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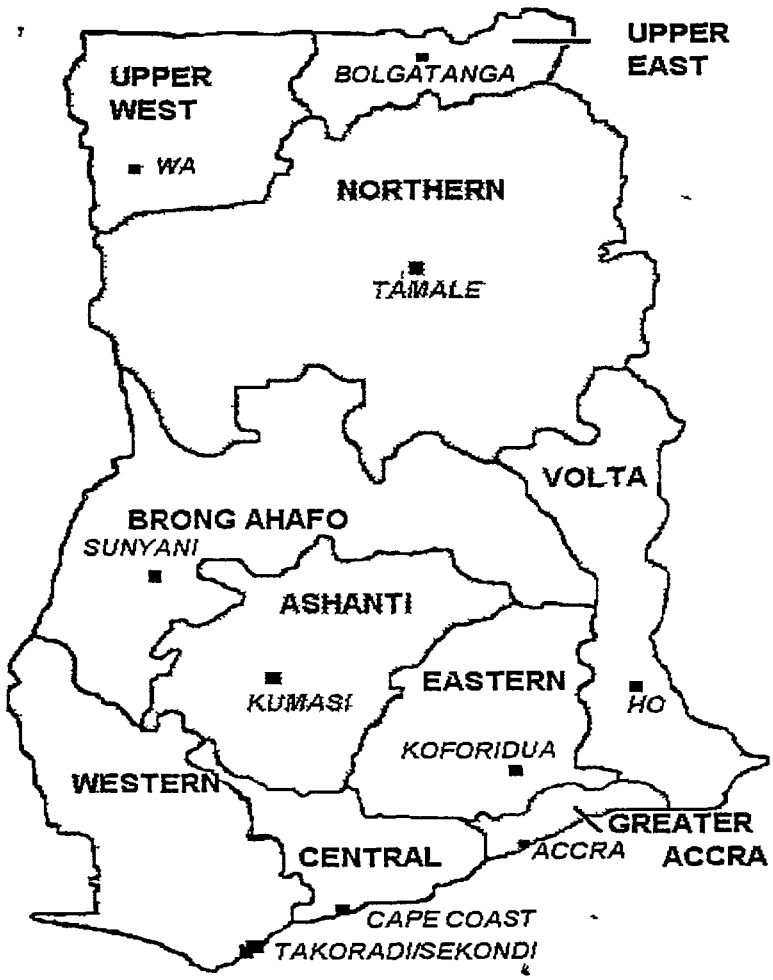


USAID COUNTRY STRATEGY
STRATEGY OJECTIVES REVISIONS
MARCH, 1997

USAID GHANA
REFINEMENTS TO COUNTRY PROGRAM STRATEGY

I EXECUTIVE SUMMARY

This document presents USAID Ghana's amendment to its 1997-2001 Country Strategic Plan (CSP) which includes revised strategic objective narratives and results frameworks for ratification by USAID/W The Mission's strategy in Ghana has continued to evolve as new management, on-going bilateral consultations and meetings with customers and partners have helped to focus and fine tune the Mission's approach The foundation of the CSP remains the same a more diversified economy, higher literacy levels and slower population growth will generate increased investment, higher incomes and improved living standards However, it is clear that without continued democratic reforms and broader participation, Ghana's economic growth trajectory is unsustainable in the long run

The Mission's goal of **broad-based, sustainable economic growth** is retained, but the same, but the strategic objectives are refined to allow greater flexibility to respond to emerging opportunities and to increase management efficiency By tightening the Mission's approach into four strategic areas that are interrelated and cross cutting, USAID's resources are more targeted and focused The refinements include (1) Rephrasing of the economic growth strategic objective to emphasize bold policy initiatives that impact on the private sector, in general, and broaden support for revenue and employment activities which will directly contribute to economic growth Sectors such as tourism (the third largest foreign exchange earner), handicrafts and home accessories, and African textiles and garments are growth industries that will benefit from USAID assistance The majority of the products -- virtually 80%-- will be in the agriculture sector which employs the largest number of people and requires greater investments to accelerate economic growth in Ghana

The second refinement proposed is the combining of all health-related activities into one strategic objective to increase the impact of USAID resources and to build upon successes This merging of all three programs into one allows greater synergy in implementation mechanisms which are virtually the same, such as training of health care providers, development of Information, Education and Communication campaigns and a greater thrust in promoting all three activities at the local level Further, the Mission is moving more aggressively to integrate child survival interventions into family planning and HIV/AIDS prevention activities and encouraging greater focus on the community-level through the participation of U S PVOs The Mission, Ministry of Health and local NGOs are implementing program activities as a whole, rather than separating them We believe that to keep them together, but maintaining separate performance targets, would help streamline implementation and encourage greater integration

Finally, and most importantly, the Mission is including a strategic objective in

democracy and governance This is based on the need to improve Ghana's chances for sustainable growth by developing and strengthening countervailing actors to the extensive concentration of the government in the economy Ghana suffers from the vestiges of a strong, centralized government that is gradually loosening its political and economic grip on the country, and considerable progress has been made in decentralization process But the most effective way to bolster Ghana's fragile democracy and to guard against instability is to encourage greater involvement of Ghanaians in the democratization process This includes encouraging greater deconcentration and decentralization, strengthening the advocacy role of civil society, supporting development of the new multi-party parliament and increasing government transparency In addition to activities included under this new strategic objective, USAID Ghana will continue to support democracy efforts through a cross-cutting approach in the other strategic objectives by working closely with producer groups and business associations in the economic growth area and strengthening the District Assemblies and community groups in the provision of primary education and health care

The four strategic objectives, which contribute to the Mission's goal of **broad-based sustainable economic growth,** support three subgoals (1) improved productive capacity, (2) reduced population growth rate, and (3) continued democratic reform Based on these revisions, expected accomplishments of each strategic objective include

- **Strategic Objective No. 1 Increased Revenues from Selected Goods and Services** will result in the increased revenues of selected goods and services from an estimated $1121 million in 1996 to $1480 million in 2001 This SO builds on the successes and opportunities of the USAID Trade and Investment Program (TIP), where nontraditional exports (NTEs) grew from $68 million in 1992 to $227 million in 1996 This first effort recognized the need for Ghana to expand and diversify its export base beyond traditional exports of gold, cocoa and timber in order to realize sustained economic growth The FY 1997-2001 Country Strategy will broaden the scope of USAID assistance to include domestic as well as export markets Most importantly, the strategy will introduce a new level of policy dialogue initiatives designed to encourage bolder reforms and move Ghana to the next level of economic development Non-Project Assistance will help support Ghana's efforts to make difficult policy choices in promoting more substantial international and domestic investments The approach consolidates support around those policy initiatives that contributed the most to diversification of the export sector and leaping ahead to new policies that will encourage greater growth NTEs that experienced the greatest growth under the Trade and Investment Program will be targeted as well as additional products with demonstrated high growth potential Over the five-year period covered by the strategy, $79 5 million in Development Assistance (DA) funds will support marketing and production improvements for a wide variety of products and services, including food and horticultural crops, wood, fish, seafood, tourism and

manufacturing The supply of agricultural products will be increased and made more efficient, and environmentally sustainable Furthermore, the commercial skills of those involved in the marketing chain, especially microentrepreneurs, a majority of whom are women, will be strengthened

An important element of the Mission's strategy is its P L 480 program, which makes a strong contribution to SO1 through improved food security Title II funds, at an annual level of approximately $7 million, will finance a number of activities implemented by nongovernmental organizations (NGOs) to enhance food utilization and provide support for communities in various rural enterprises

- **Strategic Objective No 2** Increased Effectiveness of the Primary Education System This strategic objective, authorized in 1996, will continue USAID's role as a key player in a multi-donor effort to improve the quality and reach of primary education in Ghana This will be accomplished by promoting and supporting bold policy reforms to restructure the educational personnel management system, redesign the primary education curriculum, promote community oversight of schools and develop an integrated national monitoring and evaluation system Student achievement tests show that literacy and numeracy skills remain persistently and woefully low despite continuing assistance to improve teaching capabilities, administration and physical infrastructure The strategy will approach these problems by establishing 330 Model Schools, one in at least each of Ghana's 110 administrative districts, and the conditions required to provide quality education Extensive implementation will be conducted at the district and community levels to strengthen the decentralization process and improve the capacity of local authorities and school management committees to manage education activities USAID will provide assistance in classroom instruction, education management and community participation The program is estimated at $53 million

- **Strategic Objective No 3. Improved Family Health** High fertility rates and close birth spacing negatively impact on the health of women and children and the spread of AIDS/HIV threatens to undermine the viability of Ghanians during their most productive years By aggressively increasing the use of more effective family planning methods, enhancing child survival through immunizations and reducing the spread of sexually transmitted disease, Ghana can achieve higher levels of per capita income growth and a more productive population Helping Ghana reach its reproductive health goals is a critical element of USAID's program By combining key issues in the health sector to achieve synergy and economies of scale, USAID resources will contribute to a further lowering of Ghana's total fertility rate from 5 5 in 1993 to 5 0 by 2001 Tracking the incidence and prevalence of HIV/AIDS and other STDs have been major components of USAID's intervention to prevent the spread of these diseases Although HIV/AIDS has not yet reached epidemic proportions in Ghana, it is estimated that 1 2 million Ghanaians will be infected by the year 2010 without effective action now Approximately $8 5 million will be used to finance information

and education activities, expanded surveillance and diagnosis of sexually transmitted diseases, and greater availability of effective drugs In the new strategy, Mission resources will more fully integrate family planning, STD prevention and child survival into community-level activities to increase awareness and develop more appropriate village-based implementation mechanisms Non-Project Assistance will support new efforts to decentralize financial management and resources to the district and local levels and to increase the Government of Ghana's support for all three efforts on a national level A total of $51 million, including NPA, is planned for this five-year effort

- **Strategic Objective No. 4 Enhanced Participatory Development and Governance.** Over the past five years Ghana has experienced a spectacular political opening The prospects for higher levels of economic growth and strengthen of Ghana's fragile democracy are extremely promising The principle challenge facing Ghana is how best to consolidate its nascent democracy This can be accomplished by assisting in the process of deconcentration of political and economic power and decentralization of authority and responsibility to the local levels Increasing the role of civil society organizations and enhancing advocacy is one of the most important contributions USAID can make at this time These organizations are weak and assistance to enhance their rightful place in society is essential In addition, the linkages between civil society and the public sector require greater focus, particularly between Parliament, civil society organizations, political parties and constituents USAID will enhance the capacity of think tanks, research organizations and public policy groups to improve the quality of information and ensure broader dissemination and discussion of findings The GOG's efforts to complete the congressionally-mandated decentralization process is an excellent opportunity for USAID to help devolve greater authority and accountability to the local level This objectives of USAID's democracy and governance activities will not only be addressed through this strategic objective, but forms the basis for cross-cutting activities throughout the Mission's portfolio Assistance to politically active, participatory civil society such as grassroots organizations and advocacy groups, to strengthen the institutional capacities of parliament, district assemblies and unit committees will be the major focus of this $8 5 million, five year activity

The above strategy describes a multi-sectoral program designed to be customer focused, results oriented, and based upon teamwork and accountability The budget resources required to finance this program over the five-year period covered by the strategy are $190 million in Development Assistance plus $68 5 million in P L 480, for a total of $258 5 million The food aid resources are estimated at a higher level than the initial strategy This is based on current expected annual food aid levels of roughly $13 7 million, rather than $7 million s previously advised

C. STRATEGIC OBJECTIVES

1. Strategic Objective No. 1: Increased Revenues from Selected Goods and Services (SO1)

a. Problem Identification

Ghana's substantial, market-oriented policy reforms have reduced obstacles and lowered the cost of doing business in Ghana This has contributed to strong economic growth GDP has increased at an average annual rate of 5 percent since 1983 Export diversification and tourism have been an important factors in this growth Ghana is increasingly competitive in the exportation of wood products, African textiles and garments and home decorations, seafood, pineapples, and other agricultural products, and in tourism

However, the strong record of growth since 1983 in services, mining, construction, cocoa and timber is blemished by weaker performance in food production and manufacturing Agriculture, which accounts for 40 percent of GDP and 70 percent of the labor force, has failed to keep pace with population growth Agricultural GDP has increased at an average rate of 2 percent per year since 1983 Manufacturing output increased rapidly in the early years of the ERP, as inputs became available and capacity utilization increased Yet, growth in manufacturing GDP has been an anemic 2 3 percent between 1989 and 1995

Ghana seeks to raise economic growth rates to well above 7 percent per year This will require Ghana to increase the international competitiveness of its private sector, that is, to produce and market more, at lower costs Through further improvements in policies and in managerial and technical practices, Ghanaians can become more efficient in adding value to natural resources and cutting waste and delays in getting products to market By promising greater and more secure returns, improved policies and greater competitiveness will stimulate the new investment needed to accelerate and sustain economic growth

USAID's analysis identifies four inter-related constraints to attaining the next level of economic growth a) many economic policies and regulations still impinge upon Ghana's competitiveness, b) mechanisms for carrying out policy change have not kept pace with the rapid progress of democratization, c) resource mobilization through the financial system is weak, and d) the managerial and technical capacity of private enterprises of all sizes to produce and market their goods and services tends to be weak

Policy and Regulatory Constraints The ERP and subsequent policy and regulatory reforms demonstrate the private sector is responsive to price signals and other factors affecting costs and risks Yet, despite considerable improvements in the policy environment since 1983, current policies still tend to dampen investment, agricultural production and exports Six policy constraint areas are identified

Financial System: Presently, tight credit and high interest rates facing the private sector are the dominant concern These problems may be traced to extensive lending by Ghana's financial system to finance Government budget deficits Other policies and regulations increase the costs of funds to borrowers, limit innovation in financial services, or serve to restrict access to financing

Labor Markets: Policies regarding workers' assignments, their benefits and end-of-service entitlements serve as disincentives to employers in the formal sector, resulting in loss of productivity Labor and business may both gain if greater flexibility is introduced into industrial negotiations

Public Sector Balances: The high and uneven tax burden hurts the competitiveness of some firms and industries, even as the management of large public budget deficits hurts the access to credit and the cash-flow of private enterprises

External Balances: In the past few years, the weakening of the value of the cedi through inflation has not been matched by equivalent depreciation in the nominal exchange rate This has resulted in a favoring of imports, to the disadvantage of domestic value-added Defending the value of the cedi has also resulted in the drawing-down of foreign exchange reserves

Trade Policy: A number of policies, regulations and practices weigh on specific industries Excessive regulation of the importation of inputs for agriculture and manufacturing causes delays and raises costs Policies affecting the exportation of wood products are neither economically nor environmentally sound Specific bans or licensing requirements hurt non-traditional exporters and are often applied without proper authority There is still some interference with the movement of goods in country or across borders

Role of Government: The state still controls a number of enterprises, particularly in the industrial, financial and non-financial service sectors This limits productivity, and competition, and sometimes creates a financial burden on the Government

Policy Change Process The sweep, swiftness and success of the 1983 Economic Recovery Program may be attributed to the mandate given to a small and well-qualified group of presidential and ministerial advisors Times have changed First, the sweeping changes required in the 1980s have been put in place What remains are critical refinements, institutional changes and on-going economic management in an increasingly complex economy Second, the maturing of democratic institutions means that a much more intensive process of consultation and consensus-building is required Parliament, business and labor interests and civil society are now parties to policy formulation Improvements are needed in public and private sector capacity to analyze policy questions and to participate in consensus-building, in mechanisms for public-private consultation, and in the carrying-out and monitoring of policy changes

Financial Systems

Dramatic increases in investment will be required for Ghana's economy to move to the next level Above and beyond the policy-induced problems of high inflation and sizeable lending to the public sector, there are institutional constraints to increasing investment Few of the key players in Ghana's financial system are familiar with the workings of the international credit and equity markets Yet, it will be necessary for Ghana's private sector to attract new foreign investment

Greater innovation in financial instruments is needed to mobilize resources for long-term investments For instance, the extensive resources of the Social Security and National Insurance trust (SSNIT) are not being used to the extent possible to finance private investments Similarly, it is estimated that only five percent of household incomes enter the formal financial system, while actual savings rates are as high as 20 to 25 percent These funds must be mobilized for productive investment

Few firms are successful in accessing credit One reason is the inability of many firms to develop viable business plans and to submit bankable financing proposals Another is the weak capacity of financial institutions to assess project proposals Regulations and practices regarding securing of loans and recovery debts must also be addressed

Competitiveness of the Private Sector

Ghana's private sector faces significant marketing opportunities for exports as well as for manufacturing, agro-processing and tourism Since 1992, USAID has focussed assistance on increasing Ghana's non-traditional exports This effort is based on the recognition that, for Ghana to sustain increased economic growth, it must expand and diversity its exports beyond the traditional export base of gold, cocoa, timber and electricity NTEs have grown from $68 million in 1992 to $227 million in 1996 Nearly 80 percent of this growth has been in agricultural products horticultural crops, fish and seafood and wood products Future growth of NTE's will be led by agriculture-related products

In the non-traditional export sector, agriculture and tourism, the private sector is comprised of relatively few larger enterprises and a wide range of smaller and micro enterprises Microenterprises are firms with five or fewer employees, including agricultural smallholders and firms engaged in light industry, commerce and other services With few exceptions, the capacity and efficiency of private enterprises in Ghana are weak Ghana carries the legacy of an earlier period of central control, in which the state was at once regulator and benefactor More often than not, a strong business orientation and knowledge of distant customers are lacking

Common limitations of Ghanaian businesses include weak management, out-moded technology, contributing to low productivity, difficulty in accessing credit, and poor knowledge and weak linkages with markets In agriculture, weak marketing systems for inputs and products limit productivity and increase crop losses Export marketing is also constrained by uncertain supplies

and uneven quality In addition, there is little tradition of cooperation within given markets, so that business associations are not effective advocates for their members' interests Although women play a critical role in production and marketing of many goods and services, mechanisms for them to participate in the governance processes that affect them are poorly developed

b. Analysis of Options

The present definition of the Strategic Objective, **"increase revenues from selected goods and services,"** is a restatement of the SO presented in the Mission's Revised CSP approved in July 1996 The previous definition of the SO as "increase the marketed value of agricultural products," has been modified for three reasons First, in keeping with USAID's preference of not prejudging the market signals to be faced by private entrepreneurs, this restatement allows a modicum of greater flexibility to support private enterprises with non-agricultural marketing opportunities in areas such as handicrafts and textiles Second, the use of the term "agriculture" has proven misleading to readers who tend to overlook the trade, agro-processing, marketing and microenterprise features of the program, thinking that USAID's focus is on more traditional agricultural production interventions Third, the restatement incorporates activities to build upon the success of community and tourism development activities in the Central Region, which would otherwise be treated separately as a target of opportunity These activities are more logically integrated into the SO program and are based on extensive consultations held with the GOG and the private sector in September and October of 1996

USAID/Ghana considered a number of options for concentrating assistance in specific sectors with the potential for contributing to economic growth In many of these, such as mining and infrastructure development, sizeable investments are being financed by other donors or by private investors, and USAID's comparative advantage is less apparent A narrower focus upon nontraditional exports or within agriculture was also considered One option was to retain a tight focus on NTEs A second option was to assist production and marketing of a single food crop For example, cassava alone accounts for 48 percent of all food staples produced, and so could potentially result in both greater economic growth and food security To focus on any single agricultural product, however, is unduly risky since specific market conditions are beyond USAID's manageable interest, and would not achieve the diversity sought Moreover, to focus narrowly on a given set of products unduly restricts the Missions ability to respond to emerging opportunities in an ever-changing economy

In the end, USAID/Ghana has opted for a flexible approach, one that is responsive to the needs of our customers, Ghana's private enterprises Therefore, USAID's Strategic Objective No 1 is **increased revenues from selected goods and services** through **(i) improved policies and financial services; (ii) increased production,** and **(iii) expanded markets** (see Fig 7) This strategy places emphasis on developing business capacity among microenterprises -- including agricultural small holders -- producers and market intermediaries Based on experience gained under the Trade and Investment Program, interventions will be directed, initially, to subsectors that experienced the most growth over the past three years, nontraditional exports (i e , seafood, wood products, horticulture, garments and textiles) and tourism, together with other agricultural

products (e g , cassava, yams) that have demonstrated potential for high growth and marketability

Achievement of SO1 will contribute directly to increased incomes An increase in revenues from selected goods and services of 5 5 percent per year will yield a direct increase of nearly 1 percent in agricultural and manufacturing GDP and boost Ghana's economic growth rate by more than 0 4 percent This SO will also contribute directly to increasing food security in Ghana food availability will be expanded through increases in production, and accessibility will be enhanced through increases in incomes from both production and marketing Environmental sustainability will be addressed through conservation and afforestation activities and through the introduction of improved production practices in agriculture and manufacturing

c. Critical Assumptions

USAID's success in assisting Ghana to reach the next level of economic growth is predicated upon three critical assumptions

GOG Commitment The GOG will foster economic and political stability, improvements in trade and investment policies, and provide supporting infrastructure The GOG's processes for policy change and public resource allocation will become more participatory

Market Demand Barring any major economic shocks, as Ghana's economy continues to grow, so will demand for domestically-produced goods and services Similarly, since markets for Ghanaian products are large and Ghana's market share is small, substantial export demand exists The challenge for Ghana is to compete effectively, to take advantage of existing marketing opportunities

Favorable weather Fluctuations in annual rainfall and growing conditions are expected and will affect attainment of program targets on a year-to-year basis The critical assumption is that Ghana will not experience drought that is so prolonged or severe as to render USAID assistance ineffective

d. Identification of Affected Customers

The principal actors and potential customers of interest to USAID are the wide range of private sector enterprises input suppliers, households and businesses engaged in farming, forestry and fishing, processing, distribution, exporting and tourism, and suppliers of storage, transportation and other support services The largest group of potential beneficiaries is comprised of rural households, representing a population of 12 million, of which 32 percent are female-headed households Two-thirds of rural household incomes are derived from farming, while nearly one-third is derived from commercial or light manufacturing activities

Clearly, the number and needs of potential customers far exceed USAID's resources and the capacity of Ghana to absorb assistance effectively USAID can, however, achieve significant

impact with respect to SO1 by developing linkages of larger producers, manufacturers, and marketing and exporting intermediaries with smaller producing enterprises, and by assisting cooperation with in small producers' groups Assistance will be focussed on more than 50,000 enterprises Approximately 10 larger enterprises will outsource or distribute through networks of small and microenterprises, in addition, 850 groups of microenterprises averaging 60 members per group will be assisted USAID experience with the on-going Trade and Investment Program and the P L 480 Program suggests that interventions under this SO will have the potential to provide quantifiable benefits (increases in productivity and income) to approximately 1 million people Policy and regulatory reforms effected through part of the program will have a widespread impact throughout the agricultural, manufacturing and tourism sectors

Direct beneficiaries will be selected in collaboration with USAID's development partners Initially, it is expected that assistance will be provided, primarily, to enterprises operating within the markets for food crops, horticultural and floral products, seafood, wood products, handicrafts, garments and textiles, and tourism USAID will work with each implementing agency to (i) identify product markets with significant potential, and (ii) identify communities and enterprises based on technical potential to capitalize on market opportunities and develop marketing linkages, institutional or managerial potential to use assistance effectively, commitment to the program and willingness to share costs, and equity considerations

e. Commitment and Capacity of Other Development Partners

Ghana is committed to achieving middle-income status by 2020 GOG policies recognize the importance of private-sector-led growth in agriculture, manufacturing and tourism In practice, however, the state still plays a substantial role in the provision of infrastructure, financial services, agricultural research and extension, cocoa exports and services, and manufacturing This approach has not been sufficient to accelerate growth in recent years

The GOG has recently introduced the Ghana Trade and Investment Gateway Program This program will use increased trade and investment within West Africa as the focal point for improving policies, institutions, infrastructure and attitudes affecting the private sector It will support activities to establish Ghana as a center of manufacturing, value-added processing, trade, finance and commerce in the sub-region

The GOG has also completed a review of its agricultural strategy This resulted in recommendations for the development and multiplication of appropriate planting materials for exportable crops, the development of research, extension and marketing linkages with the private sector to increase agricultural productivity, timely provision of extension packages to all categories of farmers, the provision of up-to-date information on investment opportunities, and an increased role for PVOs and NGOs in assisting increased productivity and improved marketing

With the assistance of the UNDP and the World Tourism Organization, the Government of Ghana has developed a National Tourism Development Plan for 1996 - 2010 The Development

Plan is based on optimistic projections of 5 to 10 percent growth It recognizes the importance of both business and heritage tourism, targets domestic and regional, as well as international visitors, and it stresses the needs for development of infrastructure, human resources, and the private sector The Development Plan embodies a strategy of attracting "high-value" as opposed to low-cost, mass-market tourism

The GOG is expected to resume its Enhanced Structural Adjustment Facility with the International Monetary Fund with clear economic stabilization and adjustment targets The World Bank and bilateral donors provide substantial assistance in tax and financial management reforms, financial sector reforms, restructuring of the civil service, privatization, and infrastructure development Private enterprise development projects include export financing (World Bank and European Union), microenterprise development activities (UNDP and Canada), and tourism development (UNDP and World Tourism Organization)

In addition, donor support to the agricultural sector is substantial Between 1991 and 1993, six donors invested a total of $149 million in this sector Assistance has been focussed upon research and extension (World Bank), rural poverty alleviation (CIDA and UNDP), financing (World Bank, CIDA, and the European Union), rural feeder roads (World Bank, DANIDA and USAID), and bio-diversity and forest management programs (World Bank, European Union and DANIDA)

A number of PVOs and NGOs have been effective in assistance for agricultural production, microenterprise development and market development, notably Sasakawa/Global 2000, TechnoServe and the Adventist Development and Relief Agency These groups have achieved substantial increases in production and marketed sales of agricultural products in beneficiary communities

f. Illustrative Approaches

In order to move to the next level of economic growth, USAID's approach to increasing revenues for selected goods and services is to support improved policies and financial services, to increase production, and to improve domestic and export marketing

Improved policies and financial services: Past USAID programs have contributed to improvements in the policy environment for trade and investment SO1 will support a more participatory approach to policy change, and financial engineering, to facilitate growth in the private sector Participatory policy change is process-driven, in contrast to the traditional conditionality and output driven formula that was followed under the Trade and Investment Program The new approach differs by placing greater emphasis on stimulating Ghanaians -- public and private -- to drive the policy change process, across the continuum from problem identification to implementation of critical policy improvements

Guided by an internal policy dialogue agenda, USAID will support the policy change process through a) flexible use of nonproject assistance, b) the services of Ghanaian, American and

international experts in policy analysis, change management and technical issues, working under short-term consultancies, and, c) support to local research institutions and private and civic organizations, to strengthen their capacity to participate in the policy change process USAID will encourage Ghanaians to address the issues of policy and regulatory constraints to increased financing, tariff and exchange rate distortions that tax development of agriculture and exports, inflexibilities in labor markets, and the role of the state in the economy

SO1 will also address financial engineering -- improving the quality and variety of financial services available to Ghanaian entrepreneurs As the world's leader in financial markets, the U S has considerable expertise that can be brought to bear on financial engineering in Ghana USAID's role will be key in assisting the development and testing of financial innovations, without infusing capital into the system Policy change and financial engineering activities are complementary in that innovative financial instruments cannot substitute for prudent financial management in the public sector During the transition to higher savings rates, creative financial engineering must provide conduits for mobilizing existing resources into productive uses by the private sector USAID will support a) private sector analysis and development of improved financial instruments, and b) improvements in public sector management and supervision of financial markets

Increased production Sufficient and reliable product supplies to the market will come through increases in output and the reduction of waste and losses USAID will assist microenterprises to access required inputs and existing sources of financing Limited support may also be provided for inventory credit schemes Communities, manufacturers, and market intermediaries will also be assisted to improve their technical production and management practices To ensure sustainability of production improvements and avoid environmental degradation, appropriate agricultural and manufacturing production practices will be adopted

Improved domestic and export marketing USAID activities will focus on assisting enterprises to develop their commercial capabilities and marketing linkages Specifically, enterprises will be assisted to cut costs, improve storage and handling practices to reduce post-harvest losses and stabilize product prices, add value through processing and manufacturing, increase knowledge of prices, buyers and consumer preferences, and, establish effective linkages with suppliers and distributors Greater specialization into marketing functions such as input supply, storage, wholesaling, processing, and exporting will also be promoted A special focus will be placed on developing the capacity of Ghanaian enterprises to capture shares of existing export markets and to reduce Ghana's dependence on exports of cocoa, gold, timber and electricity

Improved Infrastructure Infrastructure investments will contribute to the reduction of marketing costs Similarly, improved agricultural research and extension will contribute to increases in sustainable farm output, and improved financial services will increase investment and marketed production These development needs are being addressed by several other donors

Non-project assistance will be used to reenforce policy initiatives identified above Technical

assistance will be provided through institutional contracts to facilitate policy change and financial engineering, and to develop market linkages in specific industries An institutional contractor will work with leading producers, export intermediaries, and business associations to "pull" participating microenterprises into mutually beneficial production and marketing arrangements PVOs and NGOs will provide direct managerial, production and marketing support to groups of farmers and microentrepreneurs, providing a "push" to realize growth opportunities USAID assistance will focus upon the promotion of goods and services with the highest potential for increasing revenues of assisted enterprises Additionally, USAID will provide assistance to assure the sustainability of investments in natural resource conservation and historic preservation in the Central Region, investments which serve as catalysts for the dramatic growth in Ghana's tourism industry

Food security will be improved through assistance to agricultural enterprises utilizing both PL-480 Title II resources and development assistance By emphasizing economic growth, SO1 will address both food access and availability, since Ghanaians will be assisted to increase their incomes and food production, and to reduce seasonal fluctuations in food prices Assistance will focus on the production and marketing of selected food crops, e g , maize and cassava, and will thus directly enhance food security While better utilization is being addressed primarily by other donors, USAID assistance will promote a better understanding nutrition and hygiene, keys to improving food utilization

g. Sustainability

Financial sustainability will be achieved by strengthening the capacity and profitability of assisted enterprises to maintain and expand their operations over time In addition to providing assistance to modify and implement selected policies that directly affect the international competitiveness of Ghanaian goods and service, support will be provided to improve the technical production and management practices of assisted enterprises Emphasis will be placed on improving the domestic and export marketing systems Included in this effort will be improving storage and handling practices for agricultural products, establishing market linkages with market intermediaries, and adding value to natural resources through processing All of these initiatives will enable private enterprises, both those which are directly assisted and those which indirectly benefit, to become productive and profitable on a sustainable basis

h. How Achievement of the Strategic Objective Will Be Judged

Achievement of SO1 will be measured through an increase in the revenues from selected goods and services, as derived from the newly revised national accounts statistics The revenues from selected agricultural and manufacturing products are targeted to increase from $1,072 million in 1994 to $1,480 million in 2001 Although this list of commodities included is not exhaustive, it will capture a majority of the growth resulting from USAID assistance during the Strategic Plan period USAID will continue to track increases in non-traditional exports They grew from $68 million in 1992, prior to TIP, to $227 million in 1996, and are expected to reach $475 million by 2001 Foreign exchange earnings from tourism will also be monitored They are

expected to increase from $240 million in 1994 to $420 million by 2001

USAID Ghana will also monitor and report on progress indicators derived from the Intermediate Results Existing monitoring instruments will be adapted to the new strategy Grants and contracts with implementing agencies will specify monitoring requirements and the monitoring and evaluation of program activities will be the responsibility of the Mission's extended Strategic Objective Team

2. Strategic Objective No. 2: Increased Effectiveness of the Primary Education System. (SO2)

a. Problem Identification

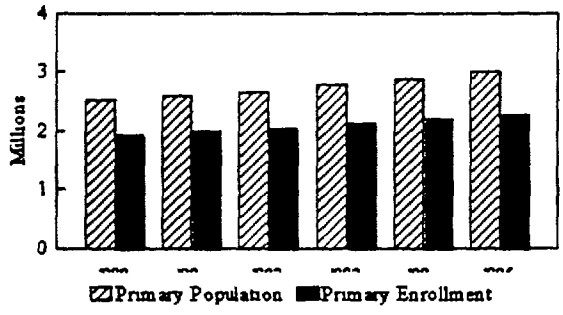
Effective basic education is fundamental to achieving sustainable economic growth The system mandated to provide that education in Ghana failed in the 1970s and 1980s There was a dramatic reduction in government expenditures for basic education, a severe shortage of essential instructional materials, a deterioration of school buildings, a mass exodus of qualified teachers from Ghana and an erosion of community confidence in the education system The output of that failed system is the more than 5 million adult illiterates in the population today

Today there are more children of primary school age (6 - 12 years) than ever before. By the year 2000, there will be 17% more children in the primary school ages than now The system is getting bigger, not better Learning is not taking place for a variety of reasons

Poor instruction: Over the past two decades the quality of teaching in Ghana has plummeted through poor conditions of service, inadequate training and an erosion in teaching standards Teacher and pupil absenteeism is high There is a lack of appropriate learning materials The curriculum is overloaded and burdensome to teachers and students School facilities, from the physical structure to furnishings, are inadequate Methods of teaching are outmoded and rely heavily on techniques that diminish student participation and interest, such as memorization and copying from the blackboard

Inadequate supervision and management: Supervision and management at both the school and district levels are poor Recent steps toward decentralization have further stretched an already weak management environment The devolution of authority to the districts has been hampered by incomplete and unclear transfer of authority, redundant and inappropriate posting, an inadequate planning process, ineffective monitoring and evaluation, and inadequately trained staff at all levels of management The GOG has stated its intention to further decentralize management and supervision functions, but additional management reform, restructuring and training are needed before such a move would be effective

Fig 8 Primary School Aged Population and Enrollment Rates



Insufficient community participation: Historically, community participation was a key ingredient to enforcing school standards, improving attitudes towards education and providing financial support Local groups, such as parent-teacher associations, are no longer playing that role With the advent of decentralization, including new legislation and institutional arrangements, communities will be called upon to play an increasingly more significant role in the education reforms New community-based sources of funding and management oversight roles need to be developed and supported to meet the demands of a growing school population

Recently, steps have been taken to rehabilitate the basic education system (grades 1-9) In 1987, the government initiated an education reform program which included the revision of curricula for primary through secondary school, teacher training, and reducing pre-tertiary education from 17 to 12 years The 1987 reforms also laid the foundation for the decentralization of school supervision and gave responsibility for building and maintaining school facilities to district assemblies

Since 1987 Ghana has maintained one of the strongest financial commitments to the education sector in all of Africa In 1994 more than 40% of the MOE's recurrent budget was allocated for basic education However, over 95 % is spent on salary-related items As a result, donor programs have been relied on to provide substantial funding for essential materials and training All of these inputs, including more than $400 million from donors over the past decade, have been necessary but not sufficient for improving the quality of learning in the classroom

Student achievement tests administered in four successive years from 1992-1995 illustrate that primary school student achievement is woefully low Research from the USAID-funded Center for Research on Improving Quality Primary Education in Ghana (CRIQPEG) corroborate the low learning levels among primary pupils

These data suggest that unless dramatic steps are taken to improve the quality of primary education, the system will continue to produce massive numbers of students who do not have the basic skills in literacy and numeracy to contribute to Ghana's national development

Policy Context

The long-term vision of Ghana is to become a middle-income country by 2020 A recognized priority within that vision is the development of a participatory, literate citizenry as the foundation for the democratic processes, economic growth and social well-being of the nation Review of the education reform experience in Ghana was consolidated during an MOE-led, multi-donor-supported basic education assessment begun in July 1994 One clear conclusion of that review was that continuing to expand access to basic education and to increase physical inputs into the system are necessary, but not sufficient to ensure that the quality of teaching and learning at the school level improves An outcome of that assessment was the government's preparation of a draft program for the development of basic education within the framework of free, compulsory and universal basic education (fCUBE)

The government, through its announced fCUBE initiative, is committed to achieving both universal access to basic education (grades 1 through 9) by 2005 and significant improvements, over the next 10 years, in the quality of the education services offered Specifically, fCUBE identifies four priority issues i) poor teaching and learning, ii) inadequate access and gender bias, iii) weak management capacity at all levels, and iv) inadequate resources mobilization and inefficient resource utilization To address these issues, the decision was taken at an MOE-donor forum in August 1994 to adopt a sector-wide approach that would harmonize all the development efforts so that the system could develop by effectively and efficiently using available inputs The traditional project-by-project approach is being consolidated into support for the comprehensive fCUBE program The preparation of the fCUBE framework has incorporated the major findings from GOG-led, multi-donor sector analyses and delineates project components for the combined assistance of donors This policy framework is centered around making schools more effective, and embraces a results orientation, decentralization of authority and responsibility, a shift from a supply-driven to a demand-driven mode, more reliance on private roles in the provision of education services, and improved resource mobilization

USAID/Ghana's education sector strategic objective and strategy are intended to support this GOG-led effort and to help operationalize at the district and school levels the principles enumerated above USAID will contribute directly to the achievement of the fCUBE program objectives by helping the system progressively adopt improved district- and school-level support environments, structures and mechanisms USAID's assistance in promoting and facilitating participatory management and decision-making at the school and district levels compliments other donor support for the expansion and improvement of school facilities, the reorganization and reform of ministry management and administrative structures and functions, development of curriculum and materials, and teacher pre-service training

b. Analysis of Options

For the last five years USAID's Primary Education Project (PREP) has focused on national-level policy reform and financing of materials for basic education A PREP II program with a similar approach was considered This would have included national-level inputs such as school building, textbook distribution and national teacher training programs However, USAID and other donor experience in the education sector demonstrates that highly centralized programs which focus on policy reform or inputs alone are not sufficient for effecting change at the school level

USAID research and experience demonstrate that educational quality must be improved by a change of methods and management at the classroom and school level and by a supportive policy and institutional environment The important decisions about how best to support learning are based on informed knowledge of particular pupils and their immediate classroom environment

USAID's in-country experience with PREP's Equity Improvement Project and with CRIQPEG has shown that this approach works The CRIQPEG field program has demonstrated that it is

possible to increase pupils' reading and writing performance by i) developing and using classroom tests to assess pupils' learning levels, ii) working with teachers to develop classroom strategies to improve pupil performance, iii) matching the level of instruction to the pupils' level of knowledge and skill, iv) focussing on pupils' practice, and v) continuing the cycle of assessment, appropriate teaching methods and content, pupil practice and review

USAID's second Strategic Objective is to increase the effectiveness of the primary education system This objective will focus at the school, community and district level, developing on a manageable scale what really works to improve children's learning, specifically literacy and numeracy The essence of the program will be to develop the conditions and strategies required for effective and sustainable schooling This will involve changes in management, resources and practices in the classroom, at the school, at the circuit level, at the district level and, finally, at the national level To accomplish these objectives USAID will support the development of a model school program, which will demonstrate the resources and processes required for effective schooling

The following guidelines, drawn from research and experience on school reform and system change, will inform the design of activities to achieve the strategic objective

1) The education system and partners need to be engaged in a process of organizational learning based on information about pupil learning, teaching practices, school conditions and management, and the process of change

2) A fundamental standard of school quality needs to be defined and systematically applied to establish an environment that supports improved teaching and learning

3) The education system and the community need to ensure adequate levels of resources for establishing school fundamental quality levels

4) Teaching and learning in the classroom can be improved through the development of teaching strategies that target student needs as identified by continuous assessment

5) Support needs to be provided to teachers so that they learn to make use of assessment tools, and information these provide, to modify their teaching techniques

6) Networking among schools needs to be facilitated so that professional collaboration and sharing of lessons can take place among teachers and headmasters, facilitating the provision of support services

7) A key resource for education system reform is the growing capacity of the teachers, school heads and district-level persons engaged in the school improvement process Their experience needs to be systematically utilized in the process of spreading school reform

8) USAID will support the management of school-based reform in an increasing number

of districts and schools during the life of the program This approach is consistent with similar approaches to improving basic education that are under way elsewhere in Africa and in other parts of the world

c. Critical Assumptions

The proposed results framework rests on three critical assumptions

GOG Policy Commitment: The MOE will support basic education reform by making decisions about staffing (qualifications, posting, transfers, sanctions, incentives), remaining committed to decentralization, and treating nongovernmental organizations as legitimate service providers

Other Donors' Support: Donors will continue support for education development and be willing to coordinate activities in areas such as improved school facilities, pupil health and nutritional status, and improved pre-service education

Receptive Community Environment: The MOE, districts and communities will be willing to support and take responsibility for quality improvements at the participating schools The process of change envisioned will also require active participation and increasing levels of responsibility and accountability from the Ministry of Education, and district education and school personnel

d. Identification of Affected Customers

The primary beneficiaries of SO2 will be approximately 132,000 Ghanaian students in at least 330 schools in at least five districts These students, comprising 8% of Ghana's primary-school-age population, will be directly affected by improvements in teaching and management at their schools Secondary beneficiaries include the rest of Ghana's 3,000,000 primary school children, who will profit as changes introduced into the participating schools become more widespread throughout the educational system

Evidence suggests that better quality and greater relevance for the educational process can increase demand and create the conditions for increased enrollments and retention Increased enrollment, retention and learning will benefit both girls and boys Monitoring of progress will be tracked and reported by gender

Other beneficiaries include at least 2,178 teachers and head teachers, and 2,640 district education personnel, as well as parents and community leaders who will be better prepared to participate in and manage their schools

e. Commitment and Capacity of Other Development Partners

The GOG has made important steps towards greater decentralization of its basic education system The 1987 educational reform, the Ghana Education Service Bill and fCUBE have all supported the devolution process District assemblies have been given greater responsibility for

local school facilities and have been allocating increasingly larger budgets to schools in their districts There is also a trend toward greater participation by local NGOs and religious groups, and a larger number of private schools Because the level of achievement tends to be higher in those schools than in public schools, there is potential for benefiting from their experiences

Substantial donor support is provided for improving basic education In addition to USAID, donors will contribute roughly $140 million to basic education over the next five years The World Bank is the largest lender and is currently supporting a large Basic Education Sector Investment Program aimed at improving access and quality for basic education particularly in impoverished areas The British ODA will be collaborating with Germany's KFW and GTZ to improve pre-service teacher education UNICEF recently began its new five-year country education program that focuses on girls' education and community-based education programs The European Union expects to continue significant general budgetary support for non-wage expenditures in basic education

f. Illustrative Approaches

USAID/Ghana's approach to increasing the effectiveness of the primary education system seeks to support an increasing number of participating schools and districts in achieving increased learning performance through improved classroom instruction, decentralized and improved school management, and increased community participation The school quality standards (SQS) system is an organizing concept for improving district and school management SQS provides a standard specifying the threshold conditions for a school's infrastructure, staffing, materials and management linked to pupils' learning A consultative process is required to define those conditions in relation to resources Its implementation leads to improvements in how schools are organized and run, and how districts provide support services and resources to schools SQS promotes and facilitates greater parent and community involvement in school-level decisions

Improved Enabling Environment for District Management

The development of an environment that permits and promotes school-level change and reform of district-level decision-making, management and school support practices will depend on changes at both the national and district levels

At the national level, the establishment of an enabling environment will be evidenced by the extent to which national policies allow districts to assume authority and responsibility over decisions that directly affect their ability to support schools Two critical aspects of that relate to the national provision of adequate resources to ensure the operation, expansion and improvement of the education sector, and the decentralization of authority over those resources to the district level Government provision of adequate resources for the sector will be evidenced by sustained sectoral financing, including adequate resource levels for the basic education sub-sector, other than personnel In addition to authority over financial management, districts should acquire discretion over personnel and other operational decisions However,

district capacity to effectively exercise that authority needs to be developed Hence only those districts demonstrating basic administrative capacity, and which are willing and able to be held accountable for resource use and results, can receive such authority

USAID will work with the MOE to see that the ministry i) adopts the concept of school fundamental quality level as a strategic objective, ii) allocates responsibility to selected districts to develop the specific definition and processes required for the SQS to be implemented, and iii) uses the knowledge gained through this experience as a basis for the implementation of decentralization

If the national system assures districts of resources and authority, the enabling environment within districts will need to be established so that those resources and authorities can be applied to supporting improvements in schools The extent to which the districts engage in open, participatory, informed and fully accountable processes of issue identification, policy and strategy development, and planning and resource allocation decision-making will determine whether schools benefit from the discretionary authority afforded district officials

Improved Classroom Instruction

Support for teachers, through in-service staff development and training, will emphasize the design and use of pupil continuous assessment, the acquisition and implementation of practical skills, learning techniques and teaching materials to strengthen the effectiveness of instruction This will involve circuit supervisors gaining skills for classroom observation, monitoring and feedback techniques that best support teacher improvement

USAID will also assist in developing a rational scope and sequence for the primary curriculum and support the development, production, distribution and utilization of instructional materials Effective assessment systems for monitoring student progress and improving classroom instruction will be developed and linked to the curriculum

Improved Education Management

USAID will provide support to schools and districts in defining fundamental school quality level indicators and determining the system of analysis, planning and management needed to implement them The process of schools implementing the SQS framework will indicate that the necessary management improvements at the school and district level are being realized To facilitate adoption and implementation of SQS schools will be provided with incentive grants to assist them in reaching SQS targets

Specific attention will be given to gender-specific requirements at the school and classroom levels For example, separate sanitary facilities for girls, responsiveness of the school schedule to home demands for childrens' labor, and patterns of interaction at school and classroom level will be addressed

Increased Community Participation

Communities will be encouraged to participate in the school improvement programs through awareness campaigns, social mobilization activities and incentive grants to improve school quality Diverse representation in all community groups will be encouraged NGOs will take the lead in supporting greater community participation in education PTAs and school management committees are the principal organizational mechanisms through which communities will participate in school-level decision-making However, it is not enough that these associations and committees exist, they need to become fully functional in support of the school improvement program Their functioning will be indicated by such activities as regular meetings, providing information and inputs to support school quality improvements, and advocacy of school requirements

Non-Project Assistance

The creation of the enabling environment that allows these improvements to take place rests with national policy The national policy has to assure districts of needed resources and authority, based on the progressive capacity of districts to support school-level improvement To reinforce the impact of the program -- and expand the benefits into the larger school system -- Non-Project Assistance (NPA) will be used to support policies that

- advance the delegation of responsibility and authority to the district and school levels while building capacity and appropriate incentives,

- leverage additional resources for local-level support of primary schools, and

- establish and replicate best practices in primary education instruction and school management

g. How Will Sustainability Be Achieved

USAID-financed assistance will help to develop the knowledge, experience and tools necessary for replication of effective approaches in other districts and regions Policy changes will improve budgetary allocations for classroom activities and lay the groundwork for reform throughout the entire primary school system Through local participation, communities will come to value and support their primary schools Finally, management efficiencies will be identified to promote better use of existing resources

h. How Achievement of the Strategic Objective Will Be Judged

To track progress towards achieving its education strategic objective, the Mission will employ a framework of indicators that will capture improvements in system effectiveness at the student, school and district level on a progressively increasing scale A growing percentage of students achieving passing grades on the English and math components of the CRT will indicate that system and school reforms are being translated into impact at the student level The results on student performance will be disaggregated by gender so as to track the benefits in relation to girls' participation and learning USAID will also track gross enrollment and retention rates in model schools as a process indicator of SO performance

The SQS framework is a short-hand reference for the set of activities, participatory processes and support mechanisms that will be implemented at the district and school level to both improve individual schools' effectiveness and to show how communities and district-level officials and stakeholders can support school improvements Growth in the number of districts applying the SQS framework will demonstrate that the SQS framework for community, school and district involvement in improving the education environment is being adopted on a national level

3. Strategic Objective No. 3: Improved Family Health (SO3)

a. Problem Identification

Strategic Objective No 3 targets certain vital aspects of family health of Ghanaians by addressing the problematic areas of overly high levels of fertility, infant mortality/morbidity, and maternal mortality and of the threatening advance of HIV/AIDS infections and other Sexually Transmitted Diseases (STDs)

High Fertility

Reducing fertility to slow population growth is critical to achieving sustainable economic growth If the population continues to grow at the current annual growth rate of 3%, the number of Ghanaians will double, increasing from 17 5 million to 35 million, in just 24 years Not only is the population growing rapidly, but it has a young age structure with over 48% of the population under 15 This means that half the population is working to provide food, health care and education for the other half of the population (In more developed countries there are characteristically two workers for every child under 15) If this rapid growth does not slow, the population will place unrelenting pressure on Ghana's food supply, energy resources, environment, educational system, labor market and health services

The 1993 Demographic and Health Survey reports that changing attitudes towards ideal family size and steady improvements in child survival and family planning programs are resulting in a decline in fertility in Ghana The total fertility rate, or the average number of children a woman has during her reproductive years, has decreased from 6 4 in 1988 to 5 5 in 1993 The mortality rate for children under five has declined from 155 per 1,000 live births from 1984-1988 to 119 per 1,000 live births from 1989-1993 Further declines in fertility can be achieved as child survival improves and as the family planning program provides more information to the population about the benefits of family planning, increases the demand for and use of more effective contraceptive methods and expands service provision Also, increases in female literacy will contribute to continued declines in fertility Constraints to reducing fertility are discussed below

Low use of modern family planning methods: Ghana's family planning program must strengthen efforts to inform couples about the benefits of family planning, improve the quality of its services, and increase the number of couples who are using modern, effective methods for family planning The GOG, in its 1994 Revised National Population Policy, set the goal of reducing fertility to 5 0 by the year 2000 If this target is achieved, the annual rate of population growth will drop to 2 8 percent To accomplish this, the current number of contraceptive users must more than double to 750,000 in the year 2000 Also, couples who are using family planning must shift from less effective short term methods (oral contraceptives, condoms, vaginal foaming tablets) to more effective long term methods (injectables, IUDs, implants and sterilization) This shift will increase the cost-effectiveness of the program Currently, low levels of education, high rates of child mortality, lack of information, fear of

side-effects, lack of support from partners and inadequate access to family planning services are the major obstacles to increasing use of effective family planning methods

Inadequate access to family planning services: Current service provision cannot meet the growing demand for family planning Provision of long term methods is limited and counseling to ensure that women use the most appropriate methods is poor Private sector distribution reaching more convenient outlets must be expanded to increase access and lessen the financial burden on the MOH Community distribution to meet the needs of people living in the rural areas must be expanded Campaigns to reach special target groups such as adolescents and men need to be developed In addition to expanding services, it is essential to ensure their sustainability This will require increasing program resources from the GOG, the private sector, and the family planning users themselves

High Child Mortality

Under 5 mortality rates in Ghana range from 90 per 1000 live births in urban areas to 149 per 1000 live births in rural areas Child mortality is highest in the Northern region where the mortality rate is 237 deaths per 1000 live births High mortality can be largely attributed to poor access to health care and low levels of female education

Although decreases in child mortality have been achieved, there continue to be large differences between urban and rural rates and significant regional variation Immunization coverage was low at 55% coverage in 1993 There is a high prevalence of malnutrition and diarrheal diseases resulting from low rates of exclusive breastfeeding and limited use of ORT Furthermore, over 50% of births are high risk Health education efforts must be strengthened and targeted especially towards women in rural areas in order to lower the number of high risk births, promote breastfeeding, increase immunization coverage and the use of ORT It has been cross-culturally documented that there is a strong linkage between parents' perceptions of the chances that their children will survive infancy and childhood and their greater willingness to accept the concept of family planning, specifically, the desire initially in acceptance to space and later to limit the number of children they engender

Threat of the Spread of HIV/AIDS And Other STDs

Ghana's 1994 Revised National Population Policy identifies several objectives aimed at enhancing the quality of life of the people of Ghana One of the objectives is to ensure that particular attention is focused on the prevention of sexually transmitted diseases including AIDS If current trends continue, 1 2 million Ghanaians will be infected with HIV by the year 2010 To slow the rise in HIV prevalence, steps need to be taken to decrease risky behavior by such methods as reducing the number of sexual partners, increasing use of condoms, and improving diagnosis and treatment of sexually transmitted diseases

Data from blood tests of ante-natal patients (a traditional proxy for a general population sample) indicate that HIV prevalence in Ghana ranges from 2 to 4 percent in most parts of the country

with some areas reporting rates of over 10 percent As of September 1995, 16,500 cumulative cases of AIDS had been reported It is estimated that at least 400,000 Ghanaians are infected with the HIV virus Women account for almost 70 percent of reported AIDS cases

Ghana's neighbors are experiencing HIV prevalence rates as high as 10 percent of the general population AIDS is already the leading cause of death in Abidjan, the capital of the Côte d'Ivoire Some experts state that AIDS has reached levels in Ghana which the epidemic had reached in the Côte d'Ivoire five years ago The following factors have been identified as the principal problems

What's the Ideal Family Size?

Ghanaian women say that they want 4-5 children, yet, the national fertility rate is 5 5 children USAID's Ghana Population and AIDS Program is assisting these women to close the gap between desired and actual family size USAID will provide access to modern contraception for nearly 750,000 users

High risk behavior· Evidence to date has shown that the predominant mode of HIV transmission in Ghana is sexual contact Although awareness of AIDS is high, people continue to engage in high risk behaviors Estimates based on the results of the Consumer Baseline Survey (1993) indicate that over 600,000 men and women have had more than one sexual partner in the last three months and do not use condoms regularly

High prevalence of STDs: In addition to high risk behavior, the spread of HIV is increased by the presence of STDs which has been shown to increase the likelihood of heterosexual transmission of HIV two to nine times The prevalence of syphilis in the northern sector of Ghana, for example, ranges from 8 to 18%

Inadequate treatment of STDs: In addition to the prevalence of STDs, weaknesses in the diagnosis, treatment and compliance with treatment of STDs exacerbate the situation in Ghana First, many individuals do not recognize symptoms of STDs as unusual and consequently do not seek medical attention If they do seek medical care, the treatment provided may not be effective due to the presence of drug resistant strains or lack of compliance with treatment regimens Individuals prefer to seek STD treatment in the private sector because they perceive there is more anonymity Despite this fact, to date, most of the donor assistance in HIV/STD prevention and control has gone to the public sector

Low Levels of Female Literacy

There is an important linkage between the Mission's strategic objective to improve literacy through primary education and this strategic objective to improve family health Research has shown that men and women with low levels of education tend to want and to have larger families Women with no schooling want to have and actually do have on average 1 8 more

children than those with 10 or more years of schooling These families also have high rates of child mortality In Ghana, the child of a woman with a secondary education is 4 times as likely to reach his or her sixth birthday as the child of a woman with no education Consequently, women with no education tend to have more children because they fear some will not survive to adulthood The influence of schooling on fertility is stronger in communities where the overall educational level is higher suggesting the important role that primary education and mass literacy programs can play in reducing fertility Better-educated women will be better able to care for their children, will have higher rates of contraceptive use and will be more likely to use more effective methods Furthermore, young women who practice family planning will be more likely to remain in school These problems are principally addressed by SO2

b. Analysis Of Options

The formulation of this S O as improved family health is based on three Ghana-specific factors (1) USAID/Ghana's recognized comparative advantage in the population/family planning field, an attribute that has been acknowledged and encouraged by the GOG, which argues for continued strong support to maintain the current momentum in the fertility reduction trend, (2) the new opportunities, presented by funding availability and the synergistic linkages with FP service delivery modalities, to strengthen ongoing and expand into new child survival activities and to renew the emphasis on HIV/AIDS and other STD control and prevention measures, and (3) the fact that USAID's principal counterparts and partners---the MOH, PPAG, GSMF, GRMA and numerous PVO/NGOs---are virtually the same implementing agents for all three subsectors of family planning, HIV/AIDS and child survival

There are a variety of approaches that can be used to improve family health As a point of departure, Ghana's 1994 Revised National Population Policy presents the following steps the country must take in order to achieve and maintain a level of population growth which is consistent with national development and public health objectives

- reduction of fertility through the provision of affordable and high quality family planning services
- elimination/control of sexually transmitted diseases including AIDS
- development of special programs focussing on adolescent reproductive health
- integration of population issues into all aspects of development planning
- reduction of the high levels of maternal and infant mortality and morbidity
- enhancement of women's rights and status within society
- ensuring a more balanced distribution of the population
- conservation of the environment and natural resources

USAID's third strategic objective incorporates the first 5 approaches by setting results targets of (a) increasing the usage of and demand for more effective family planning methods and improving the sustainability of family planning services, (b) increasing child survival measures, and (c) increasing HIV/STD prevention and control interventions Interventions in all areas will

include components which meet the needs of adolescents, men and rural clients Also USAID's activities (under SO2) in strengthening education of the girl child will contribute to enhancing the status of women The child survival area has been selected because improving the likelihood that a child survives reduces the number of children a family will have

Increasing the use of family planning has a direct and significant impact on slowing population growth Recent increases in contraceptive use and the resulting decline in fertility indicate that the demand for family planning is growing and there is a need to ensure that sustainable services are in place to meet that demand USAID has a long history of working in the population and health sector in Ghana and, through its network of Cooperating Agencies, has a comparative advantage in the population field In addition USAID/Ghana will implement targeted interventions which complement the child survival activities of other donors Certain aspects of the family planning program will benefit AIDS/HIV/STD prevention such as the social marketing activities which will raise awareness, provide services and increase condom use

Regarding the insidious spread of AIDS, there is little sense of urgency in Ghana thus far since prevalence is still fairly low (3-4%) relative to other Sub-Saharan countries We recognize that there is as yet no known cure for AIDS The only recourse open to countries to combat the spread of HIV/AIDS is prevention One of the major objectives of the Ghana National AIDS/STD Control Programme's (NACP) second medium term plan (1996-2000) is the prevention of HIV infection through sexual transmission, transmission via blood, blood products and bodily fluids, and perinatal transmission The NACP proposes the following interventions to obtain its objective

To prevent sexual transmission

- promote safer and more responsible sexual behavior
- provide access to condoms
- promote early diagnosis and adequate treatment of sexually transmitted diseases

To prevent transmission through blood, blood products and bodily fluids

- promote action to reduce the need for blood transfusion
- promote safe blood transfusion
- promote infection control

To prevent perinatal transmission

- provide appropriate education and information to pregnant women and women of child-bearing age
- provide access to counseling and voluntary testing for HIV
- provide access to family planning services
- provide access to condoms as well as appropriate education and information and promote correct usage of condoms

This aspect of the strategic objective will focus on increasing knowledge of HIV/AIDS transmission and measures that can be taken to prevent infection, improving the diagnosis and

treatment of sexually transmitted diseases other than AIDS which increase one's susceptibility to AIDS, and strengthening the NACP surveillance system to track HIV and STDs Emphasis will be placed on integrating these activities into existing structures, especially family planning services

c. Critical Assumptions

Political Stability: Political stability and economic growth must continue in Ghana and neighboring countries for this strategic objective to be achieved Regional instability will result in increased population pressures from neighboring countries and with the possible influx of refugees may result in increased spread of HIV and STDs within camps and the Ghanaian community at large

GOG Commitment: The GOG has been very supportive of population and child survival activities The National Population Council was established in 1992 and is located in the President's Office The National Population Policy was revised in 1994 Child survival interventions are priority areas highlighted in the Ministry of Health's Medium Term Strategy While there is clear commitment for these programs at the national level, it must be strengthened and extended to local levels as public sector decision making is decentralized In addition there is an urgent need for continuing political and financial support in both the public and private sectors to ensure long term program viability

The GOG declared its commitment to combating AIDS early in the life of the epidemic In October 1985, the GOG publicly committed itself to vigorously pursue appropriate policies and measures to prevent and control the spread of HIV As a manifestation of this commitment, the GOG established a National Technical Committee on AIDS (NTCA) to advise it on all AIDS related matters In late 1987, the NACP was established within the Ministry of Health (MOH) to coordinate activities for the prevention and control of HIV/AIDS in the country The NACP is attempting to expand the level of government and political commitment to the Parliament and regional and district levels

Other Donors' Support: Donor support must continue to be well coordinated and complement the work being supported by USAID This is of particular importance with regard to support for child survival since relatively high infant and child mortality rates play an important part in parents' decisions to opt for larger families

Continued Commitment of Neighboring Countries to Fighting HIV/AIDS Infection: AIDS knows no boundaries For Ghana to be successful in its fight against the spread of AIDS, surrounding countries in the West African sub-region must also have active AIDS control programs Programs for migrant workers and long distance truck and taxi drivers should be coordinated on a regional basis

d. Identification of Affected Customers

Customers for SO3 include children (under fives) and all men and women in Ghana of reproductive age and who are sexually active Important target groups which have been identified include women who wish to delay or limit their births and are not currently using family planning, adolescents, males and people in rural areas with limited access to services According to the 1993 Demographic and Health Survey, almost 873,000 women want no more children and over 1 million more would like to delay the birth of their next child by at least two years For many, the unfavorable attitude of their partners keeps them from using family planning Consequently, activities directed toward men are an important part of the program For both modern and traditional methods, contraceptive use of the urban population is twice that of the rural population Therefore, efforts must be focused on reaching the two-thirds of Ghanaians living in rural areas Women who are pregnant or have just had a child, infants and children are important customers for the child survival interventions Only 42% of diarrheal episodes are treated with ORT and less than 60% of children are fully immunized Young women and new mothers need information and services to ensure the health of their children and to space their next birth

Activities and messages which reach teenagers must also be emphasized Teenagers, a growing segment of the population, are entering their reproductive years and need information about family planning Over one-fifth of all teenage girls aged 15-19 have started childbearing and 45% of 19 year-olds have begun their childbearing The proportion of teenagers in the rural areas who have already had their first child is almost double that in the urban areas The children of these young mothers are one and a half times as likely to die as children of older women Consequently, these women need information about the importance of delaying childbearing as well as information about how to care for children when they do have them

Special target groups will include those at special risk of HIV/STD transmission These groups include, among others, miners and long distance truck drivers Men will receive special attention under this SO Over 30% of all men interviewed in the recent Consumer Tracking Survey (1995) reported having sex with more than one partner while very few women reported having sex with more than one-partner Adolescents, too, will be specially targeted in this SO According to NACP statistics, almost 40% of all reported AIDS cases among females and about 25% among males are found in the 20-29 year age group Given the long latency period from infection to full-blown AIDS, most of this group was probably infected in their teens According to the GDHS (1993), 47% of never married women aged 15-19 have ever had sex, while 83% of never married women 20-24 have ever had sex The median age of first sexual intercourse among all women ages 20-24 was 16 8 years These activities will in many instances be integrated with the adolescent activities to be implemented under SO3

e. Commitment and Capacity of Other Development Partners

Donor assistance in health and population is estimated to be over $100 million for the five-year period from 1991-1996 It includes regional projects which are designed to improve access to

health care in the poorer regions in the North of the country and country-wide support for strengthening provision of primary health care UNFPA and UNICEF are spearheading support to improve maternal and child health with interventions to improve immunization, support safe motherhood and improve nutrition Major donors providing assistance to Ghana in population and family planning include the World Bank, UNFPA, UNICEF and ODA

USAID is considered by other donors and the Government of Ghana to be the lead donor in population and family planning, with a comparative advantage in private sector efforts USAID has, to date, provided limited support for the provision of vaccines and the promotion of child survival Under this S O , USAID will now be expanding its efforts to increase vaccination coverage, promote the distribution of ORS, and strengthen IEC campaigns promoting child survival interventions USAID is also considering giving support to NGOs under the BHR/JVC Child Survival Grant Program This year, under the aegis of the Common Agenda, the Japanese will be developing joint coordinated actions with USAID to complement efforts already in place in population and HIV/AIDS prevention

USAID is the largest donor for HIV/AIDS providing around 50% of all donor resources going to HIV/AIDS/STDs in Ghana These resources financed interventions in the area of IEC, condom social marketing, and HIV testing, training and surveillance among others CIDA has just initiated a regional program focusing on populations engaging in high-risk behavior such as commercial sex workers and migrant workers The Government of Japan, through the Common Agenda/Global Issues Initiative, will be developing joint coordinated actions with USAID to complement efforts already in place in population and HIV/AIDS Japanese assistance is likely to support NGOs, training of laboratory technicians for screening and the procurement of HIV reagents Other donors, including Save the Children Fund (SCF), WHO, the European Union (EU) and GTZ are supporting upgrading STD case management in government clinics, laboratory testing for STDs, training for private physicians and pharmacists and assistance to the Health Education Unit at the Ministry of Health for educational materials pertaining to AIDS and STDs

f. Illustrative Approaches

USAID/Ghana's approach to improving family health seeks to achieve (1) increased use of more effective family planning methods by increasing demand for and expanding provision of family planning services, (2) improved sustainability of family planning services, (3) increased child survival efforts, and (4) increased use of HIV/STD prevention and control interventions

- **Increased Demand for Family Planning:** Demand for family planning services will be increased by strengthening Information Education Communication (IEC) activities and improving the quality of services IEC and social marketing campaigns will be developed which convey important messages about the need to avoid high risk births, the benefits of family planning and method- specific information to target audiences such as men and adolescents The campaigns will disseminate information through mass media, posters and brochures available at health facilities and points of sale, and health care providers, community workers and NGOs These

campaigns will be supported by training service providers in order to improve the quality of care and ensure that family planning clients are counseled to use the most effective and appropriate method To encourage clients to move to more effective long-term methods information, counseling and effective referral systems must be in place

• **Expanded Provision of Family Planning Services:** The provision of both short-term and long-term methods will be expanded to increase access to and use of family planning services Strengthened social marketing and community distribution of short-term methods will increase their availability, improve accessibility to low income consumers, and meet increasing demand with adequate supply Distribution of family planning through private physicians and NGOs will be strengthened by training service providers The number of facilities equipped and staffed to provide long-term methods in the MOH system will be increased and training for health care workers will be improved

• **Improved Sustainability of Family Planning Services:** Non-project assistance has been used effectively in the past to encourage needed policy reforms designed to improve sustainability of family planning programs Use of NPA for this purpose will continue These reforms include GOG budgetary commitment both to family planning services and to programs which support these services such as health education efforts and training Budgetary commitment to the National Population Council will demonstrate a willingness to ensure coordination and improve efficiency of all population activities in Ghana Furthermore, policies which increase private sector distribution and improve efficiency of family planning service provision will be revised and implemented

The private sector has a very important role to play since it reaches wider distribution and meets the needs of people who are willing to pay a higher price in order to have more convenient access to family planning services Currently the private sector provides family planning and Oral Rehydration Salts (ORS) and conducts IEC campaigns to promote the use of these products To increase program resources from the private sector and from family planning users, the price structure of the contraceptive market will be updated and the public-private sector partnership will be strengthened The MOH must regularly update the fees it charges for contraceptives in order to keep pace with inflation and increase cost recovery When low-priced MOH products leak into the private sector market resources available to the MOH and opportunities for private sector distributors are reduced Currently, 57% of family planning users obtain services from the private sector and 43% from the public sector In order to increase the share of family planning users obtaining services from the private sector, especially those using short-term methods, more attention will be given to market segmentation according to the socio-demographic characteristics of users and to the respective roles of government, private voluntary and commercial services in serving different market segments

• **Increased Child Survival:** In addition to continued support in Child Survival to the GOG, there will a broadening of assistance to both indigenous and U S PVO/NGOs The first category will include the numerous local PVOs (currently 18) working with the GSMF, to expand their activities to integrate child survival "activity packages" These packages may

include more vigorous distribution of oral rehydration salts, promotion of exclusive breastfeeding and better weaning practices, encouraging mothers with infants in completing their immunization schedules, sales of impregnated bednets for malarial mosquito control and training of community health workers in educating mothers in safer infant and child health practices
Examples of U S -based PVOs interested in being direct partners with USAID in C S activities are World Vision, Africare, Plan International and CARE Interventions will include IEC, support for provision of vaccinations and ORS, and training IEC campaigns will be targeted towards pregnant women and new mothers in order to increase the number of women exclusively breastfeeding their children for the first four months and to increase the use of Oral Rehydration Therapy for the prevention of diarrheal dehydration These campaigns will be targeted towards women in rural areas and supported with training for health care providers and increased provision of ORS through CBD workers USAID/Ghana will collaborate with UNICEF to improve immunization coverage by assisting in the procurement of vaccines, strengthening training of health care providers, procuring needed equipment for maintaining the cold chain and support for immunization coverage assessments Finally, USAID/Ghana will promote the development of IEC messages designed to encourage the use of family planning in order to reduce the number of high risk births

- **Increased Knowledge of HIV/AIDS Transmission:** Since general knowledge of AIDS is high, IEC campaigns will be developed which emphasize modes of transmission and preventive measures that can be taken to protect against the spread of AIDS Important messages which must be communicated include the need to reduce the number of sexual partners, the importance of proper and consistent use of condoms with casual partners, and the important role that health care providers play in identifying and treating STDs and counseling clients about HIV/AIDS

- **Improved Diagnosis and Treatment of STDs:** STD treatment will be strengthened through better training and access to more effective drugs More effective drugs for treatment of STDs will be included in the revised Essential Drugs List (EDL) and new treatment guidelines will be included in the National Formulary (NF) HIV and STD laboratory diagnostic capability will be strengthened Medical care available for STD treatment will be improved through better training of physicians in both the private and public sectors

- **Surveillance System Strengthened:** The effectiveness of the HIV/AIDS/STD sero-surveillance system will be strengthened to track trends in HIV/AIDS and STD incidence Efforts will focus on ensuring the quality of lab work and the consistency of results The system operates in 10 regional laboratories throughout the country and collects information about high risk (STD patients) and low risk (antenatal patients) populations. Information from the sero-surveillance system is used to identify areas with high HIV/STD prevalence rates and to plan and target AIDS/STD interventions nationwide

g. How Sustainability Will Be Achieved

Family planning in Ghana is moving from the emergent to take-off stage, with modern contraceptive prevalence having surged from 10 to 20 percent in recent years This situation

requires continued donor assistance and support for contraceptives, to maintain and capitalize on the momentum created However, it is important that donor assistance be designed to improve the efficiency of the program and increase program resources from other sources such as the GOG, the private sector and family planning users themselves

Sustainability of public sector service provision will be strengthened in three ways First, this strategy will promote policy changes which support increased budgetary allocation to family planning and child survival programs and related activities Second, the pricing structure for contraceptives will be reviewed and updated regularly Third, the efficiency of resource use in both the public and private sectors is being improved by strengthening coordination of program activities, streamlining service delivery guidelines, strengthening the partnership between the public and private sectors, and encouraging a shift to long-term methods This last change will, by definition, create a situation which is more sustainable, as these methods are more effective, cost less per couple year of protection, and permit the goal of reduced population growth to be achieved in a shorter time After USAID supported efforts in establishment of training sites, training, and refurbishment and construction of clinics for the delivery of long-term methods is completed, the infrastructure will be in place to ensure that these services will continue to be available

Private sector provision is being strengthened through social marketing to expand the commercial market for family planning, child survival and other health products and support to improve the efficiency of NGOs These efforts are designed to increase market demand and encourage purely private sector entrants into the market which will, in turn, increase the distribution of family planning products and information through private medical practitioners, pharmacies, other retail outlets and networks of NGOs

This SO addresses sustainability issues in both the public and private sector In the public sector, policy reforms called for under the strategy will support budgetary reform This has already begun with the non-project assistance requirement that sufficient funds be made available to the Ministry of Health to adequately undertake HIV/AIDS/STD activities This is being accomplished through the normal budgetary process as opposed to the extra budgetary process which had been utilized in previous donor-funded programs Furthermore, the inclusion of more effective drugs for STD treatment in the EDL will allow for their procurement by the Central Medical Stores through the regular drug procurement process and assure their availability at all service delivery points Technical sustainability will be assured through short-term technical assistance and both local and outside training of ministry staff

Sustainability in the private and NGO sectors will be strengthened through financial and technical assistance to the organizations most involved in condom distribution, IEC and STD treatment These organizations will furthermore also work with other NGOs and private medical practitioners to enhance their capability to deliver HIV/STD information and services

Although both the MOH and GSMF are gradually increasing the level of cost recovery, total cost recovery cannot be expected by the end of the strategy period

h. How Achievement of the Strategic Objective Will Be Judged

The indicators for judging the achievement of the Strategic Objective will be total fertility rate (TFR) and reported condom use in last sexual encounter at risk The first target will be to reduce the TFR from its current level of 5 5 to 5 0 by the year 2001 Assessing progress towards attainment of the strategic objective and its intermediate results will be based on a series of people-level, gender disaggregated measures which are already in place These include a series of surveys, situation analyses which assess service delivery practices, and service statistics The results framework provides illustrative indicators for the strategic objective and intermediate results

Child Survival results indicators, i e , the percentage of diarrheal episodes treated with ORT and full immunization, will be documented by UNICEF, MOH Annual Reports, periodic coverage surveys (standard WHO Cluster Coverage Surveys) and the Demographic Health Survey (DHS), scheduled for 1998, to be carried out by the Ghana Statistical Service

The percentage of men and women with multiple partners (reported in disaggregated data) who use a condom everytime during intercourse with non-regular partners will increase Because the risk of HIV is increased with the presence of STDs, compliance with revised treatment protocols will be assessed The baseline and target levels for these indicators will be determined from the results of planned studies Judging progress towards achievement of the strategic objective will be based on a series of surveys and special studies designed to collect information about behavior changes among men and women, the quality of services provided to treat sexually transmitted diseases and completeness and quality of the information collected through the surveillance system

4. STRATEGIC OBJECTIVE No. 4: Enhance Participatory Development and Governance (SO4)

Over the last five years Ghana has experienced a spectacular political opening In no other state in West Africa has the transition from authoritarianism to multiparty democracy been more promising With the December 1996 elections a major threshold has been crossed in the long and delicate process of liberalization that has been going on since 1992 Nonetheless, the country still has a long way to go before it can be called a stable, consolidated democracy

a. Problem Identification

The principal challenge facing Ghana is how best to consolidate its nascent democracy The consolidation of democratic governance is not reducible to "free and fair" elections, vital as these may be in setting the process in motion As the July 1994 USAID Report on "The Consolidation oi Democratic Governance in Ghana" points out, at least five interrelated factors contribute to this process

> the **transition to broadly accepted constitutional rules** which (a) guarantee human rights, the rule of law and an independent judiciary, (b) ensure an open and peaceful contestation for power among political actors, and (c) set certain limits on the exercise of power,
>
> the **growth of civil society organizations** (CSOs) that are strong enough to defend such constitutional rules while giving citizens significant opportunities for participation,
>
> the **formation of "linkage" institutions** whose task it is to articulate the demands of interest groups and galvanize public opposition to abuses of power,
>
> the **creation of local government institutions which set limits on the concentration of power at the top** and encourage the participation of citizens in local affairs, and
>
> the **development of an informed and reasonably educated electorate**, capable of making sense of the critical issues affecting their lives, which in turn presupposes a relatively free and dynamic press

On each of these counts significant progress has been accomplished since the advent of liberalization in 1992 Emblematic of the new political climate, the outcome of 1996 elections was endorsed by the losing candidates, the latter going so far as to publicly concede defeat and congratulate the winners More importantly, a space for pluralism has been created A fair number of associations and pressure groups have emerged, albeit mostly in the towns, newspapers, radio and television offer vigorous and independent voices, many of them highly critical of government policies, opposition parties are free to contest elections, to confront voters with alternative platforms, and develop their own political organizations, constitutionalism is no longer a distant goal, nor is the rule of law a mirage on the horizon of the Fourth Republic

All this adds up to a remarkable delegitimation of the revolutionary-socialist nirvana of the 1980s Nonetheless, major obstacles persist on the road to consolidated liberal democracy, many of which have to do with the size of the civil service and the continued control exercised by the government on the civil society Dismantling such powerful patronage nets as have been built around the National Mobilization Program (NMP), the Association of Committees for the Defence of the Revolution (ACDR), the National Commission for Civic Education (NCCE), or the Ghana Association of Private Voluntary Organizations for Development (GAPVOD) is clearly not within the manageable interest of the mission Yet there are several other avenues through which the mission can address the issues of power concentration, e g improving public sector accountability, enhancing the advocacy and monitoring capacities of the civil society, or furthering the trend towards decentralization (of which more later)

The following problem areas need to be underscored

Constitutional issues Its length (210 pages) and ambiguities notwithstanding, the 1992 constitution has created a sound enabling environment for democratic governance It has and continues to influence the behavior of MPs and the expectations of the public in ways that are consistent with the notion of constitutional government But if the game of politics is being played increasingly by the rules of the 1992 constitution, attempts by the government to circumvent or ignore its provisions, or to amend it with a view to strengthening the powers of the president, should be a matter of concern for donors

The Judiciary Enshrined in chapter 11 of the constitution, the powers of the Superior Courts of Judicature are extensive The judiciary consists of a Supreme Court, a High Court and a Court of Appeal While the Supreme Court handles constitutional issues, the High Court deals with civil and criminal cases Judges on the Supreme Court (15) are appointed for life by the President, but must be vetted by parliament Although the Supreme Court displayed at first a commendable degree of independence, sometimes issuing rulings against the government, it has become increasingly subject to political influence How to insure the political neutrality of the judiciary while improving the administration of justice is a major challenge

Parliament The continuing controversy over the vetting of cabinet members by parliament is illustrative of the bitter disagreements between the government and the opposition over constitutional issues There is a crying need to clarify the parliamentary procedure set out in Standing Orders, to assist in the training of parliamentarians, especially freshmen MPs (numbering 130 out of 200), and to provide the standing committee with appropriate research and analysis capabilities

Political Parties and Elections Parties have a decisive role to play in holding the government accountable, because they are the principal linkage structure through which the demands of the public are aggregated, articulated and transmitted to decision-makers In Ghana this linkage function is poorly performed, in part because it is poorly understood by parliamentary parties, and in part because of the weakness of their organizational apparatus

There are ten registered parties, with varying degrees of organizational skills and mobilizing capacity Often tuned-up to compete in elections, parties tend to disintegrate during the off-years when they could use this interval to develop a more effective organization and piece together coherent opposition platforms Predictably, opposition parties -- essentially the New Patriotic Party (NPP) and the People's Convention Party (PCP), holding respectively 60 and five seats in parliament -- are clearly at a disadvantage in relation to the ruling National Democratic Council (NDC), the latter enjoying virtually unlimited access to government resources Although this situation makes for a rich potential for conflict at election time, the 1996 elections saw little violence or outright hostility among candidates For this much of the credit goes to the Electoral Commission (EC), a seven-member body appointed by the President in consultation with the Council of State and with the approval of parliament In no other African state has an electoral commission played a more decisive role in creating a level playing field, in clearly defining the rules of the game, and in managing or defusing electoral conflicts

Perhaps the most promising recent innovation in terms of facilitating dialogue among parties has been the Interparty Advisory Committee (IPAC), an outgrowth of the EC While there is no denying the critically important role played by IPAC in promoting an interparty consensus on a broad range of procedural and substantive issues, no such mechanism exists at the regional, district or local level to mitigate potential conflicts and reach consensus on grassroots developmental priorities Given that the national IPAC has an exemplary records in the management of conflict, there is reason to believe that similar mechanisms at the district and regional levels would go a long way towards creating consensus on local issues

Decentralization Nowhere is the record of the Fourth Republic more ambiguous than in the realm of decentralization, and nowhere is this more evident than at the level of the District Assemblies (DAs) Although the DAs' principal functions include planning and resource mobilization, their performance, whether in terms of revenue mobilization or planning capacities, are less than impressive For the limited success thus far achieved through decentralization reforms at the district level there are two obvious explanations (a) the DAs are serious underfunded, lacking the minimal level of fiscal resources to provide basic services, (b) the government-appointed District Secretaries, in their capacity as Chairmen of the DA Executive Committees, have generally exercised their prerogatives in ways that left little policy space for the elected Assemblymen The result has been highly detrimental to grassroots participation By strengthening local NGOs, every effort should be made by the donors to create counterweights to government-controlled institutions both at the district and the village level, so as to accelerate the trend towards decentralization of economic and political power

Civil Society The texture of civil society in Ghana is sturdier than in most other states of the region A number of civil society organizations (CSOs) are in a position where they can effectively articulate demands, criticize government policies and engage in advocacy activities of one kind or another, but these are overwhelmingly urban-based Most of them are weak and fragmented, and this is particularly true of rural-based associations

CSOs are primarily of two types some are based on economic interests (e g professionals,

unions, business associations) while others are essentially organized around civic issues The first are becoming increasingly vocal in articulating the demands of their members, ranging from wages, government regulations and taxes Civic organizations, on the other hand, tend to be less forceful in setting forth their views, and less demanding of the government Although the political climate is sufficiently permissive to allow CSOs to flourish, the relations between the government and the civil society are poor, and remain an impediment to democratic consolidation

This state of affairs is traceable in part to the fact that much of the political space available for CSOs has already been pre-empted by NDC-sponsored associations Another consideration is that there has been little effort by donors to encourage the development of countervailing CSOs, especially in the rural sectors The need for a move in this direction is clear So is the need for USAID to take the lead in fostering a more pluralistic and dynamic civil society, one that can effectively monitor government policies, articulate demands and engage in vigorous advocacy on a broad range of governance issues

b. Analysis of Options

In seeking to enhance participation and accountability the mission has the choice between two alternative strategies either to attack the problem at the level of the patronage nets built around NDC activists and sympathizers, or to concentrate on strengthening those institutions and associations that offer significant scope for innovation in terms of participation, accountability and transparency The first, for the reasons noted above, is not politically feasible, the second, on the other hand, opens up significant opportunities for enhanced participation and good governance

Increased participation implies accountability, and vice versa Only if they have the possibility to hold their rulers accountable will people be willing to invest their time and energy in participatory activities, whether as CSO organizers, party workers, voters or community influentials Again, accountability is likely to remain illusory where citizens are neither willing nor able to participate in politics

Crafting the conditions for **greater public sector accountability** will be an immediate priority on the mission's agenda

At the **parliamentary level** this means a sustained effort to provide training in parliamentary procedures for MPs, especially freshmen, and put a strong emphasis on improving the oversight functions of parliamentary committees, most notably the Public Accounts Committee At the level of **party organization** it is imperative to develop a strong linkage structure between MPs and their rural constituents, while at the same time encouraging a continuing dialogue among parties Acting in collaboration with the International Foundation for Electoral System (IFES) and the National Democratic Institute (NDI), the mission will take steps to organize seminars on the role of parties as linkage structures, and, in consultation with the National Electoral Commission, explore ways in which IPACs could be institutionalized at the district level

Assisting in the process of **decentralization** raises further options Decentralization can take place at different levels at the regional, district, area or local level There is almost unanimous agreement among political actors that the district is the most appropriate arena for decentralization, because this is where constructive innovation is most urgently needed, and because the DAs, weak though they are, offer the institutional underpinnings required for policy innovation

Enhancing participation at the district level would hold significant implications for increasing revenue and shifting authority away from the central government Increasing local revenue is one obvious path for making the DAs more autonomous Raising a larger volume of taxes seems improbable, however, without more effective local participatory structures to improve accountability at the district level

This is where USAID could make a difference

(a) in terms of encouraging the development of a **politically active, participatory civil society:**

> by **enhancing grassroots participation in CSOs** so as to make them more responsive to local needs, give them a sense of "ownership" of local government authorities, and improve their ability to transmit the demands of village-based communities to units committees, MPs, party activists, or assemblymen, as the case might be,
>
> by **encouraging the growth of new advocacy NGOs** working in agriculture, education and health policy, with a view to fostering synergies between processes of decentralization at the regional and district levels, on the one hand, and the implementation of the mission's SO1, SO2 and SO3

(b) in terms of fostering **public sector accountability**

> by **strengthening the institutional capacities of DAs** through strategies designed to improve their technical expertise and financial management, enhance their financial resource base, and effectively monitor the social demands of grassroots communities -- which in turn also presupposes **enhancing the capacities of unit committees** to aggregate the demands of village-based CSOs,
>
> by sponsoring **district-level workshops** on a broad range of issues having to do with decentralization, including how best to increase local revenue, how to deal with corruption, how to improve the technical capabilities of DAs

As a vehicle for enhanced participation and greater accountability the **civil society** has a major role to play It will be the responsibility of the mission to clarify this role, to identify potential recipients of assistance, and work out the strategies by which they can improve their performance Particularly worthy of attention as potential recipients of

USAID assistance are three constitutionally mandated, extra-parliamentary commissions the Commission on Human Rights and Administrative Justice (CHRAJ), the Media Commission, and the Electoral Commission (EC)

c. Critical Assumptions

USAID's success in enhancing participation and encouraging good governance is predicated on the following assumptions

Continued Political Stability Whether in the form of a military coup, of a return to authoritarianism or major eruptions of anti-governmental violence, or a combination of the foregoing, renewed political instability would spell the death knell of the mission's DG agenda

No Sharp Economic Downturn The inability of the government to control inflation and reduce poverty, coupled with additional tax burdens (such as the VAT), would lead to a severe economic deprivations in both the urban and rural sectors and pose serious threats to democratic consolidation

Donor Cooperation Successful implementation of the mission's governance agenda requires careful coordination and concertation among donors in order to avoid duplication or operating at cross-purpose with other agendas

Local NGO Participation: In order for the mission's DG projects to become sustainable and responsive to local needs, heavy reliance must be placed on those local NGOs that have the capacity to participate fully in the design and implementation of DG projects

Inter-Sectoral Mesh Effective synergies are a precondition of sustainability, hence the need to link the mission's decentralization/participation component to the economic development, health and education SOs A good inter-sectoral mesh is a precondition of success in all four sectors

d. Identification of Affected Customers

The key actors and "customers" likely to benefit from the mission's DG activities include the following categories

Members of Parliament Given the importance attached to the strengthening of the oversight functions of parliamentary committees, and the training of MPs, parliamentarians are clearly a major customer

Party Cadres Party leaders at the national, regional and district levels constitute another category of affected customers, the extension of IPAC to the regional and district levels will translate into more open communication within and among parties, and more effective linkage functions between the party organizations in the capital city and the local communities

Commission Members Members of the Electoral Commission (EC), including EC Directors at the regional and district levels, are one of several groups of commissioners targeted by USAID, along with the CHRAJ

Local NGOs The emphasis placed by the mission of enhanced participation means that pride of place will be given to local NGOs, yet not all NGOs will qualify for assistance, only those that have an established track record as advocacy CSOs, or the capacity to help the mission implement its DG agenda, especially in terms of enhancing participation in the rural sectors

In addition to these specific categories, over the long haul it is **the population at large** that will benefit from greater transparency and accountability in government policies, and a greater voice in the formulation of these policies

e. Commitment and Capacity of Other Development Partners

The donor community has been heavily involved in, and supportive of, DG activities A recent assessment of donor support revealed a high concentration of assistance in activities related to the media, the civil society, women in development and legal literacy programs

The Canadians, Danes, Germans, British, along with the World Bank, figure prominently in the list of donors Ghana is the largest recipient of Canadian aid in Africa CIDA's assistance to DG covers a wide gamut of projects, ranging from parliamentary assistance to decentralization and public sector training in administration management The World Bank is involved in public sector training via the Economic Development Institute (EDI) Equally impressive is German involvement in DG activities, via GTZ and the Friedrich Ebert Stiftung (FES) Whereas GTZ is primarily concerned with decentralization assistance in three districts in the Northern Region, FES has worked closely with the NEC to organize workshops for journalists, review electoral laws and analyze the funding of political parties It has been involved in assistance to parliamentary committees and produced an excellent video on the role of parliament in four local languages as well as a guidebook

ODA (UK) and the World Bank are assisting the Civil Service Performance Improvement Program (CSPIP) with a view to help in the training and reduction of the civil service The CSPIP covers 190 government entities and 81,000 paid staff members The European Union will be implementing a 4-year training program for DA members, involving overseas fellowships, curriculum development, training of trainers and backstopping missions

f. Illustrative Approaches

The principal focus of the mission's activities will be on strengthening the civil society and increasing public sector accountability Following are illustrative examples of the kinds of projects that will be undertaken over the next five years

Strengthening Civil Society.

The Mission's priority will be to "beef up" rural-based CSOs, with a view to improving their capacity to aggregate, articulate, and channel local demands to decision-makers at the district and central government levels Given the continued neglect of the agricultural sector, special attention will be given to farmers' organizations and rural cooperatives and exploring ways in which USAID can help initiate micro-projects and facilitate their access to credit facilities and inputs In providing assistance to local CSOs the mission should lean heavily on politically independent, urban-based NGOs with an established track record for training of trainers, such as IEA and CEPA Here again the aim is two-fold to make full use of indigenous NGOs in designing and implementing the mission's agenda, and to see to it that they can operate effectively as counterweights to the semi-official, NDC-linked National Association of Local Authorities (NALA) This may involve support training to improve NGO's capabilities in such areas as financial management, strategic planning, fund raising and networking

Increasing Public Sector Accountability

Public sector accountability is a critical dimension of governance To meet this imperative the Mission will focus on three major types of intervention

(a) Strengthening of **staff resources of committees**, especially of the Public Accounts and Finance committees USAID will provide the committees with appropriate equipment and training to improve their research and analysis capabilities, USAID will seek to raise public awareness of governance issues by disseminating information concerning the work of parliament, USAID will organize study tours for a select group of MPs to help them become better acquainted with the organization of staff resources in the US Congress

(b) Strengthening the **linkage structures** between MPs and their rural constituents USAID will organize seminars dealing with the obligations of MPs to their constituents, and the role of parties in multiparty democracies, in addition, the mission will work closely with the EC to explore ways in which IPACs can be institutionalized at the district level

(c) Assisting in the process of **decentralization:** USAID will work in close collaboration with other donors to seek access to, and place maximum pressure upon the Ministry of Local Government to agree on an assistance package to the DAs, again, working in tandem with the World Bank's Economic Development Institute (EDI), and with the participation of the Civil Service Performance Improvement Program (CSPIP), the mission will seek to improve the integrity system of the DAs by training seminars focused on anti-corruption strategies and financial management

If the DAs are one side of the decentralization coin, the local CSOs constitute the other side The mission will explore ways of enhancing their institutional capacities, with a view to maximizing their influence on the local unit committees and the DAs

In designing its interventions the mission must see to it that (a) maximum use is made of the technical services available through NDI and IFES as well as the Washington-based Democracy

Center, (b) due consideration is given to areas of synergy between DG and SO1, SO2 and SO3, (c) an appropriate division of tasks is arrived at between USAID and other donors so as to avoid duplication of effort and waste of expenditures

g. How Sustainability Will Be Achieved

Sustainability is a long-term endeavor in that it involves the development of a democratic political culture What took Europe centuries to fashion Ghanaians will not create overnight Nonetheless, democratic attitudes and expectations are already taking shape in the urban sectors, and for this much of the credit goes to Ghana's fledgling civil society

Sustainability will be achieved through the continued involvement of CSOs in participatory activities "Priming the pump" of governance requires a substantial initial investment in grassroots participation Not until the local communities have developed the capacity to make their voices heard, and effectively to press their demands on decision-makers, will they be made aware of the stake they have in democratic consolidation

Further contributing to sustainability is the effectiveness of synergies between governance, on the one hand, and other sectors, most notably economic growth, health care and education

If the quality of service delivery is closely related to participation, both in turn depend on continued economic growth This is yet another factor that impinges on sustainability There is a level at which poverty thwarts participation and makes it well-nigh impossible for government to meet social demands Whether the economy can maintain it present rate of growth (5 0 per cent) long enough for the resulting benefits to trickle down to the rural sectors, while providing the government with the resources needed to build infrastructures -- feeder roads, schools, dispensaries, etc -- is what remains to be seen Sustainability, in short, is not reducible to any single factor It is the outcome of a combination of interrelated factors and circumstances Not the least significant is economic growth, which in turn depends on good governance

h. How Achievement of the Strategic Objective Will Be Judged

Indicators for measuring results on the civil society dimension include the following

- increase in number of registered CSOs over a one-year period in those areas targeted for USAID intervention,
- increase in membership of CSOs,
- number of meetings held over a one-year period between NGOs, on the one hand, and MPs, Assemblymen, or party activists,
- increase in financial contributions,
- number and nature of policy changes made as a result of civil society advocacy at the local, district and national levels, and
- number of memos, petitions, requests transmitted by CSOs to decision-makers at local, district and national levels

Indicators for measuring results on public sector accountability

number of government-sponsored bills modified by parliament,
number of amendments to government bills introduced and/or adopted by parliament,
frequency of hearings held by parliamentary committees, and number of people or groups testifying at those hearings,
frequency of MPs consultations with CSOs, local constituencies and DAs,
number of Inter-party Advisory Committees (IPAC) established at the regional and district or levels, and number of meetings held by these committees,
number of meetings held by the national IPAC that served as fora for discussion of electoral and governance issues, and
share of local revenues in local government budgets