additional loan funds will be required.

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
 FY 1981 to FY 1983
 (\$ thousands)

APPROPRIATION ACCOUNT	FY 1981	FY 1982	FISCAL YEAR 1983		
			MINIMUM	CURRENT	AAPL
<u>ARDN</u>	<u>4200</u>	<u>4300</u>	<u>2900</u>	<u>6300</u>	<u>17300</u>
0072 FAAD I (PVO)	200	--	--	--	--
0084 DAPIT	--	500	800	800	800
0101 MIDAS II (Grant)	3000	1800	2100	3000	3000
0102 MIDAS II (Loan)	--	--	--	--	4700
0103 FAAD II (PVO)	500	1400	--	1500	1500
0104 Agric. Sector Support <u>1/</u>	--	--	--	--	6300
0107 DIPRUD II	500	600	--	1000	1000
<u>POP</u>	--	<u>900</u>	<u>400</u>	<u>800</u>	<u>800</u>
0082 Primary Health Care	--	900	400	800	800
<u>HE</u>	--	<u>900</u>	<u>600</u>	<u>1000</u>	<u>1000</u>
0082 Primary Health Care	--	900	600	1000	1000
<u>EHR</u>	<u>660</u>	<u>1900</u>	<u>700</u>	<u>900</u>	<u>900</u>
0077 ERDM	360	275	--	--	--
0095 CDST (PVO)	60	--	--	--	--
0101 OICI II (PVO)	240	--	--	--	--
0108 OICI III (PVO)	--	1625 <u>2/</u>	700	900	900
<u>SD</u>	--	--	--	--	--
SUBTOTAL OF FUNCTIONAL ACCTS.	4860	8000	4600	9000	20000
<u>ARDN</u> (Special Requirements)					
0104 Agric Sector Support <u>1/</u>		10000			
GRAND TOTAL FUNCTIONAL ACCTS.	4860	18000	4600	9000	20000

1/ Agric. Sector Support Grant assumes GOG economic stabilization performance and availability of AID funding.
2/ Funds shifted within FY 82 CP from Project Nos. 0100 and 0106 to permit forward funding of Project No. 0104.
 (All funding above is grant funding unless otherwise indicated)

III-A Project Budget Data

1. P.D. & S Requirements

	<u>FY 82</u>	<u>FY 83</u>
<u>ARDN</u>		
Agriculture Sector Support (G)	40	25
MIDAS II - Tranche II	25	-
<u>EHR</u>		
Ag. Management*	20	-
<u>OTHER</u>		
P.L. 480 Title III	25	20
Non-Allocated**	25	25

*End of project evaluation.

**The Mission requires \$25,000 in each fiscal year for PDS funds not allocated to specific projects. These funds will be used primarily for program development and to improve the data base for program planning.

2. AIP Requirements

None can be identified at this time.

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TABLE IV PROJECT BUDGET DATA										Country					GHANA			
NUMBER	PROJECT TITLE	O/L	OBLIGATION DATE		LIFE OF PROJECT COST	CUM PIPELINE AS OF 9/30/80	FY 1981		FY 1982		ESTIMATED U.S. DOLLAR COST (\$000)					ITEM #		
			INITIAL	FINAL			OBL	EXP	OBL	EXP	1983 AAPL	1984	1985	1986	1987		FUTURE YEAR	
0069	DAST SD Sub Total	G	75	76	589 383 589 383	206 206												
	Country Total	G L				20899 10681 10218		4860 4860 -	6065 4995 1070	18000 18000 -	16829 11681 5148	20000 15300 4700	19754 9754 10000	20400 20400	4375 4375			

1/ First tranche authorization levels
 2/ Includes ARDN (Special Requirements) of \$10.00 million. See Narrative to Table I and Table III for details.
 3/ To be deallotted in FY 8f.

TABLE IV B
FY 82-83 PROJECT DEVELOPMENT SCHEDULE

FY 82

1. Opportunities Industrialization Centers International (OPG) III (641-0108)

- a. PID Status - None required as OPG
- b. Project Design/Contracting Needs - None

2. Agricultural Sector Support (641-0104)

- a. PID Status - Preparation/Submission schedule will be determined prior to AID budget submission to OMB in August/September 1981.

b. Project Design/Contracting Needs:

<u>Specialty Area</u>	<u>Possible Source</u>	<u>Timing</u>
Macro Economist	REDSO/WA	1Q-2Q FY 82
Commodity Management	"	" "
Legal Advisor	"	" "
Heavy Equipment	Contract	" "
Agricultural Engineer	"	" "
Agricultural Marketing	"	" "

Agriculture Sector Support (641-0104)

Duration of Project: FYs 82-85	Life of Project Funding: 31,300,000 (G)
Appropriation: ARDN	FY 82 Funding: 10,000,000 (G)
	FY 83 Funding: 6,300,000 (G)

Purpose

The project purpose is to strengthen agricultural marketing activities and provide greater accessibility of the small farmer to production inputs.

Statement of the Problem

The economy of Ghana has suffered through a steady and pervasive decline in the last decade. Economic mismanagement and foreign exchange shortages have led to a marked deterioration of the capital infrastructure of the country and a shortage of raw material inputs for the country's industries. A reduction in the economy's ability to produce goods and services has been the immediate result. The reduced economic activity has constrained the growth of government revenues but not of expenditures. The resultant budget deficits have fuelled an inflation rate which continues to hover at the 100 percent per year level. Rapid inflation combined with a fixed exchange rate have led to a severely overvalued currency and distorted the incentive to export. This in turn exacerbates the foreign exchange shortage and the downward spiral continues.

Of specific interest in this macroeconomic setting is the impact on small farmer food production, the centerpiece of USAID/Ghana's efforts as detailed in the CDSS. The most immediate effect centers on the shortages of spare parts for trucks and the continued deterioration of the road network which make very problematic a farmer's ability to market surplus food production. It has been estimated that as much as 30 percent of surplus food production in Ghana is lost before transport can be arranged to market it. The other major negative effect of the economic setting on small farm production is the lack of production inputs, particularly fertilizer, available to the small farmer. On farm fertilizer shortages are an outgrowth of both the foreign exchange shortages which preclude sufficient importation and the poor transport network which prevents the timely distribution of even the modest current level of imports.

In such an economic environment, the incentive and rationale to produce agricultural surpluses is very low. This project is directed at these problems.

Proposed Means of dealing with Problem

The present project is to be considered only in the context of a broader economic stabilization effort by the Government of Ghana with the International Monetary Fund providing the bulk of the external resources needed. If successful the stabilization effort will halt the general deterioration in the economy and set the macroeconomic stage for improvement of small farmer food production.

The agriculture sector support project will supplement Ghana's financial ability to import fertilizers and to procure equipment and spare parts to improve the quality and quantity of the agricultural transportation fleet. This will allow a more appropriate level of inputs to be available to small farmers and a more timely delivery of inputs and evacuation of production. The project will be directly supportive of the ongoing Mission program, particularly the MIDAS project which is increasing the technical capability of Ghanaian agricultural institutions (Agricultural Development Bank, Ghana Seed Company, Extension Service of the Ministry of Agriculture, etc.) to support small farmer production.

It should be noted that the above programming is notional. The precise areas for assistance within the sector can be determined once a stabilization program is in place and the areas of the IMF and IBRD assistance are known.

Host Country Entities

Overall responsibility for the project will be with the Ministry of Finance and Economic Planning and the Ministry of Agriculture.

Target Group

The immediate beneficiaries will be small farmers and the rural population who will have more reliable transport system to evacuate agricultural production and to deliver inputs and consumer goods and services.

Major Issues During Project Development

- The Government of Ghana's policy regarding subsidization of fertilizer and other inputs is a major issue which will be resolved during project development.

- The Government of Ghana's farm-gate pricing policy for agricultural production will be crucial to the farmer incentive to produce. Cocoa pricing policy is one of the issues currently being discussed with the IMF. How this and other stabilization efforts affect pricing of food crops will need to be reviewed during project development.

TABLE V - FY 1983 PROPOSED PROGRAM RANKING

RANK	DECISION PACKAGES/PROGRAM ACTIVITY DESCRIPTION	ONGOING/ NEW	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING (\$000)		WORKFORCE (Number of Workmonths)			
					INCR	CUM	INCR	CUM	INCR	CUM
Country: Ghana										
<u>DECISION PACKAGE MINIMUM</u>										
	<u>Pipeline Projects</u>					20865	204	204	444	444
	<u>New and Continuing Projects</u>									
1.	0102 MIDAS II	O	G	FN	2100					
2.	PL 480 Title I Wheat Rice	N			(10000)					
3.	PL 480 Title II CRS MCH SF OCF FFW ^{a/}				(5767)					
4.	0082 PHC	O	G	HE/PN	1000					
5.	0084 DAPIT	O	G	FN	800					
6.	0108 OICI III	O	G	EH	700					
7.	Basic Workforce				4600		43	247 ^{b/}	12	456 ^{b/}
	Total Minimum Package and Related Workforce				4600		247		456	
<u>DECISION PACKAGE CURRENT</u>										
8.	0102 MIDAS II	O	G	FN	900	5500		247		456
9.	PL 480 Title I Wheat Rice	N			(4000)	5500		247		456
10.	0082 PHC	O	G	HE/PN	800	6300		247		456
11.	0103 FAAD II	O	G	FN	1500	7800		247		456
12.	0107 DIPRUD II	O	G	FN	1000	8800		247		456
13.	0108 OICI III	O	G	EH	200	9000		247		456
	Total Current Package and Related Workforce				4400					
<u>DECISION PACKAGE AAPL</u>										
14.	P.L. 480 Title II CRS MCH SF OCF FFW ^{a/}	O	L	FN	(1013)	9000				
15.	0102 MIDAS II		G		4700	13700				
16.	0104 AG SECTOR SUPPORT	O	G	FN	6300	20000		24	271	456
17.	PL 480 Titles I/III	N			(11000)	20000		12	283	456
18.	Workforce Increment AAPL Package				11000		36			
	Total AAPL Package and Related Workforce						36			

AID 1330-9 (4-81)
^{a/}Program types presented in declining order of priority. See Table XII for details.
^{b/}Personnel planning level is 703.

TABLE V - NARRATIVE

USAID Ghana's FY 83 CDSS outlined a development assistance strategy for the FY 83-87 period and identified areas of functional interest for AID investments and modes of assistance delivery. The investment areas are designed to:

- emphasize small farmer food production;
- accelerate primary health care including family planning programs;
- support the work of private and voluntary organizations and other intermediaries in human resources development; and,
- meet priority stabilization needs through non-project assistance and PL 480 Title I/III.

The USAID Ghana budget proposal (Table V) is arrayed in three levels (Minimum, Current and AAPL):

- Minimum: \$4.6 million. This represents the program level below which we believe it would make little sense to continue. The minimum level concentrates on continuing programs for small farmer food production (MIDAS II and DAPIT) and maintains limited program momentum in rural health services (PHC) and manpower training (OIC III). No new initiatives would be undertaken. PL 480 Title I is programmed at a minimal level and PL 480 Title II would be maintained at the prior year funding level.
- Current: \$4.4 million increment. The current package maintains the predominant emphasis on food production and supportive rural development programs (77% of functional accounts). MIDAS II, which has as its principal objective to foster increases in small farmer production of food staples, will be more fully funded. This would be supplemented with investments supporting small farmer development at the community level through continued support to (a) private and voluntary organizations which have proven effective (FAAD II) and (b) to a rural development program (DIPRUD II) in the Atebubu District.

Eighteen percent of the resource package will fund health and family planning initiatives at an expanded level. Finally the OICI activity would be supported at its planned level. PL 480 Title I would be expanded and the increased local currency generated would provide expanded local cost support in tandem with the increased USAID funding for stimulating small farmer food production.

- AAPL: \$11 million increment. At this level the balance of the MIDAS II authorized loan tranche would be programmed. The AAPL level would also permit a real expansion of assistance to Ghana through support of activities relating to the fourth investment area. Satisfactory performance under an IMF stabilization program would be supported by a modest level of non-project assistance to help stimulate the process of economic recovery. A Title III program with inputs to include industrial raw materials would be initiated in support of increasing the capacity utilization of Ghana's industrial base. PL 480 Title II would be programmed at the prior year recipient level. Programming at this level will require a workforce increment of 36 work-months above the personnel planning level.

TABLE VIII

COST SUMMARIES	MINIMUM			CURRENT			AAPL		
	FY 1983			FY 1983			FY 1983		
	(\$000's)	Related Workyear	Unit Cost	(000's)	Related Workyear	Unit Cost	(\$000's)	Related Workyear	Unit Cost
US Direct Hire	1564	19.0	82.3	1564	19.0	82.3	1804	22.0	82.0
FN Direct Hire	456	38	12.0	456	38	12.0	456	38	12.0
US Direct Hire (Part Time)	26	1.6	16.3	26	1.6	16.3	26	1.6	16.3
FN Contract Pers.	-	-	-	-	-	-	-	-	-
Housing Expense	1407	21	67.0	1407	21	67.0	1508	24	62.8
Office Operations	2334	XX	XX	2334	XX	XX	2437	XX	XX
Total Budget	5787	XX	XX	5787	XX	XX	6231	XX	XX
Mission Allotment	4668	XX	XX	4668	XX	XX	4943	XX	XX
FAAS	89.3	XX	XX	89.3	XX	XX	89.3	XX	XX
Trust Fund	-	XX	XX	-	XX	XX	-	XX	XX

Note:

The above budgets were calculated assuming the present rate of exchange for local currency costs and used inflation factors ranging from 20% to 100% depending upon the item which is consistent with recent Ghana experience.

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-----FY 1983-----

ITEM	US/ FN	FUNC TION	SKILL	POSITION NUMBER AND TITLE	LEVEL	CAT	PERS WORK SHC	FY 81	FY 82	AT MIN	AT CURR	AT AAPL	ABOVE PLAN LEVEL	FY 84	FY 85
773	U	40	103	15021 PROJECT MANAGER AGRICULTURE	H	-	40	12	12	12	12	12	-	12	12
774	U	40	103	15107 PROJECT MANAGER AGRICULTURE	H	-	40	12	12	12	12	12	*	12	12
	F	40	103	AGRICULTURE SPECIALIST			40	12							
922	U	40	150	11038 FOOD FOR PEACE OFFICER	H	-	40	12					*	12	12
	F	40	150	FOOD FOR PEACE SPECIALIST	P		40	12		12	12	12		12	12
754	U	40	502	16006 HEALTH OFFICER	H	-	40	12					-		
766	U	40	600	17010 HMRS DEV OFFICER EDUCATION	H	-	40	12	12	12	12	12	-	12	12
	F	40	103	ADMINISTRATIVE SPECIALIST			40	12							
	F	40	050	SECRETARY			40	12	12	12	12	12	-	12	2
1795	F	40	03	DIRECTOR, WOMEN IN DEVELOPMENT	P	-	40	12	12	12	12	12	-	12	12
1383	F	40	030	ADMINISTRATIVE SPECIALIST	N	-	40	12	12	12	12	12	-	12	12
1384	F	40	050	SECRETARY	N	-	40	12	12	12	12	12	-	12	12
1382	F	40	101	AGRICULTURE ECONOMIST	P	-	40	12	12	12	12	12	*	12	12
	F	40	101	AGRICULTURE ECONOMIST	H	-	40	12						12	12
1799	F	40	502	ADMIN/PROGRAM HEALTH SPECIALIST	P	-	40	12	12	12	12	12	-	12	12
1797	F	40	550	POPULATION SPECIALIST	P	-	40	12	12	12	12	12	-	12	12
1796	F	40	990	TECHNOLOGIST SPECIALIST	P	-	40	12							
769	U	50	043	13014 DEPUTY CONTROLLER	H	-	40	12	12	12	12	12	-	12	12
776	U	50	043	13009 CONTROLLER	S	-	40	12	12	12	12	12	-	12	12
1385	F	50	041	CHIEF ACCOUNTANT/FINANCIAL ANALYST	P	-	40	12	12	12	12	12	-	12	12
	F	50	041	ACCOUNTANT (SENIOR)	P	-	40	12	12	12	12	12	-	12	12
1386	F	50	041	ACCOUNTANT (SENIOR)	P	-	40	12	12	12	12	12	-	12	12
	F	50	041	ACCOUNTANT (SENIOR)	P	-	40	12	12	12	12	12	-	12	12
1387	F	50	041	ACCOUNTANT	P	-	40	12	12	12	12	12	-	12	12
	F	50	041	ACCOUNTANT (SENIOR)	P	-	40	12	12	12	12	12	-	12	12
1388	F	50	058	SECRETARY	H	-	40	12	12	12	12	12	-	12	12
4414	F	60	031	ACCOUNTANT (SENIOR) EXECUTIVE OFFICER	H	-	40	12	12	12	12	12	-	12	12
1062	U	60	033	13510 PERSONNEL OFFICER	H	-	40	12	12	12	12	12	-	12	12
	U	60	050	13545 SECRETARY (VACANT) RESIDENT STAFF	E	-	32	12	12	12	12	12	-	12	12
	U	50	043	55094 IDI - CONTROLLER	E	I	40	12	6					12	12
	U	10	010	55051 IDI - AGRICULTURE	E	I	40	12	6					12	12

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BUREAU: BUREAU FOR AFRICA

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ITEM	US/ FN	FUNC TION	SKILL	POSITION NUMBER AND TITLE	LEVEL	CAT	PERS WORK SMC	FY 81	FY 82	AT MIN	AT CURR	AT AAPL	AT PLAN	ABOVE LEVEL	FY 84	FY 85
1060	U	60	034	13513 GENERAL SERVICES OFFICER	H	-	40	12	12	12	12	12	12	-	12	12
1061	U	60	034	13515 ASSISTANT GENERAL SERVICES OFFICER	H	-	40	12	12	12	12	12	12	-	12	12
1390	F	60	030	ADMINISTRATIVE SPECIALIST	N	-	40	12	12	12	12	12	12	-	12	12
1390	F	60	030	ADMINISTRATIVE SPECIALIST	N	-	40	12	12	12	12	12	12	-	12	12
1389	F	60	033	PERSONNEL ASSISTANT	N	-	40	12	12	12	12	12	12	-	12	12
1396	F	60	034	GSO SPECIALIST	P	-	40	12	12	12	12	12	12	-	12	12
1396	F	60	034	GSO ASSISTANT	N	-	40	12	12	12	12	12	12	-	12	12
1398	F	60	034	GSO ASSISTANT	N	-	40	12	12	12	12	12	12	-	12	12
1398	F	60	034	GSO ASSISTANT	N	-	40	12	12	12	12	12	12	-	12	12
1397	F	60	036	GSO CLERK	N	-	40	12	12	12	12	12	12	-	12	12
1397	F	60	036	GSO CLERK	N	-	40	12	12	12	12	12	12	-	12	12
1391	F	60	050	SWITCHBOARD OPERATOR/TYPIST	N	-	40	12	12	12	12	12	12	-	12	12
1395	F	60	07	LOCAL PROCUREMENT ASSISTANT	N	-	40	12	12	12	12	12	12	-	12	12
1399	F	60	07	ADMINISTRATIVE ASSISTANT	N	-	40	12	12	12	12	12	12	-	12	12
1392	F	60	072	OFFICE MANAGER (C AND R)	N	-	40	12	12	12	12	12	12	-	12	12
1394	F	60	932	PROCUREMENT SPECIALIST	N	-	40	12	12	12	12	12	12	-	12	12
1394	F	60	932	SUPPLY/PROCUREMENT SPECIALIST	N	-	40	12	12	12	12	12	12	-	12	12
1393	F	60	990	REPRODUCTION CLERK	N	-	40	12	12	12	12	12	12	-	12	12
1400	F	60	990	DISPATCHER	N	-	40	12	12	12	12	12	12	-	12	12
1401	F	60	990	MAINTENANCE SUPERVISOR (VEHICLES)	N	-	40	12	12	12	12	12	12	-	12	12
								847	703	703	703	739	36	739	739	
TOTAL FOR DECUNIT																

AUTOMATIC DATA PROCESSING (ADP)/WORD PROCESSING (WP)

USAID/Ghana does not currently utilize ADP or WP equipment, services or systems nor do we envisage acquiring such resources in FYs 82 and 83.

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P.L. 480 Narrative

1. Titles I/III

PL 480 continues to be an important part of the total US assistance effort in Ghana. Because of Ghana's present precarious economic position and a large food grains deficit, Ghana requires assistance/imports which ease balance of payments pressures and which can be distributed rapidly. Title I commodities fall into this category. The detailed justification for programming PL 480 Titles I/III to Ghana is contained in our FY 83 CDSS and therefore not repeated below.

Reliable current supply and distribution data is not available for commodities proposed under Titles I/III. USAID considers (See Accra 03167) the 1980/81 season to be average in terms of food crop production. The total production of food grains, while average, fall short of demand by very roughly 300,000 to 400,000 metric tons, with wheat requirements accounting for perhaps 50 percent of the deficit.

If Ghana undertakes a stabilization effort with IMF support, the availability of PL 480 assistance - Titles I and III - will stimulate production and employment and form a major part of rapid disbursing U.S. financial assistance which we would expect to provide in support of the stabilization program. If Ghanaian economic policies are not improved, a PL 480 Title I program at a minimal level would serve to ameliorate declining nutritional standards.

A stabilization program will require several years to balance the budget, reduce inflation to a manageable level, and produce a situation where Ghana is generating significant domestic resources for development. Critical to the success of the stabilization program, particularly in the short-term, is an attack on inflation from the supply side. Demand management, by reducing budget deficits and strict credit controls, cannot by itself bring the inflation rate down. Unless there is an increase in the supply of consumer goods and industrial raw materials, critical shortages of such goods will frustrate measures taken to improve economic management.

For FYs 82 and 83, the commodities most appropriate for inclusion in Title I programs in Ghana are wheat, rice and corn. As the stabilization program takes hold additional PL 480 support in the form of industrial raw materials such as cotton is programmed. The local currency proceeds generated by commodity sales will be

used to support the overall stabilization program and, additionally, be linked to priority AID supported development activities such as small farm credit expansion in rural Ghana which should improve food production and productivity.

All of the commodities projected under Title I, are in short supply in Ghana. This condition is expected to continue over the medium term. Under current circumstances a PL 480 Title I program will not have a substantial disincentive effect on local agricultural production or be subject to storage or distribution problems. With reference to the disincentive effects of individual commodities, it should be noted that:

Wheat - climatic and environmental conditions in Ghana are not conducive to growing wheat.

Rice - rice production falls short of human requirements.

Corn - corn production cannot meet human and animal needs.

Cotton - has traditionally been imported as domestic production lags far behind domestic textile manufacturing requirements.

Industrial raw materials, such as raw cotton (for spinning mills) will increase the present very low industrial capacity usage, employ labor and provide essential consumer goods (clothing) and will help bring down inflation rates.

While serious stabilization efforts and financial support from the International Monetary Fund will help to alleviate Ghana's balance of payments deficit, the backlog of import requirements to revive the economy and the slow revival of exports mean that, for the ABS planning period, Ghana will not be able to finance its food import requirements from domestic sources.

2. Title II

The availability of food per capita from domestic Ghanaian sources has been decreasing over the past years as population grows rapidly and agricultural output has failed to keep pace. Malnutrition and widespread dietary deficiency diseases make Title II food an important part of our country development strategy. During FY 81, Ghana will receive Title II foods valued at over \$6.2 million. These foods will be used in maternal/child health (176,000 recipients), school feeding

(68,000 recipients), other child feeding (11,000 recipients) and food for work activities (5,000 recipients). We continue to assign highest priority to maternal/child health feeding programs. This will complement maternal/child health activities being planned under the Mission Primary Health Care project (641-0082) which is scheduled to get underway in FY 82.

A comprehensive evaluation of Title II activities being carried out in Ghana through Catholic Relief Services (CRS), is scheduled to be concluded in June 1981. The results of this evaluation and the final report of the just completed centrally funded Growth Surveillance System project will be central elements in shaping the dimension and direction of Title II activities in FY 82 and beyond. Until the results are available and reviewed by all concerned parties - GOG, CRS, USAID and AID/W - the Mission considers it prudent to continue the program into FY 82 at currently approved (FY 81) recipient and ration levels.

CRS/Ghana has made significant improvements in program management and logistics in the past several years. We expect this trend will be intensified by the present CRS/Ghana management team. Ghana's transportation infrastructure - particularly roads and road haulage, has deteriorated to a point where the movement of goods is very difficult. Clearly, there is little that CRS can do to overcome this constraint. We would expect that under a stabilization program, and as the proceeds of an approved IDA Emergency Highway Maintenance Loan are drawn down, the transport constraint to a potential program expansion will have been ameliorated.

FY 1983 ANNUAL BUDGET SUBMISSION

TABLE XI

P.L. 480 TITLE I/III REQUIREMENTS
(Dollars in Millions, Tonnage in Thousands)

COMMODITIES	FY 1981			Estimated FY 1982			Projected FY 1983 (Minimum)		
	Agreement \$ MT	Shipments \$ MT	Carry into FY 1982 \$ MT	Agreement \$ MT	Shipments \$ MT	Carry into FY 1983 \$ MT	Agreement \$ MT	Shipments \$ MT	Carry into FY 1984 \$ MT
<u>Title I</u>									
Wheat	5.5	26.3	None	8.0	40.6	None	7.0	32.8	None
Rice	7.2	14.4		5.0	11.1		3.0	6.0	
Corn				1.0	6.0				
Cotton									
<u>Total</u>	12.7	40.7		14.0	57.7		10.0	38.8	
<u>Of which</u> <u>Title III</u>	None			None			None		
<u>Total</u>									

COMMENT:

AID (4-81)

FY 1983 ANNUAL BUDGET SUBMISSION

TABLE XI

F.L. 480 TITLE I/III REQUIREMENTS
(Dollars in Millions, Tonnage/in Thousands)
Sales

COMMODITIES	Projected FY 1983 (Current)			Projected FY 1983 (AAPL)		
	Agreement \$ MT	Shipments \$ MT	Carry into FY 1984 \$ MT	Agreement \$ MT	Shipments \$ MT	Carry into FY 1984 \$ MT
<u>Title I</u>						
Wheat	8.0	37.5	None	10.0	46.9	None
Rice	5.0	10.0	None	5.0	10.0	None
Corn	1.0	5.7	None	5.0	28.5	None
Cotton	"	"	None	5.0	10.4	None
Total	14.0	53.2		25.0	85.4 10.4 FB	
<u>Of which Title III</u>						
Cotton	None	-		5.0	10.4	
Total						

COMMENT:

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FY 1983 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY 82 CRS/GHANA AER a/

I. Country Ghana

Sponsor's Name Catholic Relief Services

A. Maternal and Child Health.....Total Recipients 176,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>176,000</u>	<u>SFSG</u>	<u>4224.0</u>	<u>1398.1</u>
<u>176,000</u>	<u>VEGOIL</u>	<u>1740.0</u>	<u>1793.9</u>
<u>176,000</u>	<u>WSB</u>	<u>4224.0</u>	<u>1947.3</u>
<u>Total MCH</u>		<u>10188.0</u>	<u>5139.3</u>

B. School Feeding.....Total Recipients 68,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>68,000</u>	<u>SFSG</u>	<u>1407.6</u>	<u>465.9</u>
<u>68,000</u>	<u>VEGOIL</u>	<u>140.8</u>	<u>145.1</u>
<u>Total School Feeding</u>		<u>1548.4</u>	<u>611.0</u>

C. Pre School Feeding.....Total Recipients 50,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>50,000</u>	<u>SFSG</u>	<u>1035.0</u>	<u>342.6</u>
<u>50,000</u>	<u>VEGOIL</u>	<u>103.5</u>	<u>106.8</u>
<u>Total Pre School Feeding</u>		<u>1138.5</u>	<u>449.4</u>

D. Food for Work.....Total Recipients 5,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>5,000</u>	<u>SFSG</u>	<u>436.8</u>	<u>144.6</u>
	<u>VEGOIL</u>	<u>60.0</u>	<u>61.9</u>
<u>Total Food for Work</u>		<u>496.8</u>	<u>206.5</u>

a/ Above country totals taken from proposed FY 82 AER as received from CRS/Ghana and is exclusive of 5% operating reserves.

TABLE XIII

PL 480 TITLE II

FY 83 (AAPL)

I. Country Ghana

Sponsor's Name Catholic Relief Services

A. Maternal and Child Health.....Total Recipients 176,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>176,000</u>	<u>SFSG</u>	<u>4223.4</u>	<u>1440.1</u>
<u>176,000</u>	<u>VEGOIL</u>	<u>2111.9</u>	<u>2316.8</u>
<u>176,000</u>	<u>WSB</u>	<u>4223.4</u>	<u>2103.3</u>
Total MCH		10558.8	5860.2

B. School Feeding.....Total Recipients 68,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>68,000</u>	<u>SFSG</u>	<u>1407.1</u>	<u>479.8</u>
<u>68,000</u>	<u>VEGOIL</u>	<u>141.1</u>	<u>154.8</u>
Total School Feeding		1548.1	634.6

C. Pre School Feeding.....Total Recipients 11,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>11,000</u>	<u>SFSG</u>	<u>303.5</u>	<u>103.5</u>
<u>11,000</u>	<u>VEGOIL</u>	<u>30.4</u>	<u>33.3</u>
Total Pre School Feeding		333.8	136.8

D. Food for Work.....Total Recipients 5,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>5000</u>	<u>SFSG</u>	<u>436.8</u>	<u>148.9</u>
Total Food for Work		436.8	148.9

Narrative Mission Review of FY 82 AER and Operational Plan

In our review of the FY 82 AER levels proposed by CRS/Ghana (See Table XIII), we note the following changes from the FY 81 program:

- 1. Recipient levels - An increase of 39,000 recipients (15%) is being proposed in FY 82 to a new total of 299,000 recipients.
- 2. Recipient categories - The increase in recipients is proposed exclusively in the pre-school child feeding (PSF) category. PSF recipients would increase by 450%, from 11,000 to 50,000.
- 3. Recipient rations - MCH - We note that the AER guidance from AID/W (State 128253) programmed vegoil for all 176,000 MCH recipients. CRS/Ghana advises that the vegoil is programmed only for 145,000 children and not the 31,000 participating mothers.

PSF - The AID/W guidance programmed rations on a 12 calendar month basis. CRS/Ghana programs PSF for nine months in the year.

CRS has adjusted for the apparent discrepancies and reprogrammed the commodity values for the additional 39,000 recipients it proposes to add in the PSF category in FY 82.

- 4. Program Value - The dollar value of program activities exclusive of the five percent operating reserve, is at the level recommended by AID/W (in State 128253).
- 5. Commodity Rations - CRS proposes to continue double rations for activities in the Upper, Ashanti and Northern Regions.

Recommended Course of Action

As the ABS is being prepared a comprehensive evaluation of the P.L. 480 activities is being conducted. The results of the evaluation and the final report of the Growth Surveillance System project are expected to be central elements in shaping Mission determinations on the direction and dimension of future Title II activities. Until the results are available and reviewed by all concerned parties - GOG, CRS, USAID and AID/W - the Mission considers it prudent to continue the program in FY 82 at currently approved (FY 81) recipient and ration levels.

OPERATIONAL PLAN FY'82

Catholic Relief Services - USCC

Ghana Program

Elements of Operation:

A. Identification

1. Name of Cooperating Sponsor: Catholic Relief Services*- USCC

Country: Ghana

Date submitted: 25th May, 1981

Name and Address of Counterpart: N/A

2. Name and Address of American Representative:

Palmari H. de Lucena
Program Director
Catholic Relief Services - USCC
P. O. Box 6333
Accra-North

Nancy Wills
Program Assistant
Catholic Relief Services - USCC
P. O. Box 6333
Accra-North

The Program Director and Program Assistant's time is devoted largely to Title II Activities.

Supervisory Staff:

Assistant Director
Food and Nutrition

Mrs. Hannah Evans-Lutterodt

Assistant Director
Program Operations

Mr. Sylvester Y. Coch

Field Supervisors

Mrs. Annie Bani
Miss Joana Addo
Mrs. Mauricia Tanadaga
Mrs. Odette Minyilah
Miss Charity Ocloo
Mrs. Janet Mmieh

Accountant

Mr. John Zuh

Takoradi Port Representative

Mr. Isaac Manor

B. Area - Scope - Conditions of Operation:

1. MCH

The program addresses the problems of inadequate nutrition and malnutrition in children under six years of age. This program proposes to provide a monthly "take home" ration of supplementary foods to be distributed at health centers in conjunction with a growth surveillance system, nutrition,

education, and preventive health activities.

School Feeding

This program addresses the problems of inadequate nutrition and malnutrition in children of primary school age. The program proposes to provide a mid-day meal, served at the school, to these children in the context of a growth surveillance system.

Other Child Feeding

This program address the problems of inadequate nutrition and malnutrition among children under six years of age who are enrolled in day-care centers. The program proposes to provide a mid-day meal to this group in the context of a growth surveillance system. The proposed increase in recipients is requested in order to provide for normal enrollment growth within existing approved programs.

Food For Work

This program provides food to workers engaged in short-term projects that benefit the community as a whole. Food is provided either as a prepared meal on the worksite or as an individual ration in exchange for work. The problem addressed by this program is one of both inadequate nutrition and incentive.

2. MCH, School Feeding, Other Child Feeding

- a. The overall objective of these three programs is to maintain the adequate growth of the children enrolled.
- b. Progress toward the achievement of this objective will be measured by the individual and master charts on which enrolled child's weight is recorded monthly against the standard weight-for-age (MCH and OCF) or twice each school term against the standard weight-for-height (School Feeding).
- c. The central assumption upon which the program's purposes were based is that supplementary foods will be available in sufficient quantity and regularity at the distribution centers.

Food For Work

The purpose of this program is to enable communities to undertake projects which contribute to an elevated standard of living of the population affected. Progress toward achievement is measured by the attainment of specific project objectives.

- 3. The program is country wide with centers distributed evenly throughout each of the nation's nine regions. Special consideration is given to areas shown to have a higher incidence of malnutrition. Thus, double rations have been earmarked for the Upper, Ashanti, and Northern Regions.

4. MCH

Mothers are expected to bring their enrolled children to the health centers once a month. There, nutrition education activities aimed at the mothers are conducted, the children are weighed and their weights are recorded on both individual and master charts and food rations are distributed.

School Feeding and Other Child Feeding

A mid-day meal is prepared daily at the schools or day care centers using the donated foods supplemented by locally-grown foods. All children enrolled at such institutions are eligible to take part.

Food For Work

FFW is normally distributed in one of two ways: either as a meal prepared on the worksite and consumed by participants, or as a take-home ration distributed to individual workers. In each case, the ration per worker is the same.

5. The Government of Ghana, under agreement with CRS, allows duty-free entry for Title II commodities. A direct Government grant provides for the clearing, warehousing, and inland transport of these foods to the distribution centers throughout the country. According to the Government of Ghana - Catholic Relief Services Country Agreement,

"The Government for its part shall: ensure that all costs of discharge, handling, port charges, transport, insurance after discharge and storage of the above-mentioned goods upon arrival at the port of entry be financed by the Government; make provision in the Annual Budget of the country for financing the above; absorb the tax duties and levies elements of any of the above-mentioned goods..."

Beginning in FY'82, the Government of Ghana's annual support for the above program elements is estimated to be in excess of \$2.5 million.

The commodities will not be utilized directly by the Government in any manner. Seventy percent of the health centers where the MCH program is conducted are government-operated.

Losses of commodities are reimbursed directly by the transporter involved, whether government or private.

6. School-age children are obviously not eligible to receive food under the MCH program as these programs are mutually exclusive. Recipients of food under the Other Child Feeding category are enrolled in day care centers so that their mothers can work and therefore it is highly unlikely that these children would be enrolled in MCH centers. Care is taken not to open new MCH centers in close contiguity with operating centers, in order to avoid possible duplication of distribution. Food for work recipients are normally adults who are ineligible for food from other program sources.

C. Control and Receipting - Records, Procedures and Audits

Title II commodities arrive at the Port.

Duty-free clearance is effected by CRS personnel through the Ministry of Foreign Affairs, whereupon customs clearance is done by the Ghana Supply Commission. The food is offloaded from the vessel directly onto waiting trucks which convey it to a warehouse outside the port proper. An independent surveyor records quantities offloaded from the vessel, and the CRS Port Representative maintains records of warehouse stocks and distribution schedules.

From the CRS warehouse, the food is distributed to participating centers by lorry. Each driver is given a waybill to be signed by the recipient at the center and returned by mail to CRS Accra, noting any losses or damage. In addition, CRS Accra mails to each recipient an advance notice of a consignment's scheduled arrival, which includes a receipt form to be returned to Accra.

Each distribution center maintains tally cards indicating the following:

- First of month balance
- Receipts
- Issues
- Running balance
- End of month balance

Each center is required to send a monthly inventory report to CRS.

The centers are visited periodically by a CRS representative who audits records, checks food stores, and evaluates program operations.

Claims for losses or damages are collected directly from the transporter through deduction from payment for transport.

D. Port Facilities - Practices

1. Offloading facilities at the ports are adequate to handle the foods, providing that consignments are shipped in amounts not exceeding 50,000 bags per shipment.
2. The Government of Ghana permits cargo surveys by an independent organization.
3. All port charges are paid for by the Government of Ghana, as provided in the country agreement.

E. In-Country Transportation and Storage

1. Facilities within the port proper consist of insecure port sheds where storage of food commodities is not advisable. CRS has secured the use of a secure warehouse owned by a government organization (Ghana National Trading Corporation) which has a capacity of 200,000 bags and is located two miles from the port. This warehouse provides security, ventilation and off-floor pallet storage and is considered more than adequate for current needs.

Each participating center signs an agreement with CRS, undertaking to provide storage facilities up to the standard directed. This includes protection from insect and rodent infestation as well as weather; ventilation and off-floor stacking. CRS field personnel routinely conduct inspection of storage facilities to ensure that they are well-maintained.

With the advent of double rations in three regions, storage facilities at several centers were found to be inadequate to handle the increased supplies. For this reason, CRS has instituted a schedule of staggered deliveries to offset the problem.

2. The major problems facing inland transportation are poor road conditions, lack of readily available spare parts, and a severe petrol shortage. The problem of securing sufficient vehicles has been solved through the provisions of the country agreement which enables CRS to hire any available and suitable vehicle, whether private or Government-owned.
3. CRS retains full control over foods during transportation and storage.

F. Processing - Reprocessing - Repackaging

N/A

G. Financing

1. Administrative costs are supported by a combination of CRS Funds, Household Contributions and the proceeds from Empty Container Sales. Central storage facilities are provided in kind by the Government of Ghana through its subsidiary the Ghana National Trading Corporation. Storage at individual centers is provided by the operating agency having jurisdiction. Inland transportation is supported by a direct government grant to CRS, which in turn pays the transporters directly. Costs of food preparation at school feeding facilities (cooks' salaries, fuel, supplemental foods, etc.) are paid by the individual center.
2. Empty containers are sold at set fees by the individual centers, the proceeds being remitted in full to CRS/Ghana. Expenditures from this fund are made only for AID-approved expenditures such as field representatives' salaries, travel expenses and other related activities.

H. Acceptability of Available Foods

1. N/A. Title II commodities requested for distribution in Ghana are processed foods: SFSG and WSB.
2. The MCH program has for many years used WSB, SFSG, and soybean vegetable oil. These items enjoy high acceptability as they are easily integrated into the Ghanaian diet without competing with locally produced grains. The School Feeding and Other Child Feeding Programs, as well as Food For Work, are given SFSG and oil, which are popular with the recipients because of the varied meals that can be prepared from them.

I. Program Publicity

1. Recipients are informed at the distribution centers that the source of food commodities is the United States and that their participation in the program requires regular attendance and a commitment to upgrade the food intake of their children.

Cooking demonstrations using Title II foods integrated into the local diet are conducted for mothers at the MCH centers. Schools and day care centers are instructed to hire cooks to prepare the mid-day meal for the children.

2. Word-of-mouth publicity currently produces applications well beyond the program's capacity for expansion. There are no known factors that may adversely affect this informal publicity.

Contributions to Program

<u>Source</u>	<u>Value of Contribution in 1981</u>	<u>Role Played</u>
<u>Financial</u>		
Household Contributions	\$360,000	Supports salaries and travel expenses of CRS field staff, and related program activities.
CRS/New York: Micro Fund	\$2,000	Small community projects emphasising crop expansion and dietary and health improvement.
Government of Ghana	\$2,181,818	Cost of clearing and inland transport of commodities.
Empty Containers	\$130,000	Supports salaries and travel expenses of CRS field staff, and related program activities.

Human Resource

CRS acknowledges the contribution of hundreds of health professionals involved in administering the programs. Their number and the value of their contributions are incalculable, but their role is invaluable to the success of each program.

Commodity

EEC: Supplemental Foods	\$1,500,000	Complements the foods provided under Title II with emphasis on attention to special needs recipients.
Used Clothing: Thanksgiving Clothing Collection, USA	\$306,600	Reinforces mother's commitment to clinic attendance.
Medicines and Medical Equipment: Catholic Medical Mission Board, USA	\$300,000	Enables clinics to provide more comprehensive health services.

In-Kind

Formerly the Government of Ghana was providing the bulk of its obligation as an in-kind donation; since mid-1980, however, this contribution has taken the form of an imprest fund as described in the body of this report.

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PL 480
PROGRAM PLAN FY82
CATHOLIC RELIEF SERVICES - USCC
GHANA PROGRAM

In discussing progress and problems recorded in the CRS-sponsored PL480 programs in Ghana during FY80, primary attention must be given to conditions prevailing in the country at large. In short, the relentless economic slide of the 1970's shows little sign of abating during the eighties, as inflationary pressures mount and productivity continues to drop. With respect to food supply, the government's trade liberalization policy implemented in late 1980 has made more imported goods, including foods, available in the market place, but at prices far beyond the reach of any salaried worker or subsistence farmer. This situation gives rise to consumer frustration, and provides a disincentive to production, whether agricultural or industrial: as increased productivity cannot produce sufficient income for a worker to feed his family, he is tempted to exert only minimal effort. The economic problems plaguing the country have had the immediate and most visible effect of reducing local food supplies, thus bringing on widespread endemic malnutrition, which in turn leads to greater need for food aid. Not only is total food intake reduced, but the quality of the diet also suffers. As expensive protein sources are reduced, or all too often eliminated from the diet, vegetables and particularly starchy roots are substituted. According to CRS data, both demand for the services rendered by CRS and the incidence of malnourished children are mounting at more rapid rates each year.

Constraints affecting food production have led to corollary logistical problems, particularly in port security. CRS personnel report that port security staff are less and less able to cope with the sophisticated ploys of unemployed persons milling around discharging ships and the fearlessness of desperately hungry breadwinners literally foraging for food. Due to these factors the need to strengthen port clearance and distribution capacities has been declared a high CRS priority. In addition, all parties involved including CRS are actively attempting to influence factors affecting port security. During the latter half of 1980, CRS, following negotiations with the Government of Ghana, instituted streamlined port clearance policies. By July of 1980, the food movement crisis had become acute: PL480 commodities arriving at the port of Takoradi had been evacuated from the ships to the insecurity of the port transit sheds, but were unable to be distributed due to the non-availability of government trucks upon which the PL480 program was then dependent. This stagnation caused substantial losses due to pilferage and spoilage, not to mention the resultant distress in food and nutrition programs throughout the country. At the end of July, 76,768 units of food had accumulated in the Takoradi port sheds, while the Kumasi warehouse contained another 96,915 units. Pilferage, mainly from the port sheds, had reached a peak of nearly 50% on one particularly large shipment.

In spite of the gravity of the crisis, established channels of communication with the Government of Ghana had no effect. At this point, CRS harnessed the heightened anxiety of certain concerned government officials, their awareness broadened by the timely intervention of two Bishops who are members of the influential Council Of State, to bring about a thorough review and subsequent revision of port clearance and inland distribution procedures. Resolution of the crisis at hand provided the base from which CRS then initiated serious negotiations on a country agreement between CRS and the Government of Ghana, governing all of CRS' operations in the country with particular attention to PL480 commodities. Within six weeks (by mid-September 1980), the two major problems had been solved: CRS and the Government of Ghana

signed a comprehensive agreement, and the newly-instituted clearance procedures enabled all FY80 commodities to be distributed to their intended recipients. The major facets of the revised transportation procedures were: the direct delivery of discharged goods from ship to waiting trucks, and thence to a secure CRS warehouse with a capacity of 200,000 bags outside the port proper; and direct hire of trucks. Direct delivery bypasses the port sheds, and has radically reduced port losses, from an average of 16% during the first three quarters of FY80 to less than 1% at year's end.

A direct government grant now allows CRS to hire trucks from any available source, public or private, at most favorable ton/mile rates. This programmatic change has enabled CRS to complete offloading of ships and distribution of commodities to centers in record time: first quarter FY81 commodities, totalling 2705.4 MT, were evacuated from the port into secure warehouses in an average of four days for each ship, or 225.45 MT per day. In contrast, during the first half of 1980, port evacuation had averaged 140 days per ship.

A further advantage of hiring trucks directly is that it gives CRS greater control over truckers' accountability; if commodities are not delivered as per the accompanying waybill, the value of the missing commodities is immediately deducted from the trucker's payment. This seemingly simple procedural change has significantly reduced inland transport losses. To date, CRS/Ghana has collected a total of \$90,427 (US\$32,883) in reimbursement for such losses, an amount previously considered unrecoverable.

Losses due to condemnation and the lack of rebagging have also been reduced. During the last two quarters of 1980, over 2,130 bags of food were salvaged through rebagging, thus avoiding excessive condemnation of unfit food. Health authorities at the Port of Takoradi have expressed their approval of this procedure and have praised CRS/Ghana for reducing spoilages to a negligible level.

During the April 1981 port evacuation exercise, over 100,000 bags of cereals were offloaded from two ships at Takoradi in fewer than nine full working days, or twice the maximum offloading rate predicted by the captain of one vessel. Subsequent inland distribution has been effected at similarly improved rates. Within three weeks of the ship's arrival, 59% of the discharged quantity had been distributed to the centers; it is anticipated that the entire amount will have been distributed by the end of May. The major impact of the country agreement, however, is that it has fostered improved relations between CRS and the Government of Ghana. CRS is now in an enhanced position to communicate with and receive the co-operation of government officials on a higher level than before, thus ensuring continued high levels of performance in the administration of FY80 programs.

With regard to specific components of CRS/Ghana's food aid program, several areas merit attention. These are: supervision, individual MCH rations, and school lunch/OCF programs.

Supervisory capacity increased significantly during 1980 with the addition of 2 supervisors, bringing the force to a total of 8, based in all regions of Ghana. Two more supervisors are in the process of recruitment. During 1980, supervisory visits to the 410 participating centers totalled 638.

Furthermore, CRS, was able to augment its vehicle fleet with the purchase of 3 pickup trucks and replacement of 3 others, solely for the Food and Nutrition Program. Supervisors meet quarterly as a group in Accra, and regional seminars for the staff of individual centers are held throughout the year, focusing on methods of improving program delivery.

Following the analysis of data derived from the GSS, it was determined that double rations of food should be administered in the neediest regions, where unacceptable body weights were at the highest levels. Approval for such an increase was granted in June 1979, initially for the Upper and Northern Regions and later (FY81) extended to the Ashanti Region as well. The increased rations produced problems as well as benefits. Many centers are unable to store large quantities of food, and initially, transport difficulties made more frequent deliveries of food unreliable. By 1981, however, the transportation facility had improved significantly, so that CRS is now experimenting with making double deliveries of food to as many centers as possible.

An area of particular concern is that of School Lunch and OCF programs. The increase in applications for such programs has been rather severe during the past year, yet CRS is unable to meet the needs of these deserving applicants without violating current USAID guidelines. In 1980 alone, 25,000 recipient applications for food under these two programs had to be rejected.

As a long-term food aid strategy, CRS proposes to maintain current levels of preschool activity, with a gradual increase of 10-15% per year. This plan is considered realistic, as the supervisory capacity is already in force, the capacity for distribution is now under control and therefore can bear gradual expansion, and the approved applications awaiting food supplies are on file. In regard to School Lunch and OCF, a more rapid expansion is requested, due to pressure on these programs for the reasons outlined in the paragraph above. Again, potential recipients have in many cases proven their ability to store and properly distribute commodities, and are awaiting AID/W approval to begin provision of services.

Food For Work (FFW) received a much-needed boost during the past year, with the addition of a CRE staff member whose primary responsibility is the supervision of small-scale "Micro Fund" projects drawing on revenue from Empty Container sales; here the FFW component plays a vital role. These projects are primarily agricultural in nature, focusing on the need to expand food crops, and rely on FFW as an incentive to encourage groups of individuals in rural areas to donate their labor for the betterment of the community at large. Many Micro Fund projects are tied to MCH activities, and the Mothers' Co-operatives are usually the project holder. CRS envisions providing a score of small projects with a FFW component in 1981, thus fulfilling a long-term goal of both this office and USAID.

The Government of Ghana's food aid strategy, insofar as it has been defined, is keyed to avoid any disincentives to local production, the maximization of which is an oft-repeated goal of government policy. Such disincentives would occur either through the concentration of overwhelming amounts of commodities in any one geographic area, or through competition between imported commodities and their local counterparts. In the first case, the commodities distribution network is designed so that food aid is proportionate to population in any given area and is never so great as to affect the local market. As current

conditions prevailing in Ghana do not indicate any specific areas where large amounts of disaster relief would be required, concentrations of that nature are also not anticipated. In the second case, PL480 commodities imported consist of WSB and SFSG, cereals which are not widely grown, and vegetable oil, which is produced in such small quantities that no conceivable level of imports could discourage local production.

The Government of Ghana is somewhat more explicit in defining its development strategy, although again certain aspects of this strategy are left purposely vague in order not to exclude any potential source of aid. The published Five-Year Development Plan provides ample and viable development strategies, but lacks the means for implementation. Monitoring of official government statements in the press indicates increasing encouragement of local initiative, as opposed to large-scale government intervention in development, whether in road maintenance or school construction, consumer products distribution or manpower training. This policy also operates in the agricultural sector and to a lesser extent in the industrial sector. This policy of self-reliance is constantly referred to by local officials, largely offsetting previous governments' efforts to cater to the wants and needs of the population, and indicating both a significant shift in ideology and an admission that government cannot provide all that it originally intended.

In summary, the need for continued PL480 assistance on a large scale is amply demonstrated by an examination of Ghana's economy. FFW and the Empty Container Fund projects dovetail neatly with government policies emphasizing more manageable small-scale initiatives on the local level. CRS will endeavour to implement as many of such projects as resources permit during the coming year. On the national level, CRS feels that it could effectively supervise an annual 10-15% expansion of the MCH center programs, and focus significantly greater efforts on the School Lunch and OCF programs, where attention is most needed.

APPENDIX

CATHOLIC RELIEF SERVICES

GHANA PROGRAM

PERSONNEL IDENTIFICATION:

Director	Mr. Palmari H. de Lucena
Assistant Director Food and Nutrition	Mrs. Hannah Evans-Lutterodt
Assistant Director Program Operations	Mr. Sylvester Y. Coch
Supervisors:	Mrs. Annie Bani
	Miss-Joana Addo
	Mrs. Mauricia Tanandaga
	Mrs. Odette Minyilah
	Miss. Charity Ocloo
	Mrs. Janet Mmieh
Program Assistants:	Mrs. Nancy Keteku
	Mr. Michael E. McDonald